

**CITY OF EUCLID  
CUYAHOGA COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE YEAR  
ENDED DECEMBER 31, 2018**

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



OHIO AUDITOR OF STATE  
KEITH FABER



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(800) 282-0370

City Council  
City of Euclid  
585 E. 222 St  
Euclid, OH 44123

We have reviewed the *Independent Auditor's Report* of the City of Euclid, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

July 12, 2019

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**CITY OF EUCLID  
CUYAHOGA COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

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

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Ohio Society of Certified Public Accountants

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

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

The Honorable Keith Faber  
Auditor of State  
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 21, 2019, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

***Internal Control Over Financial Reporting***

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

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

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

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

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

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

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



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

June 21, 2019

**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 Euclid  
Euclid, Ohio

The Honorable Keith Faber  
Auditor of State  
State of Ohio

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

We have audited the City of Euclid, Cuyahoga County, Ohio's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended December 31, 2018. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

In our opinion, the City of Euclid complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

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

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

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

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 21, 2019, which contained unmodified opinions on those financial statements, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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



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

June 21, 2019

**CITY OF EUCLID  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Federal Grantor/ <i>Pass-Through Grantor/</i> Program or Cluster Title	Federal CFDA Number	Grant Number/ Pass-Through Entity Identifying Number	Pass-Through to Sub-recipients	Total Federal Expenditures
<b><u>U.S. Department of Housing and Urban Development</u></b>				
<i>Direct Award</i>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grant/Entitlement Grants	14.218	B-17MC-39-0006	\$ 0	\$ 186,623
Community Development Block Grant/Entitlement Grants	14.218	B-18MC-39-0006	50,000	482,875
Total CDBG - Entitlement Grants Cluster			<u>50,000</u>	<u>669,498</u>
Neighborhood Stabilization Program (NSP)	14.256	B-08-MN-39-0008	0	64,805
Neighborhood Stabilization Program (NSP)	14.256	B-11-MN-39-0008	0	11,375
<i>Total CFDA #14.254</i>			<u>0</u>	<u>76,180</u>
<i>Passed Through Cuyahoga County</i>				
Home Investment Partnerships Program	14.239	N/A	0	1,523
<b>Total U.S. Department of Housing and Urban Development</b>			<u>50,000</u>	<u>747,201</u>
<b><u>U.S. Department of Justice</u></b>				
<i>Direct Award</i>				
Bulletproof Vest Program	16.607	2017BUBX15077144	0	2,623
Equitable Sharing Program	16.922	N/A		130,392
<b>Total U.S. Department of Justice</b>				<u>133,015</u>
<b><u>U.S. Department of Transportation</u></b>				
<i>Passed Through Ohio Department of Transportation</i>				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	N/A	0	7,368
Total Highway Planning and Construction Cluster			<u>0</u>	<u>7,368</u>
Highway Safety Cluster:				
State and Community Highway Safety	20.600	N/A	0	13,598
Total Highway Safety Cluster			<u>0</u>	<u>13,598</u>
<b>Total U.S. Department of Transportation</b>			<u>0</u>	<u>20,966</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 50,000</u>	<u>\$ 901,182</u>

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



**CITY OF EUCLID  
CUYAHOGA COUNTY, OHIO  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2018**

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**NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Euclid, Ohio, under programs of the federal government for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Euclid, Ohio, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Euclid, Ohio.

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

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

**NOTE 3: INDIRECT COST RATE**

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

**NOTE 4: SUBRECIPIENTS**

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

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

**NOTE 5: MATCHING REQUIREMENTS**

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

**CITY OF EUCLID  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 UNIFORM GUIDANCE  
 DECEMBER 31, 2018**

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

2018(i)	Type of Financial Statement Opinion	Unmodified
2018(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2018(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2018(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2018(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2018(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2018(v)	Type of Major Programs' Compliance Opinions	Unmodified
2018(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2018(vii)	Major Programs (list):  Community Development Block Grants/Entitlement Grants Cluster - CFDA #14.218	
2018(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others
2018(ix)	Low Risk Auditee?	Yes

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

None.

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

None.

**CITY OF EUCLID  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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The prior audit report, as of December 31, 2017, included no findings or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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# **CITY OF EUCLID, OHIO**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2018**

Issued by The Finance Department

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# **INTRODUCTORY SECTION**



**City of Euclid, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2018*  
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585 East 222nd Street, Euclid, OH 44123-2099

www.cityofeuclid.com

June 21, 2019

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

We are pleased to submit to you the City of Euclid's Comprehensive Annual Financial Report (CAFR). This CAFR represents the official report of the City of Euclid's operations and financial position for the fiscal year ended December 31, 2018 and has been developed to accurately detail the status of the City's finances to Euclid residents and elected officials, investment institutions and underwriters, rating agencies and other interested parties. This report is done in compliance with GASB Statement No. 34, *Basic Financial Statements-and Management Discussion and Analysis-for State and Local Governments*.

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

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

## **PROFILE OF THE GOVERNMENT**

### **The City**

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

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

## **City Government**

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

## **City Services**

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

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

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

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

## **Reporting Entity**

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

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

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Economic Condition and Outlook**

By all accounts, the City of Euclid experienced a surge in residential, commercial and industrial investment in 2018. These new developments along with general stability and growth at existing employment centers in Euclid are expected to boost municipal tax collections in the future.

Based on permit data, \$157 million of commercial construction took place in the City last year. The commercial activity was anchored by over \$100 million of construction spending on the new Euclid - Amazon Distribution Facility at the former Euclid Square Mall site.

The 857,470 square foot Euclid - Amazon Distribution Facility is scheduled to open in Summer 2019. An estimated 1,000 full-time employment positions will be created at the site. Workers at the facility will gather small items such as books and electronics, pack them into boxes and ship them to customers. The employees will have immediate access to health care and retirement benefits. Additional educational opportunities will also be provided by the company.

A variety of other commercial projects also contributed to the widespread construction boom. Northeast Factory Direct refurbished and reopened the former B&B appliance store on Lakeland Boulevard. Construction of a new O'Reilly Auto Parts store began on East 200th Street.

Lincoln Electric, the largest employer in the City, increased its footprint in Euclid by leasing an entire building at Bluestone Business Park to house the company's new Additive Welding Division. The expansion is expected to create an additional 25 new jobs in the City.

Other major industrial investments were made at Keene Building Products, American Punch Corporation and Terves Inc.

Office vacancies in the City fell as the Government Services Agency leased much of the Rockwell Office building at 24701 Euclid Avenue and Universal Electronics claimed an entire floor of the Euclid Medical Office Building at 26250 Euclid Avenue.

The commercial and industrial activity that took place in Euclid in 2018 is expected to create or retain an estimated 1,829 jobs in the City.

Residential investment activity also increased in Euclid in 2018 as the local housing market continued to show signs of improvement. According to permits filed with the city, over \$9.7 million was spent on single family home improvement projects in Euclid in 2018. The amount was more than double the \$4.7 million recorded in 2017.

In addition to an increase in routine maintenance projects like roof or furnace replacements, Euclid saw a large jump in the construction of home additions and new garages in 2018.

The jump in residential investment levels coincided with rising home values and solid sales figures. Residential values increased over 16% in Euclid according to the County-wide reappraisal released in July 2018. The gain was larger than any other city east of the Cuyahoga River.

In an effort to maintain Euclid's appeal to existing residents and position the City to attract new households, the City began implementation of Phase II of its Waterfront Improvement Plan in 2018. The project will include the construction of shoreline stabilization and a multi-purpose trail along three quarters of a mile of the Lake Erie shoreline. Mark Haynes Construction was awarded a contract for \$6.8 million to begin construction on the project. Additional fundraising is underway to continue work on the transformational project.

In an effort to continue the trend of positive economic development in the industrial and retail corridors and to improve housing and neighborhood conditions, the City of Euclid adopted a new city-wide master plan in 2018. Facilitated by the Cuyahoga County Planning Commission, the plan establishes a common understanding of current conditions and a shared vision to ensure a vibrant future for the City of Euclid.

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

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

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

## **FINANCIAL INFORMATION**

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

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

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

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

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

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

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

Note Disclosures, which rescinds some and modifies other financial statement disclosure requirements.

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

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

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

The City employs an encumbrance system documenting purchase commitment amounts prior to generation and release of official City purchase orders. Purchasing practices within the City require departmental review and authorization of all purchase requisitions. Where applicable, proposed purchases in excess of administrative approval limits are subject to competitive bid requirements of Council and are awarded subsequent to approved legislation authorizing the procurement of goods or services. The Finance Director certifies all purchase orders for availability of funds and the estimated expenditure is encumbered against the appropriate departmental or fund appropriation. On the government fund financial statements, these encumbrances are reported as a component of fund balance at December 31, 2018. Unencumbered appropriations lapse at year-end and become available for future appropriations.

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

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

## **OTHER INFORMATION**

### **Independent Audit**

In accordance with Ohio law, an annual independent audit is required to be performed on all financial operations of the City. The Auditor of the State of Ohio has authorized the audit for 2018 to be performed by the independent public accounting firm of James G. Zupka, CPA, Inc. The independent accountants' unmodified opinion has been included in this report. The administration plans to continue this audit procedure as required by law as part of the preparation of a Comprehensive Annual Financial Report. The annual audit and management letter submitted by James G. Zupka, CPA, Inc. provides information to the City to enable it to maintain and strengthen the City's accounting and budgeting controls.

The City receives federal financial assistance through various federal grant programs. An audit in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Audits of State and Government Auditing Standards, issued by the Comptroller General of the United States, has been performed for the fiscal year ended December 31, 2018. The required reports on supplementary information, compliance, and internal controls, along with various supplementary schedules, are included in a separate report.

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

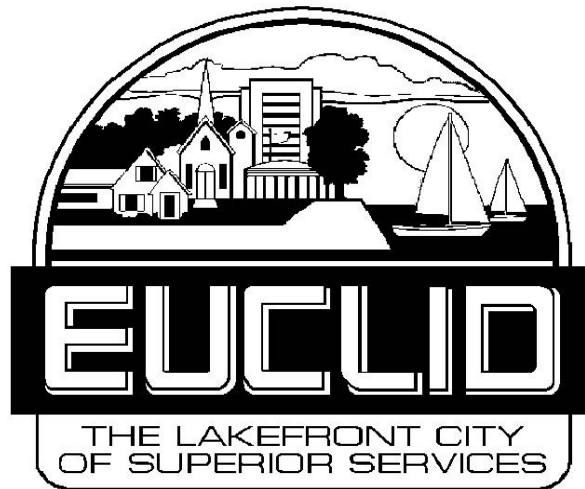


Kirsten Holzheimer Gail  
Mayor

# CITY OF EUCLID, OHIO

## “A City of Superior Services”

*KIRSTEN HOLZHEIMER GAIL – Mayor*



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

KELLEY SWEENEY - *Law*

DAN KNECHT - *Public Service*

JAMES SMITH - *Finance*

CHIEF CHRIS HADDOCK - *Fire*

JONATHAN HOLODY - *Economic Development*

CHIEF SCOTT MEYER - *Police*

MAC STEPHENS - *Recreation*

### ***Municipal Court***

PATRICK J. GALLAGHER - *Judge*

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

CHARLENE MANCUSO - *President of Council*

STEPHANA C. CAVINESS - *Ward I*

CHRISTINE MCINTOSH - *Ward V*

REV. BRIAN T. MOORE - *Ward II*

JOHN M. WOJTILA - *Ward VI*

TANEIKA HILL - *Ward III*

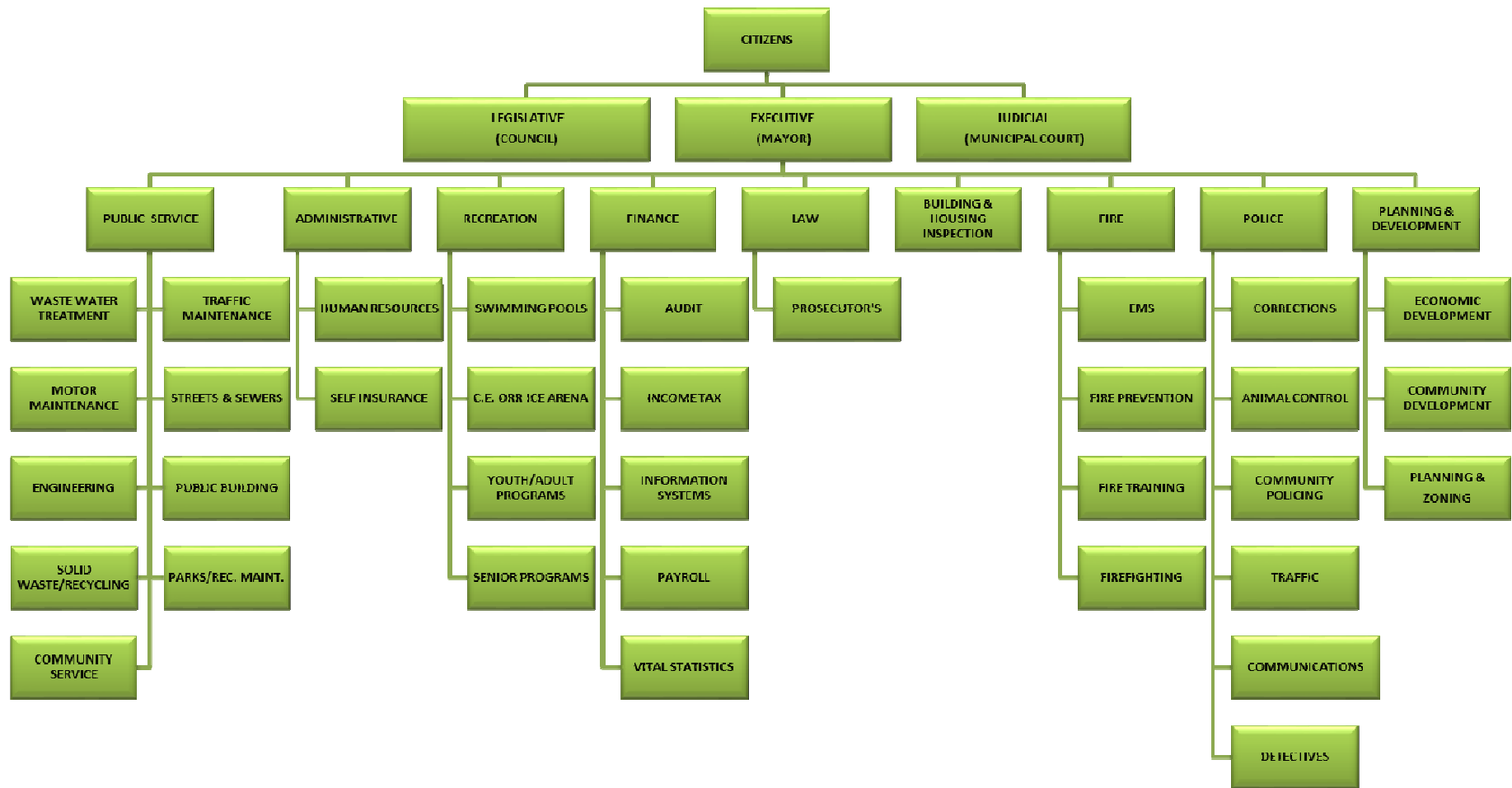
DARYL K. LANGMAN - *Ward VII*

KRIS D. JAROSZ - *Ward IV*

LAURA J. GORSHE - *Ward VIII*



**City of Euclid, Ohio**  
*Organizational Chart*  
 December 31, 2018





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Euclid  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morill*

Executive Director/CEO

# **FINANCIAL SECTION**



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

*Certified Public Accountants*

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

*Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

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

The Honorable Keith Faber  
Auditor of State  
State of Ohio

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

As discussed in Note 3 to the basic financial statements, during 2018, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

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

### *Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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

June 21, 2019

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**City of Euclid, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

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The discussion and analysis of the City of Euclid's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2018. 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 2018 are as follows:

- Total assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources at the close of 2018 by \$27,329,465 compared to \$24,890,445 at the end of 2017, an increase of \$2,439,020 or 9.80 percent.
- Total assets increased by \$30,789,952 with governmental activities decreasing by \$86,820 and business-type activities increasing by \$30,876,772. The governmental activities decrease is reflected primarily in capital assets. The business-type activities increase is reflected primarily in capital assets.
- Municipal income tax revenue for 2018 was \$25,989,593 versus \$23,451,267 in 2017, an increase of \$2,538,326 or 10.82 percent.
- Property and other local taxes for governmental activities slightly increased by \$132,247, or 2.82 percent, to \$4,821,321.
- Together, municipal income taxes and property and other local taxes accounted for \$30,810,914 in revenue, or 61.68 percent, of all revenues in governmental activities.
- Grants and entitlements not restricted to specific programs slightly decreased by \$181,736, to \$2,002,431.
- Charges for services in business-type activities decreased by \$632,817, or 2.98 percent, from \$21,204,658 in 2017 to \$20,571,841 in 2018. Operating grants and contributions increased by \$1,848,465 due to contributions from the City of Cleveland. Capital grants and contributions increased by \$1,746,090 in business-type activities due to the addition of OPWC projects higher in 2018 than 2017.

**City of Euclid, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

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## **Overview of the Financial Statements**

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

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

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, increases or decreases in the City's net position are one indicator of whether the City's financial health is improving or deteriorating.

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

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

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

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

**City of Euclid, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

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

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

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

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

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

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

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

**City of Euclid, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

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

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

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

**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 and notes to the required supplementary information related to the net pension liability and net OPEB 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 101-161 of the report.

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**City of Euclid, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

**Government-Wide Financial Analysis**

Information regarding the government-wide net position of the City is presented in the following table for 2018 and 2017.

**Table 1 - Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017 *	2018	2017 *	2018	2017 *
<b>ASSETS</b>						
Current and other assets	\$ 29,513,675	\$ 29,364,604	\$ 36,921,262	\$ 31,715,639	\$ 66,434,937	\$ 61,080,243
Capital assets, net	44,386,740	44,622,631	155,886,093	130,214,944	200,272,833	174,837,575
<b>Total Assets</b>	<b>73,900,415</b>	<b>73,987,235</b>	<b>192,807,355</b>	<b>161,930,583</b>	<b>266,707,770</b>	<b>235,917,818</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferral on Refundings	111,697	174,444	32,111	52,678	143,808	227,122
Pension	7,415,497	11,341,482	856,119	1,966,444	8,271,616	13,307,926
OPEB	3,909,650	145,996	172,198	31,594	4,081,848	177,590
<b>Total Deferred Outflows of Resources</b>	<b>11,436,844</b>	<b>11,661,922</b>	<b>1,060,428</b>	<b>2,050,716</b>	<b>12,497,272</b>	<b>13,712,638</b>
<b>LIABILITIES</b>						
Current and other liabilities	2,914,289	1,607,724	1,851,156	776,919	4,765,445	2,384,643
Long-term liabilities:						
Due within one year	4,600,826	5,209,467	1,844,245	2,058,829	6,445,071	7,268,296
Due in more than one year						
Net Pension Liability	46,084,201	51,131,139	3,453,883	5,085,996	49,538,084	56,217,135
Net OPEB Liability	40,498,282	34,540,144	2,322,170	2,210,375	42,820,452	36,750,519
Other Amounts	23,274,405	25,325,865	113,423,232	90,314,249	136,697,637	115,640,114
<b>Total Liabilities</b>	<b>117,372,003</b>	<b>117,814,339</b>	<b>122,894,686</b>	<b>100,446,368</b>	<b>240,266,689</b>	<b>218,260,707</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes	4,564,724	4,177,151	-	-	4,564,724	4,177,151
Payments in lieu of taxes	527,640	328,268	-	-	527,640	328,268
Pension	4,475,241	1,693,941	933,366	279,944	5,408,607	1,973,885
OPEB	899,370	-	208,547	-	1,107,917	-
<b>Total Deferred Inflows of Resources</b>	<b>10,466,975</b>	<b>6,199,360</b>	<b>1,141,913</b>	<b>279,944</b>	<b>11,608,888</b>	<b>6,479,304</b>
<b>NET POSITION</b>						
Net investment in capital assets	24,074,861	21,530,048	51,873,706	47,629,041	75,948,567	69,159,089
Restricted	4,710,052	5,234,805	-	-	4,710,052	5,234,805
Unrestricted	(71,286,632)	(65,129,395)	17,957,478	15,625,946	(53,329,154)	(49,503,449)
<b>Total Net Position</b>	<b>\$ (42,501,719)</b>	<b>\$ (38,364,542)</b>	<b>\$ 69,831,184</b>	<b>\$ 63,254,987</b>	<b>\$ 27,329,465</b>	<b>\$ 24,890,445</b>

\* Restated

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The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB. Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*.

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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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from a deficit of \$3,970,394 to a deficit of \$38,364,542 for governmental activities and from \$65,433,768 to \$63,254,987 for business type activities.

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$27,329,465 at the close of the most recent fiscal year.

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

A portion of the City's net position, \$4,710,052, represents resources that are subject to external restrictions on how they may be used. The remaining portion is unrestricted net position which may be used to meet the City's ongoing obligations to citizens and creditors.

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The implementation of GASB Statement No. 68 and 75 requires the reader to perform additional calculations to determine the City's Total Net Position at December 31, 2018 without the implementation of GASB Statement No. 68 and 75. This is an important exercise, as the State Pension Systems (OPERS & OP&F) collect, hold, invest, and distribute pensions to our employees, not the City.

These calculations are as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Total Net Position at December 31, 2018 (with GASB 68 and 75)	\$ (42,501,719)	\$ 69,831,184
GASB 68/75 Calculations:		
Add:		
Deferred Inflows related to Pension	4,475,241	933,366
Deferred Inflows related to OPEB	899,370	208,547
Net Pension Liability	46,084,201	3,453,883
Net OPEB Liability	40,498,282	2,322,170
Less:		
Net Pension Asset	(59,838)	(25,351)
Deferred Outflows related to Pension	(7,415,497)	(856,119)
Deferred Outflows related to OPEB	(3,909,650)	(172,198)
Total Net Position (without GASB 68 and 75)	\$ 38,070,390	\$ 75,695,482

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

**Table 2 - Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>REVENUES</b>						
Program Revenues:						
Charges for services	\$ 10,400,212	\$ 10,452,118	\$ 20,571,841	\$ 21,204,658	\$ 30,972,053	\$ 31,656,776
Operating grants and contributions	4,051,730	4,044,444	1,848,465	-	5,900,195	4,044,444
Capital grants and contributions	24,833	509,596	1,914,102	168,012	1,938,935	677,608
Total Program Revenues	14,476,775	15,006,158	24,334,408	21,372,670	38,811,183	36,378,828
General Revenues:						
Property taxes	4,158,081	4,096,416	-	-	4,158,081	4,096,416
Municipal income taxes	25,989,593	23,451,267	-	-	25,989,593	23,451,267
Other local taxes	663,240	592,658	-	-	663,240	592,658
Payments in lieu of taxes	330,113	340,398	-	-	330,113	340,398
Grants and entitlements	2,002,431	2,184,167	-	-	2,002,431	2,184,167
Investment income	321,373	245,311	-	1,629	321,373	246,940
Gain on Sale of Capital Assets	37,336	14,888	-	-	37,336	14,888
All other revenues	898,940	962,964	1,001	447,603	899,941	1,410,567
Total General Revenues	34,401,107	31,888,069	1,001	449,232	34,402,108	32,337,301
<b>Total Revenues</b>	<b>48,877,882</b>	<b>46,894,227</b>	<b>24,335,409</b>	<b>21,821,902</b>	<b>73,213,291</b>	<b>68,716,129</b>

Continued



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**Table 2 - Changes in Net Position (Continued)**

<b>EXPENSES</b>						
Program Expenses:						
Security of persons and property	29,540,104	23,622,226	-	-	29,540,104	23,622,226
Public health	294,163	305,534	-	-	294,163	305,534
Leisure time activities	3,042,131	2,912,241	-	-	3,042,131	2,912,241
Community and economic development	3,300,179	4,236,334	-	-	3,300,179	4,236,334
Sanitation	2,562,686	2,548,206	-	-	2,562,686	2,548,206
Transportation	5,279,478	5,783,848	-	-	5,279,478	5,783,848
General government	10,842,408	13,350,744	-	-	10,842,408	13,350,744
Interest and fiscal charges	636,247	645,515	-	-	636,247	645,515
Waste Water Treatment	-	-	12,551,560	12,690,066	12,551,560	12,690,066
Water Line Improvement	-	-	1,356,857	988,430	1,356,857	988,430
Briardale Greens Golf Course	-	-	1,368,458	1,211,719	1,368,458	1,211,719
<b>Total Expenses</b>	<b>55,497,396</b>	<b>53,404,648</b>	<b>15,276,875</b>	<b>14,890,215</b>	<b>70,774,271</b>	<b>68,294,863</b>
Change in Net Position before Special Items	(6,619,514)	(6,510,421)	9,058,534	6,931,687	2,439,020	421,266
Transfers	2,482,337	(101,858)	(2,482,337)	101,858	-	-
Change in Net Position	(4,137,177)	(6,612,279)	6,576,197	7,033,545	2,439,020	421,266
Net Position - Beginning of Year, Restated	(38,364,542)	N/A	63,254,987	N/A	24,890,445	N/A
<b>Net Position - End of Year</b>	<b>\$ (42,501,719)</b>	<b>\$ (38,364,542)</b>	<b>\$ 69,831,184</b>	<b>\$ 63,254,987</b>	<b>\$ 27,329,465</b>	<b>\$ 24,890,445</b>

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$177,590 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$3,348,375. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	Governmental Activities	Business-Type Activities	Total
Total 2018 program expenses under GASB 75	\$ 55,497,396	\$ 15,276,875	\$ 70,774,271
OPEB expense under GASB 75	(3,167,327)	(181,048)	(3,348,375)
2018 contractually required OPEB contributions	73,473	1,310	74,783
Adjusted 2018 program expenses	52,403,542	15,097,137	67,500,679
Total 2017 program expenses under GASB 45	53,404,648	14,890,215	68,294,863
Change in program expenses not related to OPEB	\$ (1,001,106)	\$ 206,922	\$ (794,184)

***Governmental Activities***

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

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

**Table 3 - Governmental Activities**

	Total Cost of Services 2018	Net Cost of Services 2018
Security of persons and property	\$ 29,540,104	\$ 25,951,282
Public health	294,163	112,599
Leisure time activities	3,042,131	2,541,786
Community and economic development	3,300,179	(1,256,035)
Sanitation	2,562,686	757,767
Transportation	5,279,478	2,788,699
General government	10,842,408	9,488,311
Interest and fiscal charges	636,247	636,247
Total cost of service	<u>\$ 55,497,396</u>	<u>\$ 41,020,656</u>

Total expenses increased from 2017 in the amount of \$2,092,748. Security of Persons and Property expenses totaled \$29,540,104, or 53.23 percent of the total 2018 expenses. A significant portion of these expenses can be attributed to the recording of GASB Statements No. 68 and 75. The remaining increase is due to salaries, wages, and employee benefits for police officers and firefighters. As of December 31, 2018, the City employed 91 full time police officers and 80 full time firefighters. General Government expenses totaled \$10,842,408 or 19.54 percent, of total 2018 expenses. General Government is comprised of the following departments: Legislative, Municipal Court, Mayor, Finance, Law, and Administrative. A significant portion of these expenses are related to salaries, wages, and employee benefits.

***Business-type Activities***

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

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

*Water Line Improvement Fund:* The Water Line Improvement Fund accounts for distribution of treated water to individual and commercial users in various parts of the City. During 2018, the nonoperating revenues increased due to an OPWC grant. The increase in expenses is mainly attributed to contractual services related to the engineering and design costs of upcoming projects.

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

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

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

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

As of December 31, 2018, the City's governmental funds reported an ending combined fund balance of \$8,453,587, a decrease of \$2,773,325 in comparison with the prior year. \$3,846,833 of the ending fund balance for 2018 constitutes assigned and unassigned fund balance combined, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted, or committed to indicate that it is not available for new spending because it is not in spendable form or it has already been restricted by an external constraint or committed by internal constraints.

All governmental funds had total revenues of \$47,809,444 and expenditures of \$52,432,078 (not including other financing sources and uses) with expenditures exceeding revenues by \$4,622,634. Revenues remained consistent from prior year. Expenditures increased due to security of persons and property expenses.

The General Fund is the chief operating fund of the City. At the beginning of the current year, total fund balance for the General Fund was \$7,755,496. General Fund expenditures (not including other financing uses) for the current year were \$39,425,6131, with revenues (not including other financing sources) of \$40,025,837, leaving a total fund balance of \$6,832,788, of which \$5,684,242 is unassigned fund balance.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (not including other financing uses). The General Fund's unassigned fund balance represents 14.42 percent of total General Fund expenditures while total fund balance represents 17.33 percent of that same amount.

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

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund. During the course of 2018, the City amended its General Fund budget on various occasions. On a cash basis, projected final budgetary fund balance in the General Fund, for year ending 2018 was about \$3.28 million.

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For the General Fund, original budgeted revenues (including other financing sources) were \$39,891,240. The final budgeted revenue amount (including other financing sources) was \$39,867,392. The actual revenues (including other financing sources) were lower by \$354,913 mainly due to decrease in licenses and permits and fines and forfeitures revenue, which was offset by increase in interest and all other revenues.

Original General Fund budgeted expenditures (including other financing uses) were \$41,679,108. The final budgeted expenditure amount (including other financing uses) was \$42,475,925. The increase was primarily due to general government expense. The actual expenditures (including other financing uses) were lower by \$1,671,623, mainly due the decrease in General Government expense.

Actual budgetary fund balance decreased by \$1,291,823 (which includes prior year encumbrances appropriated) taking the actual budgetary fund balance from \$4,020,007 to \$3,279,696.

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

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

Ohio law authorizes the levy of a municipal income tax at a rate not to exceed 1 percent by an act of Council, solely, without a vote of the electors. Municipal income taxes in excess of 1 percent must first be approved by a vote of the electors and be for a specified purpose. In 1968, by act of Council, a 1 percent income tax rate was established. In 1979, based upon a vote of the electors, the tax rate was increased to 1.5 percent. In 1982, based upon a vote of the electors, the tax rate was increased to 2 percent. In 1994, the electors voted to increase the income tax rate to 2.85 percent. The 2.85 percent rate is split between the City and the Euclid Board of Education, with the City receiving income tax at the rate of 2.38 percent and the Euclid Board of Education receiving income tax at the rate of 0.47 percent. The responsibility for collecting the entire 2.85 percent income tax is the sole responsibility of the City of Euclid's Income Tax Department.

The 2.85 percent income tax is levied upon the net income of corporations and other business entities and on the wages, salaries, and compensation of both individuals working in the City and residents of the City. Residents do receive a tax credit equal up to 2.85 percent of the income tax they pay other municipalities. 2018 income tax revenues increased by \$2,538,326 or 10.82 percent from 2017.

This increase is mainly due to a the continued strengthening of the local economy, the policies and programs of the City's Planning and Development Department in the areas of job creation, expansion and retention, and an increase in income tax receivable.

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**Property Taxes**

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

The “assessed valuation” of real property is fixed at 35 percent of true value and is determined pursuant to rules of the State Tax Commissioner. An exception is that real property devoted exclusively to agricultural use is to be assessed at not more than 35 percent of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50 percent of the local tax rate multiplied by the assessed value. The details of property tax valuations and tax rates relating to collections for the last three years can be found in the following table:

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

Purpose	2018	2017	2016
General Fund	\$ 6.72	\$ 6.72	\$ 6.72
Recreation Operating	1.30	1.30	1.30
Bond Retirement	3.88	3.88	3.88
Capital Improvements	1.70	1.70	1.70
<b>Total</b>	<b>13.60</b>	<b>13.60</b>	<b>13.60</b>
Assessed Valuation	\$ 555,443,440	\$ 559,010,670	\$ 557,393,500

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

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

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

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

The State of Ohio shares various tax revenues with the City and other political subdivisions primarily through the State's Local Government Fund (LGF). As part of a new funding mechanism, the State removed the freeze on LGF payments and replaced it with a percentage of certain state revenues; in addition, the Local Government Revenue Assistance Fund (LGRA) was discontinued. The combination of these programs is the City's largest source of non-tax General Fund revenue. In 2018, the City received \$1,404,107 from the State's LGF.

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

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

The City's General Obligation Bond Retirement Fund experienced a slight decrease in fund balance of \$11,867, which decreased the fund balance to \$363,077.

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

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**Capital Assets and Debt Administration**

**Capital Assets** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2018, amounts to \$200,272,883. This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, infrastructure, and furniture, fixtures, and equipment.

A summary of the City's capital assets at December 31, 2018, is reflected in the table which follows.

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 10,775,705	\$ 10,775,705	\$ 8,336,966	\$ 8,336,966	\$ 19,112,671	\$ 19,112,671
Construction in progress	1,406,376	93,750	99,339,149	79,906,500	100,745,525	80,000,250
<b>Total Non-Depreciable</b>	<b>12,182,081</b>	<b>10,869,455</b>	<b>107,676,115</b>	<b>88,243,466</b>	<b>119,858,196</b>	<b>99,112,921</b>
Land improvements	2,600,405	2,786,306	228,964	279,852	2,829,369	3,066,158
Buildings and Improvements	7,521,894	7,888,254	5,947,029	6,249,795	13,468,923	14,138,049
Furniture, Fixtures, and Equipment	4,489,230	4,926,690	1,763,807	1,866,071	6,253,037	6,792,761
Infrastructure:						
Streets	17,593,130	18,151,926	-	-	17,593,130	18,151,926
Sanitary Sewers	-	-	30,062,552	27,061,756	30,062,552	27,061,756
Storm Sewers	-	-	10,207,626	6,514,004	10,207,626	6,514,004
<b>Total Depreciable, Net of Depreciation</b>	<b>32,204,659</b>	<b>33,753,176</b>	<b>48,209,978</b>	<b>41,971,478</b>	<b>80,414,637</b>	<b>75,724,654</b>
<b>Total Capital Assets, Net of Depreciation</b>	<b>\$ 44,386,740</b>	<b>\$ 44,622,631</b>	<b>\$ 155,886,093</b>	<b>\$ 130,214,944</b>	<b>\$ 200,272,833</b>	<b>\$ 174,837,575</b>

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

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

<b>Governmental Activities</b>	
Euclid Corridor	\$ 93,750
Waterfront Project	909,999
Tennis court resurfacing	402,627
<b>Total Governmental Activities</b>	<b>\$ 1,406,376</b>
<b>Business-Type Activities</b>	
East 222nd replacement	\$ 2,425,944
BW Pump station SSO	815,371
Headworks & Equalization Basin - Part B	47,206,784
Monteray Avenue	27,269
Equalization Basin	1,729,467
MBR	4,277,901
Headworks	16,273,699
WWTP MBR - NRD	26,582,714
<b>Total Business-Type Activities</b>	<b>\$ 99,339,149</b>

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

**City of Euclid, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

**Debt** The City's outstanding General Obligation Debt was downgraded to an "A2" from an "Aa3" long-term bond rating with Moody's Investor Service in June 2016. This investment grade rating is attributed to the weakened economic profile and its reliance on economically sensitive income tax revenue from a fairly concentrated tax base. An additional factor in the rating is the City's moderate debt burden and high pension burden due to the participation in two underfunded cost-sharing retirement plans. As of December 31, 2018, the City's General Obligation Bonded Debt totaled \$16,427,090.

A summary of outstanding debt at December 31, 2018 follows.

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 9,954,146	\$ 11,825,809	\$ 6,472,944	\$ 7,483,716	\$ 16,427,090	\$ 19,309,525
Special Assessment Bonds	-	131,287	-	-	-	131,287
Notes Payable	2,005,902	2,004,942	-	-	2,005,902	2,004,942
Special Obligation Bond	6,442,000	6,899,000	-	-	6,442,000	6,899,000
OWDA Loans	-	-	100,118,844	75,476,173	100,118,844	75,476,173
OPWC Loans	918,704	1,002,223	7,319,347	7,934,339	8,238,051	8,936,562
Capital Leases	1,115,838	1,416,259	505,456	654,347	1,621,294	2,070,606
Total Outstanding Debt	<u>\$ 20,436,590</u>	<u>\$ 23,279,520</u>	<u>\$ 114,416,591</u>	<u>\$ 91,548,575</u>	<u>\$ 134,853,181</u>	<u>\$ 114,828,095</u>

The various improvement bonds and notes will be paid out of the General Obligation Bond Retirement Fund. See Notes 11, 16 and 19 to the financial statements for more information regarding the City's outstanding debt.

**Debt Capacity:** The City is within the statutory limitations for both voted and unvoted debt. The computation of the legal debt margins at December 31, 2018, is included in the Statistical Section of this report under the heading "Legal Debt Margin", along with other related computations and ratios relevant to the City's notes and bonded debt.

The City's 2018 overall legal debt limit established by statutory limitations was \$58,321,561. The City's legal debt margin of \$46,361,513 is within the overall legal debt limit. The City's 2018 unvoted legal debt limit established by statutory limitations was of \$30,549,389. The City's unvoted legal debt margin of \$18,589,341 is within the unvoted legal debt limit.

The ratio of net general bonded debt to assessed valuation and the amount of net bonded debt per capita provide useful information concerning the level of the City's debt to management and investors. The information as of December 31, 2018 for the City is as follows:

	Amount	Bonded Debt to Assessed Value	Debt Per Capita
Net General Obligation Debt (Bonded)	\$ 18,432,992	1.19%	\$ 377



**City of Euclid, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*Unaudited*

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**Current Financial Related Activities**

The City of Euclid has remained strong despite the challenging environment of the State and national economy. The administration has provided consistent financial management during this time, continuing to monitor expenses while maintaining City services at a high level. The City will continue to make any adjustment necessary in its day to day operations in order to meet and overcome these challenges. The City remains committed to transparencies and will continue working towards the goal of keeping all residents and other interested parties fully informed as to the financial status of the City of Euclid

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

**Contacting the City's Finance Department**

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

## Basic Financial Statements

**City of Euclid, Ohio**  
**Statement of Net Position**  
**December 31, 2018**

	Governmental Activities	Business-Type Activities	Total	Component Unit Euclid Development Corporation
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 5,836,745	\$ 32,044,032	\$ 37,880,777	\$ 831,891
Cash and Cash Equivalents:				
In Segregated Accounts	13,093	43,839	56,932	-
With Fiscal Agents	50,132	-	50,132	-
With Escrow Agents	13,014	-	13,014	-
Materials and Supplies Inventory	173,041	75,863	248,904	-
Accounts Receivable	982,150	4,808,394	5,790,544	-
Accrued Interest Receivable	62,834	-	62,834	-
Intergovernmental Receivable	2,873,188	-	2,873,188	-
Internal Balances	130,000	(130,000)	-	-
Prepaid Items	79,236	2,400	81,636	-
Municipal Income Taxes Receivable	8,597,759	-	8,597,759	-
Property Taxes Receivable	5,350,132	-	5,350,132	-
Payments in Lieu of Taxes Receivable	527,640	-	527,640	-
Notes Receivable	515,352	-	515,352	-
Loans Receivable	-	-	-	2,056,207
Special Assessments Receivable	4,088,361	-	4,088,361	-
Assets held for Resale	161,160	-	161,160	-
Capital Leases Receivable	-	51,383	51,383	-
Nondepreciable Capital Assets	12,182,081	107,676,115	119,858,196	-
Depreciable Capital Assets	32,204,659	48,209,978	80,414,637	-
Net Pension Assets	59,838	25,351	85,189	-
<b>Total Assets</b>	<b>73,900,415</b>	<b>192,807,355</b>	<b>266,707,770</b>	<b>2,888,098</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferral on Refunding	111,697	32,111	143,808	-
Pension	7,415,497	856,119	8,271,616	-
OPEB	3,909,650	172,198	4,081,848	-
<b>Total Deferred Outflows of Resources</b>	<b>11,436,844</b>	<b>1,060,428</b>	<b>12,497,272</b>	<b>-</b>
<b>LIABILITIES</b>				
Accounts Payable	743,515	713,774	1,457,289	550
Contracts Payable	915,441	665,791	1,581,232	-
Accrued Wages and Benefits	587,157	103,052	690,209	1,925
Intergovernmental Payable	407,401	48,130	455,531	-
Matured Compensated Absences Payable	20,760	-	20,760	-
Accrued Interest Payable	87,216	33,168	120,384	-
Retainage Payable	96,030	245,658	341,688	-
Claims Payable	56,769	-	56,769	-
Customer Deposits	-	41,583	41,583	-
Long-term Liabilities:				
Due within one year	4,600,826	1,844,245	6,445,071	-
Due in more than one year:				
Net Pension Liability	46,084,201	3,453,883	49,538,084	-
Net OPEB Liability	40,498,282	2,322,170	42,820,452	-
Other amounts due in more than one year	23,274,405	113,423,232	136,697,637	-
<b>Total Liabilities</b>	<b>117,372,003</b>	<b>122,894,686</b>	<b>240,266,689</b>	<b>2,475</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	4,564,724	-	4,564,724	-
Payments in Lieu of Taxes	527,640	-	527,640	-
Pension	4,475,241	933,366	5,408,607	-
OPEB	899,370	208,547	1,107,917	-
<b>Total Deferred Inflows of Resources</b>	<b>10,466,975</b>	<b>1,141,913</b>	<b>11,608,888</b>	<b>-</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	24,074,861	51,873,706	75,948,567	-
Restricted for:				
Debt Service	785,553	-	785,553	-
Capital Projects	1,564,955	-	1,564,955	-
Transportation	1,364,463	-	1,364,463	-
Community Development	274,524	-	274,524	-
Recreation Center	65,476	-	65,476	-
Public Safety	427,073	-	427,073	-
Courts	228,008	-	228,008	-
Unrestricted	(71,286,632)	17,957,478	(53,329,154)	2,885,623
<b>Total Net Position</b>	<b>\$ (42,501,719)</b>	<b>\$ 69,831,184</b>	<b>\$ 27,329,465</b>	<b>\$ 2,885,623</b>

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

**City of Euclid, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2018

	<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	\$ 29,540,104	\$ 3,453,611	\$ 111,709	\$ 23,502
Public Health	294,163	132,249	49,315	-
Leisure Time Activities	3,042,131	500,163	182	-
Community and Economic Development	3,300,179	2,841,379	1,714,870	-
Sanitation	2,562,686	1,804,919	-	-
Transportation	5,279,478	332,488	2,158,291	-
General Government	10,842,408	1,335,403	17,363	1,331
Interest and Fiscal Charges	636,247	-	-	-
<i>Total Governmental activities</i>	<u>55,497,396</u>	<u>10,400,212</u>	<u>4,051,730</u>	<u>24,833</u>
<b>Business-type activities:</b>				
Waste Water Treatment	12,551,560	17,635,675	-	1,862,719
Water Line Improvement	1,356,857	1,752,798	1,848,465	-
Briardale Greens Golf Course	1,368,458	1,183,368	-	51,383
<i>Total Business-type activities</i>	<u>15,276,875</u>	<u>20,571,841</u>	<u>1,848,465</u>	<u>1,914,102</u>
<i>Total Primary Government</i>	<u>\$ 70,774,271</u>	<u>\$ 30,972,053</u>	<u>\$ 5,900,195</u>	<u>\$ 1,938,935</u>
<b>Component Unit:</b>				
Euclid Development Corporation	172,840	55,725	-	-
<i>Total Component Unit</i>	<u>\$ 172,840</u>	<u>\$ 55,725</u>	<u>\$ -</u>	<u>\$ -</u>

**General Revenues:**

Property Taxes levied for:

General Purposes

Debt Service Purpose

Capital Outlay

Other Purposes

Municipal Income Taxes levied for:

General Purposes

Other Local Taxes

Payments in Lieu of Taxes

Grants & Entitlements not restricted to specific programs

Investment Income

Gain on Sale of Capital Assets

All Other Revenues

**Transfers**

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year, Restated

**Net Position - End of Year**

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

<b>Net (Expense) Revenue and Changes in Net Position</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Euclid Development Corporation</b>
\$ (25,951,282)	\$ -	\$ (25,951,282)	\$ -
(112,599)	-	(112,599)	-
(2,541,786)	-	(2,541,786)	-
1,256,070	-	1,256,070	-
(757,767)	-	(757,767)	-
(2,788,699)	-	(2,788,699)	-
(9,488,311)	-	(9,488,311)	-
(636,247)	-	(636,247)	-
<u>(41,020,621)</u>	<u>-</u>	<u>(41,020,621)</u>	<u>-</u>
-	6,946,834	6,946,834	-
-	2,244,406	2,244,406	-
-	(133,707)	(133,707)	-
<u>-</u>	<u>9,057,533</u>	<u>9,057,533</u>	<u>-</u>
<u>(41,020,621)</u>	<u>9,057,533</u>	<u>(31,963,088)</u>	<u>-</u>
-	-	-	(117,115)
-	-	-	(117,115)
1,458,350	-	1,458,350	-
1,993,650	-	1,993,650	-
399,148	-	399,148	-
306,933	-	306,933	-
25,989,593	-	25,989,593	-
663,240	-	663,240	-
330,113	-	330,113	-
2,002,431	-	2,002,431	-
321,373	-	321,373	16,842
37,336	-	37,336	-
898,940	1,001	899,941	162
2,482,337	(2,482,337)	-	-
<u>36,883,444</u>	<u>(2,481,336)</u>	<u>34,402,108</u>	<u>17,004</u>
(4,137,177)	6,576,197	2,439,020	(100,111)
<u>(38,364,542)</u>	<u>63,254,987</u>	<u>24,890,445</u>	<u>2,985,734</u>
<u>\$ (42,501,719)</u>	<u>\$ 69,831,184</u>	<u>\$ 27,329,465</u>	<u>\$ 2,885,623</u>

**City of Euclid, Ohio**  
*Balance Sheet*  
**Governmental Funds**  
*December 31, 2018*

	<u>General Fund</u>	<u>General Obligation Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 2,698,291	\$ 4,875	\$ 3,108,484	\$ 5,811,650
Cash and Cash Equivalents:				
In Segregated Accounts	13,093	-	-	13,093
With Fiscal Agents	50,132	-	-	50,132
With Escrow Agents	-	-	13,014	13,014
Materials and Supplies Inventory	72,128	-	100,913	173,041
Accrued Interest Receivable	62,834	-	-	62,834
Accounts Receivable	910,016	-	72,134	982,150
Interfund Receivable	897,825	358,313	-	1,256,138
Intergovernmental Receivable	796,223	130,612	1,946,353	2,873,188
Prepaid Items	79,236	-	-	79,236
Municipal Income Taxes Receivable	8,597,759	-	-	8,597,759
Property Taxes Receivable	1,920,044	2,572,879	857,209	5,350,132
Special Assessments Receivable	4,088,361	-	-	4,088,361
Notes Receivable	515,352	-	-	515,352
Payments in Lieu of Taxes Receivable	-	-	527,640	527,640
Assets held for Resale	-	-	161,160	161,160
<b>Total Assets</b>	<u>\$ 20,701,294</u>	<u>\$ 3,066,679</u>	<u>\$ 6,786,907</u>	<u>\$ 30,554,880</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 408,112	\$ -	\$ 335,403	\$ 743,515
Accrued Wages and Benefits	548,791	-	38,366	587,157
Contracts Payable	-	-	915,441	915,441
Intergovernmental Payable	388,349	-	19,052	407,401
Matured Compensated Absences Payable	20,760	-	-	20,760
Retainage Payable	-	-	96,030	96,030
Interfund Payable	-	-	1,126,138	1,126,138
Claims Payable	52,314	111	4,344	56,769
<b>Total Liabilities</b>	<u>1,418,326</u>	<u>111</u>	<u>2,534,774</u>	<u>3,953,211</u>
<b>Deferred Inflows of Resources:</b>				
Property Taxes and Payments in Lieu of Taxes	1,639,125	2,193,799	1,259,440	5,092,364
Unavailable Revenue - Delinquent Property Taxes	280,919	379,080	125,409	785,408
Unavailable Revenue - Municipal Income Taxes	5,416,571	-	-	5,416,571
Unavailable Revenue - Other	5,113,565	130,612	1,609,562	6,853,739
<b>Total Deferred Inflows of Resources</b>	<u>12,450,180</u>	<u>2,703,491</u>	<u>2,994,411</u>	<u>18,148,082</u>
<b>Fund Balances:</b>				
Nonspendable	738,608	-	100,913	839,521
Restricted	-	363,077	3,318,773	3,681,850
Committed	83,297	-	2,086	85,383
Assigned	326,641	-	-	326,641
Unassigned (Deficit)	5,684,242	-	(2,164,050)	3,520,192
<b>Total Fund Balances</b>	<u>6,832,788</u>	<u>363,077</u>	<u>1,257,722</u>	<u>8,453,587</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 20,701,294</u>	<u>\$ 3,066,679</u>	<u>\$ 6,786,907</u>	<u>\$ 30,554,880</u>

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

**City of Euclid, Ohio**  
*Reconciliation of Total Governmental Fund Balances to Net  
 Position of Governmental Activities*  
 December 31, 2018

**Total Governmental Funds Balance** 8,453,587

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

Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds 44,386,740

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

Delinquent property taxes	785,408	
Municipal income taxes	5,416,571	
Special assessments	4,088,360	
Intergovernmental	2,281,794	
Charges for services	483,585	
Total		13,055,718

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due. (87,216)

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. 25,095

The net pension liability/asset and the net OPEB liability are 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	7,415,497	
Deferred Inflows - Pension	(4,475,241)	
Net Pension Asset	59,838	
Net Pension Liability	(46,084,201)	
Deferred Outflows - OPEB	3,909,650	
Deferred Inflows - OPEB	(899,370)	
Net OPEB Liability	(40,498,282)	
Total		(80,572,109)

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

General obligation bonds and notes	(11,864,871)	
Income tax special obligation bonds	(6,442,000)	
Unamortized premiums	(95,177)	
Deferral on refundings	111,697	
Compensated absences	(6,939,147)	
Claims payable	(340,294)	
Capital leases	(1,115,838)	
OPWC loans	(918,704)	
Landfill	(159,200)	
Total		(27,763,534)

**Net Position of Governmental Activities** (42,501,719)

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

**City of Euclid, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2018*

	<b>General Fund</b>	<b>General Obligation Bond Retirement</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Property Taxes	\$ 1,508,383	\$ 2,006,099	\$ 727,884	\$ 4,242,366
Municipal Income Taxes	25,318,825	-	-	25,318,825
Other Local Taxes	663,240	-	-	663,240
Payments in Lieu of Taxes	-	-	330,113	330,113
Intergovernmental	1,734,856	261,225	3,258,449	5,254,530
Interest	320,516	-	857	321,373
Fees, Licenses, and Permits	1,598,189	-	-	1,598,189
Fines and Forfeitures	1,433,163	-	350,881	1,784,044
Rentals	279,560	-	295	279,855
Charges for Services	5,339,710	-	622,682	5,962,392
Contributions and Donations	3,117	-	14,428	17,545
Special Assessments	990,365	116,470	-	1,106,835
All Other Revenues	835,913	-	94,224	930,137
<b>Total Revenues</b>	<b>40,025,837</b>	<b>2,383,794</b>	<b>5,399,813</b>	<b>47,809,444</b>
<b>EXPENDITURES</b>				
Current:				
Security of Persons and Property	24,326,996	-	374,368	24,701,364
Public Health	292,616	-	-	292,616
Leisure Time Activities	1,858,680	-	861,260	2,719,940
Community and Economic Development	1,576,483	-	1,555,375	3,131,858
Sanitation	2,551,740	-	-	2,551,740
Transportation	-	-	1,963,302	1,963,302
General Government	8,819,098	95,886	1,138,402	10,053,386
Capital Outlay	-	-	1,626,253	1,626,253
Debt Service:				
Principal Retirement	-	4,523,672	300,421	4,824,093
Interest and Fiscal Charges	-	523,275	30,716	553,991
Debt Issuance Costs	-	13,535	-	13,535
<b>Total Expenditures</b>	<b>39,425,613</b>	<b>5,156,368</b>	<b>7,850,097</b>	<b>52,432,078</b>
Excess of Revenues (Under) Expenditures	600,224	(2,772,574)	(2,450,284)	(4,622,634)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	9,568	-	64,034	73,602
Long-term Bond Anticipation Notes Issued	-	2,001,000	-	2,001,000
Premium on Debt Issuance	-	14,707	-	14,707
Transfers In	-	745,000	547,500	1,292,500
Transfers Out	(1,532,500)	-	-	(1,532,500)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,522,932)</b>	<b>2,760,707</b>	<b>611,534</b>	<b>1,849,309</b>
Net Change in Fund Balances	(922,708)	(11,867)	(1,838,750)	(2,773,325)
Fund Balances - Beginning of Year	7,755,496	374,944	3,096,472	11,226,912
<b>Fund Balances - End of Year</b>	<b>\$ 6,832,788</b>	<b>\$ 363,077</b>	<b>\$ 1,257,722</b>	<b>\$ 8,453,587</b>

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



**City of Euclid, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities*  
For the Year Ended December 31, 2018

**Net Change in Fund Balances-Total Governmental Funds** \$ (2,773,325)

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

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

Capital Outlay	\$	1,626,253	
Capital Contributions		2,505,839	
Depreciation		<u>(4,331,717)</u>	
Total			(199,625)

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. (36,266)

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

Delinquent property taxes		(84,285)	
Municipal income taxes		670,768	
Special assessments		(467,787)	
Intergovernmental		782,086	
Charges for services		<u>143,237</u>	
Total			1,044,019

Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the issuance of debt. (2,015,707)

Repayment of City bond principal, notes, OPWC loan, contract and capital leases are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 4,824,093

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

Pension			3,999,029
OPEB			73,473

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension expense in the statement of activities.

Pension			(5,628,447)
OPEB			(3,167,327)

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		(244,699)	
Claims		(238,130)	
Accrued interest on bonds		(40,518)	
Amortization of bond premiums		34,544	
Amortization of loss on refunding		<u>(62,747)</u>	
Total			(551,550)

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.

**Change in Net Position of Governmental Activities** \$ (4,137,177)

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

**City of Euclid, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balance –  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 1,524,225	\$ 1,524,225	\$ 1,508,383	\$ (15,842)
Income Taxes	24,900,000	24,900,000	25,110,475	210,475
Other Local Taxes	600,000	600,000	661,538	61,538
Intergovernmental	1,665,174	1,665,174	1,725,814	60,640
Interest	150,000	150,000	351,763	201,763
Licenses and Permits	2,171,105	2,171,105	1,597,267	(573,838)
Fines and Forfeitures	1,825,250	1,825,250	1,424,383	(400,867)
Rentals	51,000	51,000	33,190	(17,810)
Charges for Services	5,605,486	5,605,486	5,396,570	(208,916)
Contributions and Donations	2,000	2,000	3,117	1,117
Special Assessments	810,000	810,000	824,457	14,457
All Other Revenues	505,000	481,152	785,954	304,802
<b>Total Revenues</b>	<b>39,809,240</b>	<b>39,785,392</b>	<b>39,422,911</b>	<b>(362,481)</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	23,978,091	24,490,438	24,291,656	198,782
Public Health	293,562	310,176	290,298	19,878
Leisure Time Activities	1,241,046	1,325,021	1,292,315	32,706
Community and Economic Development	1,920,174	1,652,051	1,439,440	212,611
Sanitation	2,582,702	2,582,972	2,552,618	30,354
General Government	9,825,798	10,160,532	8,983,240	1,177,292
<b>Total Expenditures</b>	<b>39,841,373</b>	<b>40,521,190</b>	<b>38,849,567</b>	<b>1,671,623</b>
Excess of Revenues Over (Under) Expenditures	(32,133)	(735,798)	573,344	1,309,142
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	2,000	2,000	9,568	7,568
Advances Out	(100,000)	(130,000)	(130,000)	-
Transfers In	80,000	80,000	80,000	-
Transfers Out	(1,737,735)	(1,824,735)	(1,824,735)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,755,735)</b>	<b>(1,872,735)</b>	<b>(1,865,167)</b>	<b>7,568</b>
Net Change in Fund Balance	(1,787,868)	(2,608,533)	(1,291,823)	1,316,710
Fund Balance - Beginning of Year	4,020,007	4,020,007	4,020,007	-
Prior Year Encumbrances Appropriated	551,512	551,512	551,512	-
<b>Fund Balance - End of Year</b>	<b>\$ 2,783,651</b>	<b>\$ 1,962,986</b>	<b>\$ 3,279,696</b>	<b>\$ 1,316,710</b>

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

**City of Euclid, Ohio**  
*Statement of Net Position*  
*Proprietary Funds*  
*December 31, 2018*

	Enterprise Funds				Governmental
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Total	Internal Service Fund
<b>ASSETS</b>					
<b>Current Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 26,974,263	\$ 5,052,037	\$ 17,732	\$ 32,044,032	\$ 25,095
Cash and Cash Equivalents:					
In Segregated Accounts	-	-	43,839	43,839	-
Materials and Supplies Inventory	51,619	-	24,244	75,863	-
Accounts Receivable	4,281,016	527,378	-	4,808,394	-
Prepaid Items	-	-	2,400	2,400	-
Capital Leases Receivable	-	-	51,383	51,383	-
<b>Total Current Assets</b>	<b>31,306,898</b>	<b>5,579,415</b>	<b>139,598</b>	<b>37,025,911</b>	<b>25,095</b>
<b>Noncurrent Assets:</b>					
Capital Assets:					
Land	1,065,440	-	7,271,526	8,336,966	-
Construction in Progress	99,339,149	-	-	99,339,149	-
Depreciable Assets, Net of Depreciation	47,114,981	-	1,094,997	48,209,978	-
Net Pension Asset	25,351	-	-	25,351	-
<b>Total Noncurrent Assets</b>	<b>147,544,921</b>	<b>-</b>	<b>8,366,523</b>	<b>155,911,444</b>	<b>-</b>
<b>Total Assets</b>	<b>178,851,819</b>	<b>5,579,415</b>	<b>8,506,121</b>	<b>192,937,355</b>	<b>25,095</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferral on Refunding	5,240	26,871	-	32,111	-
Pension	856,119	-	-	856,119	-
OPEB	172,198	-	-	172,198	-
<b>Total Deferred Outflows of Resources</b>	<b>1,033,557</b>	<b>26,871</b>	<b>-</b>	<b>1,060,428</b>	<b>-</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	663,750	12,310	37,714	713,774	-
Accrued Wages and Benefits	103,052	-	-	103,052	-
Compensated Absences Payable	87,081	-	-	87,081	-
Customer Deposits Payable	-	-	41,583	41,583	-
Contracts Payable	-	665,791	-	665,791	-
Retainage Payable	-	245,658	-	245,658	-
Intergovernmental Payable	48,130	-	-	48,130	-
Interfund Payable	-	-	130,000	130,000	-
Accrued Interest Payable	15,834	17,334	-	33,168	-
Claims Payable	7,977	-	-	7,977	100,000
General Obligation Bonds Payable	120,362	598,000	-	718,362	-
OWDA Loans Payable	84,128	-	-	84,128	-
OPWC Loans Payable	491,432	264,820	-	756,252	-
Capital Leases Payable	181,525	-	8,920	190,445	-
<b>Total Current Liabilities</b>	<b>1,803,271</b>	<b>1,803,913</b>	<b>218,217</b>	<b>3,825,401</b>	<b>100,000</b>
<b>Noncurrent Liabilities:</b>					
Compensated Absences Payable	736,115	-	-	736,115	-
Claims Payable	19,713	-	-	19,713	100,000
General Obligation Bonds Payable	1,053,678	4,700,904	-	5,754,582	-
OWDA Loans Payable	100,034,716	-	-	100,034,716	-
OPWC Loans Payable	4,155,305	2,407,790	-	6,563,095	-
Capital Leases Payable	272,548	-	42,463	315,011	-
Net Pension Liability	3,453,883	-	-	3,453,883	-
Net OPEB Liability	2,322,170	-	-	2,322,170	-
<b>Total Noncurrent Liabilities</b>	<b>112,048,128</b>	<b>7,108,694</b>	<b>42,463</b>	<b>119,199,285</b>	<b>100,000</b>
<b>Total Liabilities</b>	<b>113,851,399</b>	<b>8,912,607</b>	<b>260,680</b>	<b>123,024,686</b>	<b>200,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension	933,366	-	-	933,366	-
OPEB	208,547	-	-	208,547	-
<b>Total Deferred Inflows of Resources</b>	<b>1,141,913</b>	<b>-</b>	<b>-</b>	<b>1,141,913</b>	<b>-</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	43,558,566	-	8,315,140	51,873,706	-
Unrestricted	21,333,498	(3,306,321)	(69,699)	17,957,478	(174,905)
<b>Total Net Position</b>	<b>\$ 64,892,064</b>	<b>\$ (3,306,321)</b>	<b>\$ 8,245,441</b>	<b>\$ 69,831,184</b>	<b>\$ (174,905)</b>

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

**City of Euclid, Ohio**  
*Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Proprietary Funds*  
*For the Year Ended December 31, 2018*

	<b>Enterprise Funds</b>			<b>Total</b>	<b>Governmental Activities</b>
	<b>Waste Water Treatment</b>	<b>Water Line Improvement</b>	<b>Briardale Greens Golf Course</b>		<b>Internal Service Fund</b>
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 17,635,675	\$ 1,752,798	\$ 1,183,368	\$ 20,571,841	\$ -
Miscellaneous	1,001	-	-	1,001	-
<b>Total Operating Revenues</b>	<u>17,636,676</u>	<u>1,752,798</u>	<u>1,183,368</u>	<u>20,572,842</u>	<u>-</u>
<b>OPERATING EXPENSES</b>					
Salaries	5,106,860	-	-	5,106,860	-
Materials and Supplies	2,026,013	-	-	2,026,013	-
Contractual Services	2,335,608	1,118,067	1,262,544	4,716,219	52,852
Depreciation	1,561,708	-	105,914	1,667,622	-
Claims	-	-	-	-	92,692
Other	45,212	-	-	45,212	-
<b>Total Operating Expense</b>	<u>11,075,401</u>	<u>1,118,067</u>	<u>1,368,458</u>	<u>13,561,926</u>	<u>145,544</u>
Operating Income (Loss)	<u>6,561,275</u>	<u>634,731</u>	<u>(185,090)</u>	<u>7,010,916</u>	<u>(145,544)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest and Fiscal Charges	(1,476,159)	(238,790)	-	(1,714,949)	-
Intergovernmental	1,862,719	1,848,465	-	3,711,184	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>386,560</u>	<u>1,609,675</u>	<u>-</u>	<u>1,996,235</u>	<u>-</u>
Capital Contributions	-	-	51,383	51,383	-
Transfers In	-	-	-	-	240,000
Transfers Out	(2,482,337)	-	-	(2,482,337)	-
Change in Net Position	<u>4,465,498</u>	<u>2,244,406</u>	<u>(133,707)</u>	<u>6,576,197</u>	<u>94,456</u>
Net Position - Beginning of Year, Restated	<u>60,426,566</u>	<u>(5,550,727)</u>	<u>8,379,148</u>	<u>63,254,987</u>	<u>(269,361)</u>
<b>Net Position - End of Year</b>	<u>\$ 64,892,064</u>	<u>\$ (3,306,321)</u>	<u>\$ 8,245,441</u>	<u>\$ 69,831,184</u>	<u>\$ (174,905)</u>

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

**City of Euclid, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2018

	<b>Enterprise Funds</b>				<b>Governmental</b>
	<b>Waste Water Treatment</b>	<b>Water Line Improvement</b>	<b>Briardale Greens Golf Course</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Charges for Services	\$ 17,745,420	\$ 1,814,892	\$ 1,183,368	\$ 20,743,680	\$ -
Other Cash Receipts	1,001	-	-	1,001	-
Cash Payments to Employees for Services and Benefits	(4,766,404)	-	-	(4,766,404)	-
Cash Payments for Goods and Services	(4,176,356)	(219,310)	(1,262,941)	(5,658,607)	(52,852)
Cash Payments for Claims	-	-	-	-	(192,692)
Other Cash Payments	(60,762)	(122,808)	-	(183,570)	-
Net Cash Provided by (Used in) Operating Activities	<u>8,742,899</u>	<u>1,472,774</u>	<u>(79,573)</u>	<u>10,136,100</u>	<u>(245,544)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Advances In	-	-	130,000	130,000	-
Operating Grant	-	1,848,465	-	1,848,465	-
Principal Paid on Debt	-	(980,820)	-	(980,820)	-
Interest Paid on Debt	-	(235,106)	-	(235,106)	-
Transfers In	1,745,000	-	-	1,745,000	240,000
Transfers Out	(1,745,000)	-	-	(1,745,000)	-
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>632,539</u>	<u>130,000</u>	<u>762,539</u>	<u>240,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital Grants Received	1,356,676	-	-	1,356,676	-
Proceeds from OWD A and OPWC Loans	27,283,249	-	-	27,283,249	-
Principal Paid on Debt	(3,509,373)	-	-	(3,509,373)	-
Interest Paid on Debt	(1,416,997)	-	-	(1,416,997)	-
Payments for Capital Acquisitions	(29,108,773)	-	-	(29,108,773)	-
Net Cash (Used in) Capital and Related Financing Activities	<u>(5,395,218)</u>	<u>-</u>	<u>-</u>	<u>(5,395,218)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,347,681	2,105,313	50,427	5,503,421	(5,544)
Cash and Cash Equivalents - Beginning of Year	<u>23,626,582</u>	<u>2,946,724</u>	<u>11,144</u>	<u>26,584,450</u>	<u>30,639</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 26,974,263</u>	<u>\$ 5,052,037</u>	<u>\$ 61,571</u>	<u>\$ 32,087,871</u>	<u>\$ 25,095</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 6,561,275	\$ 634,731	\$ (185,090)	\$ 7,010,916	\$ (145,544)
Adjustments:					
Depreciation	1,561,708	-	105,914	1,667,622	-
(Increase) Decrease in Assets and Deferred Outflows of Resources:					
Accounts Receivable	109,745	62,094	-	171,839	-
Materials and Supplies Inventory	26,047	-	(1,518)	24,529	-
Prepaid Items	14,738	-	(1,444)	13,294	-
Net Pension Asset	(13,103)	-	-	(13,103)	-
Deferred Outflows - Pension	1,110,325	-	-	1,110,325	-
Deferred Outflows - OPEB	(140,604)	-	-	(140,604)	-
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:					
Accounts Payable	128,930	(135,500)	(14,010)	(20,580)	-
Contracts Payable	-	665,791	-	665,791	-
Accrued Wages and Benefits	13,757	-	16,575	30,332	-
Compensated Absences Payable	25,169	-	-	25,169	-
Retainage Payable	-	-	-	-	-
Intergovernmental Payable	2,047	-	-	2,047	-
Claims Payable	1,214	245,658	-	246,872	(100,000)
Net Pension Liability	(1,632,113)	-	-	(1,632,113)	-
Net OPEB Liability	111,795	-	-	111,795	-
Deferred Inflows - Pension	653,422	-	-	653,422	-
Deferred Inflows - OPEB	208,547	-	-	208,547	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ 8,742,899</u>	<u>\$ 1,472,774</u>	<u>\$ (79,573)</u>	<u>\$ 10,136,100</u>	<u>\$ (245,544)</u>
<b>Schedule of Noncash Investing, Capital, and Related Financing Activities</b>					
Capitalized interest	\$ 59,123	\$ -	\$ -	\$ 59,123	\$ -
Inception of a Capital Lease	-	-	51,383	51,383	-
Net impact of accruals related to capital assets	(154,909)	-	-	(154,909)	-
Capital Contribution to Governmental Activities from the Waste Water Treatment Fund	2,482,337	-	-	2,482,337	-

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

**City of Euclid, Ohio**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*December 31, 2018*

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	<u>Agency Funds</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 681,857
Cash and Cash Equivalents:	
in Segregated Accounts	<u>326,916</u>
Total Assets	<u><u>\$ 1,008,773</u></u>
 <b>Liabilities</b>	
Deposits Held and Due to Others	<u><u>\$ 1,008,773</u></u>

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

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

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

**Reporting Entity**

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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

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

**A. Basis of Presentation**

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

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

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

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



**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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

**B. Fund Accounting**

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

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

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

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

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

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

**B. Fund Accounting** (Continued)

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

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

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

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

**C. Measurement Focus**

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

**C. Measurement Focus** (Continued)

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

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

**D. Basis of Accounting**

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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

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

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

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

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension and OPEB. 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 and OPEB plans are explained in Notes 14 and 15.

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, OPEB 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, 2018, but which were levied to finance year 2019 operations. The property taxes and payments in lieu of taxes have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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

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

For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, intergovernmental grants, special assessments, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities on page 27. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 14 and 15).

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

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

**E. Budgetary Process**

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

**E. Budgetary Process** (Continued)

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

**F. Cash and Cash Equivalents**

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

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

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

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

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

During 2018, the City invested in U.S agency debt securities, municipal debt securities from governmental entities within the State of Ohio, commercial paper, and negotiable certificates of deposit. Investments are reported at fair value, which is based on quoted market prices.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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

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

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2018 amounted to \$320,516, which includes \$297,162 assigned from other City funds.

**G. Inventory**

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

**H. Prepaid Items**

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

**I. Capital Assets**

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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

**I. Capital Assets** (Continued)

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

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

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

The City's infrastructure consists of streets, storm sewers, and sanitary sewers.

**J. Interfund Balances**

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

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

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



**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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

**K. Compensated Absences**

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

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

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds, capital leases, and long-term loans are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

**M. Fund Balance**

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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

**M. Fund Balance** (Continued)

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

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

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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

**N. Net Position**

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

**O. Operating Revenue and Expenses**

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

**P. Interfund Activity**

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

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

**Q. Bond Premium**

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

**R. Gain/Loss on Refunding**

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

**S. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. No extraordinary or special items occurred in 2018.

**T. Estimates**

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

**U. Pensions/Other Postemployment Benefits (OPEB)**

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

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

During the year, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 86, *Certain Debt Extinguishment Issues*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the City's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

GASB 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. These changes were incorporated in the City's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2017:

	Governmental Activities	Business Type Activities
Net Position December 31, 2017	\$ (3,970,394)	\$ 65,433,768
Adjustments:		
Net OPEB liability	(34,540,144)	(2,210,375)
Deferred Outflow - Payments Subsequent to Measurement Date	145,996	31,594
Restated Net Position December 31, 2017	\$ (38,364,542)	\$ 63,254,987
	Waste Water Treatment	Total Enterprise
Net Position December 31, 2017	\$ 62,605,347	\$ 62,605,347
Adjustments:		
Net OPEB liability	(2,210,375)	\$ (2,210,375)
Deferred Outflow - Payments Subsequent to Measurement Date	31,594	\$ 31,594
Restated Net Position December 31, 2017	\$ 60,426,566	\$ 60,426,566

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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**NOTE 4: ACCOUNTABILITY AND COMPLIANCE**

**A. Accountability**

The following funds had deficits in fund balance or deficits in net position as of December 31, 2018:

<b><i>Governmental Funds</i></b>	
<i>Nonmajor</i>	
Community Development Block Grant	\$ 735,002
Other Grants	1,070,735
Public Building Construction	358,313
<b><i>Total Governmental Funds</i></b>	<b><u><u>\$ 2,164,050</u></u></b>
<b>Enterprise Fund</b>	
Water Line Improvement	<b><u><u>\$ 3,306,321</u></u></b>
<b>Internal Service Fund</b>	
Self-Insurance	<b><u><u>\$ 174,905</u></u></b>

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

**B. Compliance**

The City has negative cash balances in the Community Development Block Grant Fund and the Other Grants Fund in the amounts of \$688,930 and \$78,895, respectively, indicating that revenue from other sources were used to pay obligations contrary to Ohio Revised Code Section 5705.10.

Contrary to Ohio Revised Code Section 5705.41 (B), the Briardale Greens Golf Course Fund had expenditures in excess of appropriations in the amount of \$450,941.

**NOTE 5: BUDGETARY BASIS OF ACCOUNTING**

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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**NOTE 5: BUDGETARY BASIS OF ACCOUNTING** (Continued)

The major differences between the budget basis and the GAAP basis are as follows:

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

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

GAAP Basis	\$	(922,708)
Net Adjustment for Revenue Accruals		(67,679)
Net Adjustment for Expenditure Accruals		192,757
Advance Out		(130,000)
Funds with Separate Legally Adopted Budgets		(13,103)
Encumbrances		(351,090)
Budget Basis	<u>\$</u>	<u>(1,291,823)</u>

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**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

**NOTE 6: FUND BALANCE**

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

Fund Balances	General	General Obligation Bond Retirement	Other Governmental Funds	Total
<i>Nonspendable</i>				
Prepaid Items	\$ 79,236	\$ -	\$ -	\$ 79,236
Materials and Supplies Inventory	72,128	-	100,913	173,041
Unclaimed Funds	71,892	-	-	71,892
Notes Receivable	515,352	-	-	515,352
<i>Total Nonspendable</i>	<u>738,608</u>	<u>-</u>	<u>100,913</u>	<u>839,521</u>
<i>Restricted for</i>				
Transportation	-	-	856,455	856,455
Drug & Alcohol Enforcement	-	-	190,965	190,965
Municipal Court	-	-	228,008	228,008
Recreation	-	-	39,984	39,984
Neighborhood Stabilization	-	-	120,237	120,237
Community Development Block Grant	-	-	-	-
Law Enforcement	-	-	236,108	236,108
Assets Held for Resale	-	-	161,160	161,160
Capital Improvements	-	-	266,343	266,343
Recreation Capital	-	-	817,170	817,170
TIF Capital Projects	-	-	351,421	351,421
Other Capital Improvements	-	-	50,922	50,922
Bond Retirement	-	363,077	-	363,077
<i>Total Restricted</i>	<u>-</u>	<u>363,077</u>	<u>3,318,773</u>	<u>3,681,850</u>
<i>Committed to</i>				
Nuisance Abatement	82,527	-	-	82,527
Community Television	770	-	-	770
Animal Shelter	-	-	2,086	2,086
<i>Total Committed</i>	<u>83,297</u>	<u>-</u>	<u>2,086</u>	<u>85,383</u>
<i>Assigned to</i>				
Purchases on Order:				
Safety Forces	70,673	-	-	70,673
Parks and Senior Center	6,022	-	-	6,022
Community and Economic Development	11,553	-	-	11,553
Sanitation	1,268	-	-	1,268
General Government	237,125	-	-	237,125
<i>Total Assigned</i>	<u>326,641</u>	<u>-</u>	<u>-</u>	<u>326,641</u>
<i>Unassigned (Deficit)</i>	<u>5,684,242</u>	<u>-</u>	<u>(2,164,050)</u>	<u>3,520,192</u>
<b>Total Fund Balances</b>	<u><u>\$ 6,832,788</u></u>	<u><u>\$ 363,077</u></u>	<u><u>\$ 1,257,722</u></u>	<u><u>\$ 8,453,587</u></u>



**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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**NOTE 7: DEPOSITS AND INVESTMENTS**

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

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

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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

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

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

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

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

**Cash on Hand**

The City had \$7,020 in undeposited cash on hand, which is reported on the balance sheet as part of "Equity in Pooled Cash and Cash Equivalents".

**Deposits**

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year-end, the carrying amount of the City's deposits was \$19,640,937 (which does not include cash in segregated accounts of \$383,848 and cash with escrow agent of \$13,014) and the bank balance was \$19,991,804. Of the bank balance, \$1,250,000 was covered by Federal depository insurance and \$18,721,103 was exposed to custodial credit risk because it was uninsured but collateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

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

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

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The City's financial institutions were enrolled in OPCS as of December 31, 2018.

**Investments**

Fair value is determined by quoted market prices and acceptable other pricing methodologies. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs). The following identify the City's recurring fair value measurement value. As of December 31, 2018, fair value was \$204,2204 below the City's net cost for investments.

As of December 31, 2018, the City had the following investments:

	Measurement Value	Level Input	Credit Rating	Investment Maturities (in Years)		
				<1	1-3	3-5
Federal Home Loan Mortgage Corp.	\$ 5,908,450	2	AA+	492,459	446,812	1,431,472
Federal Home Loan Bank	3,453,072	2	AA+	3,486,485	-	-
Federal National Mortgage Association	2,953,938	2	AA+	495,196	-	-
Negotiable Certificates of Deposit	2,370,743	2	N/A	-	-	296,925
Federal Farm Credit Bank	296,925	2	AA+	-	2,458,062	995,010
Commercial Paper	3,486,485	2	A-1	1,983,240	3,678,660	146,550
Commercial Paper	495,196	2	A-1+	993,200	1,960,738	-
<b>Total Investments</b>	<b>\$ 18,964,809</b>			<b>7,450,580</b>	<b>8,544,272</b>	<b>2,869,957</b>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

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

**Custodial Credit Risk** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bonds, Federal National Mortgage Association, and Municipal Debt Securities are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee. The City's investments in negotiable certificates of deposit of \$2,370,743 were fully covered by the FDIC.

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

**Concentration of Credit Risk** The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2018:

Percentage of Total Investments	
Federal Home Loan Mortgage Corp.	31%
Federal Home Loan Bank	18%
Federal National Mortgage Association	16%
Negotiable Certificates of Deposit	13%
Federal Farm Credit Bank	2%
Commercial Paper	20%
Total	100%

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

**Custodial Credit Risk** Custodial credit risk for deposits is the risk that in the event of bank failure, EDCOR will not be able to recover deposits or collateral securities that are in possession of an outside party. At year-end, the carrying amount and bank balance of EDCOR's deposits was \$831,891. Of the bank balance, the full amount was covered by Federal depository insurance.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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

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

**NOTE 8: RECEIVABLES**

Receivables at December 31, 2018, consisted primarily of municipal income taxes, property and other taxes, accounts (billings for utility services), special assessments, accrued interest on investments, and intergovernmental receivables arising from entitlements and shared revenues. All receivables are deemed collectible in full. Special assessments outstanding at December 31, 2018, are \$4,088,361 with delinquent special assessments outstanding being \$1,214,611.

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

**A. Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes. Property tax payments received during 2018 for tangible personal property (other than public utility property) are for delinquent taxes from prior years.

2018 real property taxes are levied after October 1, 2018, on the assessed value as of January 1, 2018, 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.

Public utility real and tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes which become a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2018 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2018, was \$13.60 per \$1,000 of assessed value.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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NOTE 8: **RECEIVABLES** (Continued)

A. **Property Taxes** (Continued)

The assessed values of real and tangible personal property upon which 2018 property tax receipts were based are as follows:

Real Property	\$ 532,140,150
Public Utility Property	23,303,290
Total Valuation	<u>\$ 555,443,440</u>

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

The Cuyahoga County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Euclid. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes, and outstanding delinquencies, which are measurable as of December 31, 2018, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2018 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue is deferred.

B. **Income Tax**

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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NOTE 8: **RECEIVABLES** (Continued)

**C. Intergovernmental Receivables**

A summary of the principal items of intergovernmental receivables follows:

<i>Governmental Activities</i>	
Local Government (County & State)	\$ 702,054
Gasoline Tax	652,931
Homestead and Rollback	251,187
Permissive Tax	21,633
Motor Vehicle Tax	131,210
Liquor Licenses	10,775
Various Grants	1,036,677
Other Intergovernmental	66,721
Total Intergovernmental Receivable	\$ 2,873,188

**D. Notes and Loans Receivable**

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

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

NOTE 9: **CONTINGENCIES**

**A. Grants**

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

**NOTE 9: CONTINGENCIES** (Continued)

**B. Litigation**

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

**NOTE 10: CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018, was as follows:

	Balance 12/30/2017	Additions	Deletions	Balance 12/31/2018
<b>Governmental Activities</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 10,775,705	\$ -	\$ -	\$ 10,775,705
Construction in Progress	93,750	1,312,626	-	1,406,376
<i>Total Capital Assets, Not Being Depreciated</i>	<u>10,869,455</u>	<u>1,312,626</u>	<u>-</u>	<u>12,182,081</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	8,900,435	25,364	-	8,925,799
Buildings and Improvements	17,290,886	-	-	17,290,886
Furniture, Fixtures, and Equipment	14,923,413	311,765	290,968	14,944,210
Infrastructure:				
Streets	130,935,128	2,482,337	-	133,417,465
<i>Total Capital Assets, Being Depreciated</i>	<u>172,049,862</u>	<u>2,819,466</u>	<u>290,968</u>	<u>174,578,360</u>
Less Accumulated Depreciation:				
Land Improvements	(6,114,129)	(211,265)	-	(6,325,394)
Buildings and Improvements	(9,402,632)	(366,360)	-	(9,768,992)
Furniture, Fixtures, and Equipment	(9,996,723)	(712,959)	(254,702)	(10,454,980)
Infrastructure:				
Streets	(112,783,202)	(3,041,133)	-	(115,824,335)
<i>Total Accumulated Depreciation</i>	<u>(138,296,686)</u>	<u>(4,331,717) *</u>	<u>(254,702)</u>	<u>(142,373,701)</u>
Total Capital Assets, Being Depreciated, Net	<u>33,753,176</u>	<u>(1,512,251)</u>	<u>36,266</u>	<u>32,204,659</u>
Governmental Activities Capital Assets, Net	<u>\$ 44,622,631</u>	<u>\$ (199,625)</u>	<u>\$ 36,266</u>	<u>\$ 44,386,740</u>

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

General Government	\$ 268,460
Security of Persons and Property	512,480
Leisure Time Services	205,742
Community and Economic Development	83,424
Transportation	3,261,611
	<u>\$ 4,331,717</u>



**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
<b>Business-Type Activities</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 8,336,966	\$ -	\$ -	\$ 8,336,966
Construction in Progress	79,906,500	29,711,382	10,278,733	99,339,149
<i>Total Capital Assets, Not Being Depreciated</i>	88,243,466	29,711,382	10,278,733	107,676,115
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	1,493,948	-	-	1,493,948
Buildings and Improvements	14,527,598	-	-	14,527,598
Furniture, Fixtures, and Equipment	9,598,549	109,726	-	9,708,275
Infrastructure:				
Sanitary Sewers	36,038,278	3,785,788	-	39,824,066
Storm Sewers	12,414,136	4,010,608	-	16,424,744
<i>Total Capital Assets, Being Depreciated</i>	74,072,509	7,906,122	-	81,978,631
Less Accumulated Depreciation:				
Land Improvements	(1,214,096)	(50,888)	-	(1,264,984)
Buildings and Improvements	(8,277,803)	(302,766)	-	(8,580,569)
Furniture, Fixtures, and Equipment	(7,732,478)	(211,990)	-	(7,944,468)
Infrastructure:				
Sanitary Sewers	(8,976,522)	(784,992)	-	(9,761,514)
Storm Sewers	(5,900,132)	(316,986)	-	(6,217,118)
<i>Total Accumulated Depreciation</i>	(32,101,031)	(1,667,622)	-	(33,768,653)
Total Capital Assets, Being Depreciated, Net	41,971,478	6,238,500	-	48,209,978
Business-Type Activities Capital Assets, Net	\$ 130,214,944	\$ 35,949,882	\$ 10,278,733	\$ 155,886,093

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

**NOTE 11: LONG-TERM OBLIGATIONS**

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

	Restated Principal Outstanding 12/31/2017	Additions	Deletions	Principal Outstanding 12/31/2018	Due Within One Year
<b>Governmental Activities</b>					
<i>General Obligation Bonds:</i>					
Various Purpose Refunding - 2008	\$ 210,000	\$ -	\$ 210,000	\$ -	\$ -
Unamortized Premium	4,548	-	4,548	-	-
Various Purpose - 2008	3,345,000	-	510,000	2,835,000	265,000
Unamortized Premium	65,468	-	6,236	59,232	-
Various Purpose - 2011A	150,000	-	35,000	115,000	35,000
Unamortized Premium	2,310	-	578	1,732	-
Various Purpose Refunding - 2011A	1,258,000	-	409,000	849,000	416,000
Unamortized Premium	20,891	-	6,965	13,926	-
Various Purpose - 2011B	1,787,000	-	98,000	1,689,000	103,000
Unamortized Premium	16,568	-	1,183	15,385	-
Various Purpose Refunding - 2014	4,966,024	-	590,153	4,375,871	607,639
<i>Total General Obligation Bonds</i>	<u>11,825,809</u>	<u>-</u>	<u>1,871,663</u>	<u>9,954,146</u>	<u>1,426,639</u>
<i>Long-term Notes Payable:</i>					
Various Purpose - 2017	2,001,000	-	2,001,000	-	-
Unamortized Premium	3,942	-	3,942	-	-
Various Purpose - 2018	-	2,001,000	-	2,001,000	2,001,000
Unamortized Premium	-	14,707	9,805	4,902	-
<i>Total Long-term Notes Payable</i>	<u>2,004,942</u>	<u>2,015,707</u>	<u>2,014,747</u>	<u>2,005,902</u>	<u>2,001,000</u>
<i>Income Tax Special Obligation Bonds:</i>					
Various Purpose - 2015	6,899,000	-	457,000	6,442,000	467,000
<i>Total Income Tax Special Obligation Bonds:</i>	<u>6,899,000</u>	<u>-</u>	<u>457,000</u>	<u>6,442,000</u>	<u>467,000</u>
<i>Special Assessment Bonds</i>					
<i>with Governmental Commitment</i>					
Refunding Heritage Drive					
Improvements - 2011 Refunding	130,000	-	130,000	-	-
Unamortized Premium	1,287	-	1,287	-	-
<i>Total Special Assessment Bonds</i>	<u>131,287</u>	<u>-</u>	<u>131,287</u>	<u>-</u>	<u>-</u>
<i>Ohio Public Works Commission</i>					
East 222nd Reconstruction -2006	1,002,223	-	83,519	918,704	83,519
<i>Net Pension Liability</i>					
OPERS	12,004,043	-	3,851,428	8,152,615	-
OP&F	39,127,096	-	1,195,510	37,931,586	-
<i>Total Net Pension Liability</i>	<u>51,131,139</u>	<u>-</u>	<u>5,046,938</u>	<u>46,084,201</u>	<u>-</u>
<i>Net OPEB Liability</i>					
OPERS	5,217,415	263,882	-	5,481,297	-
OP&F	29,322,729	5,694,256	-	35,016,985	-
<i>Total Net OPEB Liability</i>	<u>34,540,144</u>	<u>5,958,138</u>	<u>-</u>	<u>40,498,282</u>	<u>-</u>
<i>Other Obligations:</i>					
Capital Leases	1,416,259	-	300,421	1,115,838	196,981
Landfill	159,200	-	-	159,200	-
Claims and Judgments Payable	402,164	49,484	111,354	340,294	100,000
Compensated Absences	6,694,448	530,073	285,374	6,939,147	325,687
<i>Total Other Obligations</i>	<u>8,672,071</u>	<u>579,557</u>	<u>697,149</u>	<u>8,554,479</u>	<u>622,668</u>
<b><i>Total Governmental Activities</i></b>	<u>\$ 116,206,615</u>	<u>\$ 8,553,402</u>	<u>\$ 10,302,303</u>	<u>\$ 114,457,714</u>	<u>\$ 4,600,826</u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

	Principal Outstanding 12/31/2017	Additions	Deletions	Principal Outstanding 12/31/2018	Due Within One Year
<b>Business-Type Activities</b>					
<i>General Obligation Bonds:</i>					
Waste Water Fund:					
Various Purpose Refunding - 2008	\$ 165,000	\$ -	\$ 165,000	\$ -	\$ -
Unamortized Premium	2,208	-	2,208	-	-
Sewer Improvement - 2011B	572,000	-	32,000	540,000	33,000
Unamortized Premium	5,290	-	378	4,912	-
Various Purpose Refunding - 2014	713,976	-	84,848	629,128	87,362
Water Line Fund (a):					
Various Purpose Refunding - 2008	140,000	-	140,000	-	-
Unamortized Premium	2,110	-	2,110	-	-
Waterline Improvement - 2011B	4,871,000	-	270,000	4,601,000	279,000
Unamortized Premium	45,115	-	3,223	41,892	-
Waterline Improvement Refunding- 2011A	952,000	-	306,000	646,000	319,000
Unamortized Premium	15,017	-	5,005	10,012	-
<i>Total General Obligation Bonds:</i>	<u>7,483,716</u>	<u>-</u>	<u>1,010,772</u>	<u>6,472,944</u>	<u>718,362</u>
<i>OWDA Loans:</i>					
Waste Water Fund:					
Land Acquisition for Wastewater					
Treatment Facilities - 2012	795,769	-	27,514	768,255	28,446
SSO Elimination - 2013	826,605	-	54,022	772,583	55,682
SSO 25, 26 & 27, E. 220th, E. 194th & E. 222nd - 2014	4,843,666	-	218,702	4,624,964	-
WWTP Sludge Transfer Force Main - 2014	2,449,201	-	104,357	2,344,844	-
Edgecliff San. Sewer, WWTP Relief Sewer, SSO Elimination - 2014	1,506,364	15,683	128,760	1,393,287	-
WWTP Headworks Phase 1 - 2015	8,627,007	214,944	670,406	8,171,545	-
Edgecliff San. Sewer Relining, SSO #28 Elimination - 2015	484,841	44,994	21,796	508,039	-
WWTP MBR - Procurement Phase HAB - 2015	1,532,185	233,685	-	1,765,870	-
Headworks part B & EW Basin Phase 1 - 2015	42,238,820	7,290,625	1,257,946	48,271,499	-
Effingham SSO Elimination Design - 2015	84,756	-	84,756	-	-
WWTP MBR - NRD - 2017	10,867,327	18,062,630	-	28,929,957	-
East 219th & East 221st I&I Reduction - 2017	889,659	58,989	19,053	929,595	-
Brandywine SSO Elimination - 2017	329,973	78,196	10,668	397,501	-
Effingham SSO 36 Elimination - 2018	-	1,240,905	-	1,240,905	-
<i>Total OWDA Loans</i>	<u>75,476,173</u>	<u>27,240,651</u>	<u>2,597,980</u>	<u>100,118,844</u>	<u>84,128</u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

<b>Business-Type Activities (Continued)</b>	Restated Principal Outstanding 12/31/2017	Additions	Deletions	Principal Outstanding 12/31/2018	Due Within One Year
<i>OPWC Loans:</i>					
Waste Water Fund:					
Newton Avenue Improvements - 2000	\$ 146,882	\$ -	\$ 73,442	\$ 73,440	\$ 73,442
East 226th Street/Edgecliff - 2003	420,232	-	76,405	343,827	76,405
East 197th Street - 2001	113,852	-	37,952	75,900	37,952
East 255th Street - 2002	90,121	-	20,027	70,094	20,027
East 216th Street - 2004	203,395	-	29,057	174,338	29,057
Brandywine Pump Station - 2006	177,641	-	16,919	160,722	16,919
Chatworth Dr. Sanitary -2006	123,654	-	11,776	111,878	11,776
Euclid Ave/Babbit Rd -2006	274,104	-	23,835	250,269	23,835
Euclid Avenue Improvement -2008	340,445	-	23,479	316,966	23,479
Dille Road/ East 204 - 2009	509,252	-	36,374	472,878	36,374
E. 264th Street - 2010	139,276	-	9,948	129,328	9,948
E. 274th and E. 275th SSO Elimination - 2014	411,417	-	22,238	389,179	22,238
Edgecliff SSO Elimination - 2015	745,099	23,525	19,216	749,408	38,432
Crystal/E. 22nd Street/Bruce Storm and Sanitary - 2015	973,275	-	51,225	922,050	51,225
Brandywine Pump Station SSO Elimination- 2016	328,264	78,196	-	406,460	20,323
<b>Total Waste Water Fund</b>	<b>4,996,909</b>	<b>101,721</b>	<b>451,893</b>	<b>4,646,737</b>	<b>491,432</b>
Water Line Fund (a):					
Miller Avenue - 2001	253,485	-	84,495	168,990	84,495
East 222nd Street -2003	262,486	-	43,748	218,738	43,748
East 214th Street - 2001	39,411	-	13,136	26,275	13,136
East 222nd/Tungsten Road - 2009	740,336	-	25,976	714,360	25,976
Dille Road/ East 204 - 2009	155,748	-	11,126	144,622	11,126
E. 264th Street - 2010	15,330	-	1,095	14,235	1,095
E. 248th Street/Shoreview - 2010	532,303	-	21,727	510,576	21,727
E. 214 Street/Lake Shore - 2010	418,311	-	28,849	389,462	28,849
Roadway & Utility Improvement - 2011	520,020	-	34,668	485,352	34,668
<b>Total Water Line Fund</b>	<b>2,937,430</b>	<b>-</b>	<b>264,820</b>	<b>2,672,610</b>	<b>264,820</b>
<b>Total OPWC Loan</b>	<b>7,934,339</b>	<b>101,721</b>	<b>716,713</b>	<b>7,319,347</b>	<b>756,252</b>
<i>Other Obligations</i>					
Net Pension Liability - OPERS	5,085,996	-	1,632,113	3,453,883	-
Net OPEB Liability - OPERS	2,210,375	111,795	-	2,322,170	-
Capital Leases	654,347	51,383	200,274	505,456	190,445
Claims Payable	26,476	13,335	12,121	27,690	7,977
Compensated Absences	798,027	96,333	71,164	823,196	87,081
<b>Total Other Obligations</b>	<b>8,775,221</b>	<b>272,846</b>	<b>1,915,672</b>	<b>7,132,395</b>	<b>285,503</b>
<b>Total Business-Type Activities</b>	<b>\$ 99,669,449</b>	<b>\$ 27,615,218</b>	<b>\$ 6,241,137</b>	<b>\$ 121,043,530</b>	<b>\$ 1,844,245</b>

(a) During 2014, the City transferred its waterline infrastructure to the City of Cleveland. Therefore, this debt is no longer related to capital assets of the City.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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

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

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

Landfill costs are based on estimates as of December 31, 2018. The actual costs may be higher and they will be paid from the General Fund.

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

There is no repayment schedule for the net pension and OPEB liability; however, employer pension contributions are made from the General Fund, Court Computerization, Court Special Projects, Animal Shelter, Street Maintenance, Community TV, Recreation, Community Development, Neighborhood Stabilization and Other Grants special revenue funds, and Waste Water enterprise fund. Refer to Notes 14 and 15 for further information regarding Net Pension and OPEB Liability.

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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

At the end of the year, the City had twelve outstanding projects provided through OWDA loan funding that are not complete and final amortization schedules are not provided as of year-end. As of December 31, 2018, the total loan amounts received for the outstanding projects are reported in the previous schedules.

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

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

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

***Prior Years' Debt Defeasance***

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Government securities that were placed in the irrevocable trust fund. The investment and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of December 31, 2018, the amount of defeased debt outstanding but removed from the government-wide financial statements amounted to \$4,986,000.

***Legal Debt Margin***

The City's overall legal debt margin was \$46,361,513 and the unvoted debt margin was \$18,589,341 at December 31, 2018.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

***Principal and Interest Requirements***

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2018 are as follows:

	<u>Governmental Activities</u>						
	<u>General Obligation Bonds</u>		<u>Income Tax Special Obligation Bonds</u>		<u>OPWC Loan</u>	<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 1,426,639	\$ 325,748	467,000	153,971	\$ 83,519	\$ 1,510,158	\$ 325,748
2020	1,477,753	280,471	480,000	142,228	83,519	1,561,272	280,471
2021	1,037,896	231,902	490,000	130,200	83,519	1,121,415	231,902
2022	1,031,010	200,486	501,000	117,912	83,519	1,114,529	200,486
2023	1,053,495	169,413	515,000	105,314	83,519	1,137,014	169,413
2024-2028	3,368,079	415,174	2,779,000	325,710	417,591	3,785,670	415,174
2029-2032	468,999	40,894	1,210,000	30,182	83,518	552,517	40,894
2033-2036	-	-	-	-	-	-	-
Total	<u>\$ 9,863,871</u>	<u>\$ 1,664,088</u>	<u>\$ 6,442,000</u>	<u>\$ 1,005,517</u>	<u>\$ 918,704</u>	<u>\$ 10,782,575</u>	<u>\$ 1,664,088</u>

Business Type Activities

	<u>General Obligation Bonds</u>		<u>OWDA Loans</u>		<u>OPWC Loans</u>	<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 718,362	\$ 259,260	\$ 28,446	\$ 25,576	\$ 756,252	\$ 1,503,060	\$ 284,836
2020	737,247	223,089	29,410	24,613	682,809	1,449,466	247,702
2021	422,105	195,099	30,406	23,616	547,226	999,737	218,715
2022	433,990	179,636	31,436	22,586	537,214	1,002,640	202,222
2023	451,503	163,723	32,502	21,521	488,998	973,003	185,244
2024-2028	2,221,921	564,157	179,792	90,321	1,904,664	4,306,377	654,478
2029-2033	1,431,000	124,509	212,387	57,726	1,408,972	3,052,359	182,235
2034-2038	-	-	223,876	19,223	722,343	946,219	19,223
2039-2043	-	-	-	-	205,923	205,923	-
2044-2046	-	-	-	-	64,946	64,946	-
Total	<u>\$ 6,416,128</u>	<u>\$ 1,709,473</u>	<u>\$ 768,255</u>	<u>\$ 285,182</u>	<u>\$ 7,319,347</u>	<u>\$ 14,503,730</u>	<u>\$ 1,994,655</u>

**NOTE 12: COMPENSATED ABSENCES**

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



**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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**NOTE 12: COMPENSATED ABSENCES** (Continued)

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

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

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

Upon retirement of union employees, individuals with less than 1,200 hours of accumulated sick leave will have their sick leave paid out at the accrued number of hours multiplied by the hourly rate. Individuals with more than 1,200 hours will have the first 1,200 hours multiplied by the hourly rate and any hours over 1,200 multiplied by \$2.50. The City developed this policy in order to limit the amount of sick time it will pay out in the future for retirees.

**NOTE 13: RISK MANAGEMENT**

**A. Property and Liability**

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

During 2018, the City negotiated with McGowan Insurance Company for commercial insurance coverage relating to property, boiler, and machinery insurance. The cost of the current coverage in effect as of December 31, 2018 was \$65,334. The City carries a commercial package property insurance policy for blanket coverage. The City also negotiated with McGowan Insurance for police liability insurance covering liabilities related to the police department only. The cost of the current coverage in effect as of December 31, 2018 was \$84,322.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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

The City’s total limit of liability is \$150,000,000 as a result of any one occurrence, regardless of the number of perils, coverages or locations involved. The policy coverage includes loss of business income for specific locations, personal property, securities, and property in the open. Included in this blanket is coverage in land marine, equipment breakdown with its own \$10,000 deductible, and crime shield coverage of \$25,000 per loss with a \$250 deductible.

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

The claims liability of \$200,000 reported in the Self-Insurance Internal Service Fund at December 31, 2018 consists of general liability insurance and is based on an estimate of costs relating to incurred but not reported claims and also includes a settled judgment. Changes in the fund’s general liability insurance claims liability amount for the last three years follow:

December 31,	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2016	130,000	37,419	67,419	100,000
2015	100,000	575,000	375,000	300,000
2018	300,000	92,692	192,692	200,000

**B. Health Insurance**

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

**C. Workers’ Compensation Program**

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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

The claims liability of \$197,063 reported in governmental activities (with \$56,769 of the \$197,063 considered to be a current liability) and \$27,690 reported in business-type activities is based on the requirements of GASB Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported.

Changes in the fund’s claims liability amount for the last three years follows:

<u>December 31,</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2016	320,209	179,208	221,612	277,805
2017	277,805	99,098	162,000	214,903
2018	214,903	202,542	192,692	224,753

NOTE 14: **DEFINED BENEFIT PENSION PLANS**

A. **Net Pension Liability**

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

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

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

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

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

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

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

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

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> 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.

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

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

	State and Local
<b>2018 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
 <b>2018 Actual Contribution Rates</b>	
Employer:	
Pension **	14.0 %
Post-Employment Health Care Benefits **	0.0
Total Employer	14.0 %
 Employee	 10.0 %

\* Member contributions within combined plan are not used to fund the defined benefit retirement allowance

\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$1,461,524 for 2018. Of this amount, \$110,688 is reported as an intergovernmental payable.

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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

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

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

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

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

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

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

	Police	Firefighters
<b>2018 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 <b>2018 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 \$2,972,428 for 2018. Of this amount, \$212,697 is reported as an intergovernmental payable.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

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

The net pension liability for OPERS was measured as of December 31, 2017, 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, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Police	OP&F Fire	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.075259%	0.073948%	0.297099%	0.320642%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.073983%	0.062578%	0.293814%	0.324221%	
Change in Proportionate Share	<u>-0.001276%</u>	<u>-0.011370%</u>	<u>-0.003285%</u>	<u>0.003579%</u>	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 11,606,498	\$ (85,189)	\$ 18,032,707	\$ 19,898,879	\$ 49,452,895
Pension Expense	\$ 1,845,558	\$ 14,964	\$ 1,957,366	\$ 2,364,013	\$ 6,181,901

At December 31, 2018, 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>				
Changes of assumptions	\$ 1,394,493	\$ 785,780	\$ 867,099	\$ 3,047,372
Differences between expected and actual experience	11,854	273,660	301,980	587,494
Changes in proportion and differences between City contributions and proportionate share of contributions	9,045		193,753	202,798
City contributions subsequent to the measurement date	<u>1,461,524</u>	<u>1,416,266</u>	<u>1,556,162</u>	<u>4,433,952</u>
Total Deferred Outflows of Resources	<u>\$2,876,916</u>	<u>\$2,475,706</u>	<u>\$2,918,994</u>	<u>\$8,271,616</u>
<b>Deferred Inflows of Resources</b>				
Net difference between projected and actual earnings on pension plan investments	\$ 2,505,202	\$ 623,794	\$ 688,349	\$ 3,817,345
Differences between expected and actual experience	\$254,109	\$32,622	\$35,999	\$322,730
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>377,176</u>	<u>741,894</u>	<u>149,462</u>	<u>1,268,532</u>
Total Deferred Inflows of Resources	<u>\$ 3,136,487</u>	<u>\$ 1,398,310</u>	<u>\$ 873,810</u>	<u>\$ 5,408,607</u>



**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

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

\$4,433,952 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, 2019.

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

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F Police</u>	<u>OP&amp;F Fire</u>	<u>Total</u>
2019	\$739,303	\$260,600	\$491,654	\$1,491,557
2020	(323,414)	96,602	310,682	83,870
2021	(1,103,681)	(549,498)	(402,283)	(2,055,462)
2022	(1,030,024)	(351,957)	(229,235)	(1,611,216)
2023	(1,403)	164,290	256,709	419,596
Thereafter	<u>(1,876)</u>	<u>41,093</u>	<u>61,495</u>	<u>100,712</u>
Total	<u>(\$1,721,095)</u>	<u>(\$338,870)</u>	<u>\$489,022</u>	<u>(\$1,570,943)</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, 2017, 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.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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

E. *Actuarial Assumptions – OPERS* (Continued)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

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

The total pension asset in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

E. *Actuarial Assumptions – OPERS* (Continued)

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. 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 16.82 percent for 2017.

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 2017 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 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	<u>100.00 %</u>	<u>5.66 %</u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

E. *Actuarial Assumptions – OPERS* (Continued)

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

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

City's proportionate share of the net pension liability/(asset)	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Traditional Pension Plan	\$20,610,184	\$11,606,498	\$4,100,138
Combined Plan	(\$46,308)	(\$85,189)	(\$112,015)

***Changes Between Measurement Date and Report Date***

In October 2018, the OPERS Board adopted certain assumption changes which will impact their valuation prepared as of January 1, 2018. The most significant change is a reduction in the assumed actuarial rate of return from 7.50 percent to 7.20 percent. Although the exact amount of these changes is not known, it has the potential to impact the City’s net pension liability.

E. *Actuarial Assumptions – OP&F*

OP&F’s total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, 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.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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

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

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, 2017, are presented below:

Valuation Date	January 1, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Increases	3.25 percent
Inflation Assumptions	2.75 percent
Cost of Living Adjustments	2.20 percent and 3.00 percent Simple

Mortality rates for active members were based on the RP2014 Total employee and Healthy Annuitant Mortality Tables rolled back to 2006, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent. For disabled retirees, the mortality rates were based on the RP2014 Disabled Mortality Tables rolled back to 2006, and projected with the Conduent Modified 2016 Improvement Scale.

The most recent experience study was completed January 1, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F’s target asset allocation as of December 31, 2017 are summarized on the next page:

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

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

<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	- %		
Domestic Equity	16.00	4.22 %	4.36 %
Non-US Equity	16.00	4.41	5.59
Core Fixed Income *	23.00	1.57	2.71
U.S. Inflation Linked Bonds *	17.00	0.98	2.52
High Yield	7.00	2.94	4.71
Real Estate	12.00	5.58	6.34
Private Markets	8.00	6.67	8.08
Master Limited Partnerships	8.00	7.50	79.93
Private Credit	5.00	6.93	7.26
Real Assets	8.00	6.88	7.24
Total	<u>120.00 %</u>		

Note: Assumptions are geometric

\* 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 8.00 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 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

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

***Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 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 (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 52,583,123	\$ 37,931,586	\$ 25,981,915

NOTE 15: **DEFINED BENEFIT OPEB PLANS**

A. *Net OPEB Liability*

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the City's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB 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 these estimates 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 OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including OPEB.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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NOTE 15: **DEFINED BENEFIT OPEB PLANS** (Continued)

A. *Net OPEB Liability* (Continued)

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB 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 - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit 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. This 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, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.



**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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NOTE 15: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 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 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 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 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 provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution was \$4,403 for 2018.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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NOTE 15: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement 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 Government Accounting Standards Board (GASB) Statement No. 75.

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. 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.

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 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 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. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

NOTE 15: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$70,380 for 2018. Of this amount, \$5,073 is reported as an intergovernmental payable.

**D. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Prior Measurement Date	0.073540%	0.617740%	
Proportion of the Net OPEB Liability			
Current Measurement Date	<u>0.071860%</u>	<u>0.618035%</u>	
Change in Proportionate Share	<u>-0.001680%</u>	<u>0.000295%</u>	
Proportionate Share of the Net OPEB			
Liability	\$ 7,803,467	\$ 35,016,985	\$ 42,820,452
OPEB Expense	\$ 608,401	\$ 2,739,974	\$ 3,348,375

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

NOTE 15: **DEFINED BENEFIT OPEB PLANS** (Continued)

**D. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 6,079	\$ -	\$ 6,079
Changes of assumptions	568,175	3,416,913	3,985,088
Changes in proportion and differences between City contributions and proportionate share of contributions	-	15,898	15,898
City contributions subsequent to the measurement date	<u>4,403</u>	<u>70,380</u>	<u>74,783</u>
Total Deferred Outflows of Resources	<u><u>\$578,657</u></u>	<u><u>\$3,503,191</u></u>	<u><u>\$4,081,848</u></u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ -	\$ 176,611	\$ 176,611
Net difference between projected and actual earnings on OPEB plan investments	581,306	230,498	811,804
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>119,502</u>	<u>-</u>	<u>119,502</u>
Total Deferred Inflows of Resources	<u><u>\$700,808</u></u>	<u><u>\$407,109</u></u>	<u><u>\$1,107,917</u></u>

\$74,783 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2019	\$72,091	\$418,429	\$490,520
2020	72,091	418,429	490,520
2021	(125,411)	418,429	293,018
2022	(145,325)	418,427	273,102
2023	0	476,053	476,053
Thereafter	<u>0</u>	<u>875,935</u>	<u>875,935</u>
Total	<u><u>(\$126,554)</u></u>	<u><u>\$3,025,702</u></u>	<u><u>\$2,899,148</u></u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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NOTE 15: **DEFINED BENEFIT OPEB PLANS** (Continued)

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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

NOTE 15: **DEFINED BENEFIT OPEB PLANS** (Continued)

E. *Actuarial Assumptions – OPERS* (Continued)

The long-term expected rate of return on health care 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.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. 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 investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 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	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	<u>100.00 %</u>	<u>4.98 %</u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

NOTE 15: **DEFINED BENEFIT OPEB PLANS** (Continued)

E. *Actuarial Assumptions – OPERS* (Continued)

**Discount Rate** A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** The following table presents the City’s proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$ 10,367,242	\$ 7,803,467	\$ 5,729,398

**Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

NOTE 15: **DEFINED BENEFIT OPEB PLANS** (Continued)

E. *Actuarial Assumptions – OPERS* (Continued)

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$7,466,254	\$7,803,467	\$8,151,798

***Changes Between Measurement Date and Report Date***

In October 2018, the OPERS Board adopted certain assumption changes which will impact their valuation prepared as of January 1, 2018. The most significant change is a reduction in the assumed actuarial rate of return from 6.50 percent to 6.00 percent. Although the exact amount of these changes is now known, it has the potential to impact the City's net OPEB liability.

F. *Actuarial Assumptions – OP&F*

OP&F's total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, 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.



**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

NOTE 15: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

NOTE 15: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB 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 expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F’s target asset allocation as of December 31, 2017, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	120.00 %	

Note: Assumptions are geometric.

\* levered 2x

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

NOTE 15: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

OP&F’s Board of Trustees has incorporated the risk parity concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the 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 OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$43,771,653	\$35,016,985	\$28,280,652

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
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*(Continued)*

NOTE 15: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

***Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*** Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

Year	<u>Non-Medicare</u>	<u>Non-AARP</u>	<u>AARP</u>	<u>Rx Drug</u>	<u>Medicare Part B</u>
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	<u>1% Decrease</u>	<u>Current Rates</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$27,201,823	\$35,016,985	\$45,549,178

***Changes between Measurement Date and Report Date***

In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City’s NOL is not known.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

**NOTE 16: CAPITAL LEASES**

During 2018 the City entered into a capital lease contract for the purchase of a mower. In previous years the City entered into leases for computer software, pumper trucks, vehicles, a VAC/Sewer jet truck, and pump station. In prior years, the City entered into leases for the acquisition various miscellaneous vehicles and equipment. Capital lease payments are reflected as program expenditures on the budgetary statements and part of debt service on the Statement of Revenue, Expenditures, and Changes in Fund Balances. Capital assets acquired by lease have been capitalized and depreciated as follows as of December 31, 2018:

	Governmental Activities	Business-Type Activities
<i>Capital Assets being Depreciated:</i>		
Furniture, Fixtures, and Equipment	\$ 2,013,543	\$ 1,061,825
Less: Accumulated Depreciation	(475,421)	(201,588)
<i>Total Capital Assets being Depreciated</i>	<u>\$ 1,538,122</u>	<u>\$ 860,237</u>
Year Ending		
<u>December 31,</u>		
2019	\$ 222,424	\$ 203,039
2020	200,723	203,038
2021	176,724	100,573
2022	125,385	11,967
2023	125,385	11,967
Thereafter	376,151	-
Total Minimum Lease Payments	1,226,792	530,584
Less: Amount Representing Interest	(110,954)	(25,128)
Present Value of Minimum Lease Payments	<u>\$ 1,115,838</u>	<u>\$ 505,456</u>

**NOTE 17: CONSTRUCTION AND OTHER COMMITMENTS**

**A. Construction Commitments**

As of December 31, 2018, the City had the following significant commitments with respect to capital projects:

Capital Projects	Remaining Construction Commitment
<i>Business-Type Activities</i>	
Waste Water Projects:	
Headworks Part B & EQ Basin Ph. 1	\$ 13,512,271
WWTP MBR - NRD	49,839,763
Total Business-Type Activities	63,352,034
Total	<u>\$ 63,352,034</u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
(Continued)

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

**B. Other Commitments**

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of December 31, 2018, the City's commitments for encumbrances in the governmental funds were as follows:

	Outstanding Encumbrances
General	\$ 326,641
All Other Governmental Funds	835,955
Total	\$ 1,162,596

NOTE 18: **INTERFUND TRANSFERS AND BALANCES**

**A. Transfers**

Transfers made during the year ended December 31, 2018, were as follows:

Transfers To	Transfers From		Total
	General Fund	Waste Water Treatment	
Governmental Funds:			
General Obligation Bond Retirement	\$ 745,000	-	745,000
Nonmajor Governmental Funds	547,500	-	547,500
Total Governmental Funds	1,292,500	-	1,292,500
Internal Service Fund	240,000	-	240,000
Entity-Wide		2,482,337	2,482,337
Total	\$ 1,532,500	\$ 2,482,337	\$ 4,014,837

Transfers made from the General Fund to various other funds provided additional resources for current operations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16. Transfers of \$1,292,500 between governmental funds are eliminated on the statement of activities. The transfer from Water Line Improvement to the General Obligation Bond Retirement Fund was necessary to record the loan debt payments in the proper governmental fund. Transfer made from Waste Water Treatment Fund to the Entity-Wide was attributed to transferring of capital assets.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
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*(Continued)*

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

As of December 31, 2018, the \$358,313 interfund receivable in the General Obligation Bond Retirement Debt Service Fund is from manuscript notes from the Public Building Construction Capital Projects Fund. This interfund loan is used to fund repairs to the clubhouse located at the Briardale Greens Golf Course. The Public Building Construction Capital Projects Fund will repay this portion of the interfund loan with annual transfers from the General Fund. The interfund payables in the Community Development Block Grant Fund and the Other Grants Fund in the amounts of \$688,930 and \$78,895, respectively, is from a negative cash balance from grants not yet received. The interfund payables in the Briardale Greens Golf Course fund in the amount of \$130,000 is from the General Fund to cover operating expenses.

NOTE 19: **TAX ABATEMENTS**

As of December 31, 2018, the City of Euclid provides tax incentives under two programs: The Community Reinvestment Area Program and the Euclid Incentive Grant Program.

Real Estate Tax Abatement

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

Income Tax Abatement

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

The following are the tax abatements or other economic incentives provided in 2018 by the City, identified by dollar amount and type:

\$97,812      Total real property taxes exempted through six active Community Reinvestment Area Program districts (tax year 2017, collection year 2018).

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

## Required Supplementary Information



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

<b>Traditional Plan</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City's Proportion of the Net Pension Liability	0.073983%	0.075259%	0.079128%	0.090545%	0.090545%
City's Proportionate Share of the Net Pension Liability	\$11,606,498	\$17,090,039	\$13,705,968	\$10,920,739	\$10,674,076
City's Covered Payroll	\$9,776,938	\$9,728,775	\$9,852,258	\$11,137,600	\$11,744,800
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	118.71%	175.66%	139.11%	98.05%	90.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%
<b>Combined Plan</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City's Proportion of the Net Pension (Asset)	0.062578%	0.073948%	0.075810%	0.091255%	0.091255%
City's Proportionate Share of the Net Pension (Asset)	(\$85,189)	(\$41,157)	(\$36,890)	(\$35,135)	(\$9,574)
City's Covered Payroll	\$256,285	\$287,842	\$275,908	\$336,092	\$305,492
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	33.24%	14.30%	13.37%	10.45%	3.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	137.28%	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.

See accompanying notes to the required supplementary information

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

<b>Police</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City's Proportion of the Net Pension Liability	0.2938142%	0.2970990%	0.3050281%	0.3163172%	0.3163172%
City's Proportionate Share of the Net Pension Liability	\$18,032,707	\$18,817,953	\$19,622,671	\$16,790,476	\$15,405,640
City's Covered Payroll	\$7,150,489	\$7,115,032	\$6,904,947	\$7,018,626	\$7,005,067
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	252.19%	264.48%	284.18%	239.23%	219.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	71.71%	73.00%
<b>Fire</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City's Proportion of the Net Pension Liability	0.3242205%	0.3206420%	0.3202125%	0.3259162%	0.3259162%
City's Proportionate Share of the Net Pension Liability	\$19,898,879	\$20,309,143	\$20,599,495	\$17,300,002	\$15,873,141
City's Covered Payroll	\$6,409,574	\$6,281,809	\$5,861,060	\$5,860,983	\$5,772,279
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	310.46%	323.30%	351.46%	295.17%	274.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	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.

See accompanying notes to the required supplementary information

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Contractually Required Contributions</u>						
Traditional Plan	1,418,493	1,271,002	1,167,453	1,182,271	1,336,512	1,526,824
Combined Plan	<u>377,176</u>	<u>33,317</u>	<u>34,541</u>	<u>33,109</u>	<u>40,331</u>	<u>39,714</u>
Total Required Contributions	\$1,795,669	\$1,304,319	\$1,201,994	\$1,215,380	\$1,376,843	\$1,566,538
Contributions in Relation to the Contractually Required Contribution	<u>(\$1,795,669)</u>	<u>(\$1,304,319)</u>	<u>(\$1,201,994)</u>	<u>(\$1,215,380)</u>	<u>(\$1,376,843)</u>	<u>(\$1,566,538)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll						
Traditional Plan	\$10,132,093	\$9,776,938	\$9,728,775	\$9,852,258	\$11,137,600	\$11,744,800
Combined Plan	\$2,694,114	\$256,285	\$287,842	\$275,908	\$336,092	\$305,492
<u>Pension Contributions as a Percentage of Covered Payroll</u>						
Traditional Plan	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	14.00%	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.

See accompanying notes to the required supplementary information

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Contractually Required Contributions</u>										
Police	\$1,416,266	\$1,358,593	\$1,351,856	\$1,311,940	\$1,333,539	\$1,101,897	\$864,597	\$1,177,259	\$857,023	\$890,220
Fire	\$1,556,162	\$1,506,250	\$1,476,225	\$1,377,349	\$1,377,331	\$1,167,732	\$972,345	\$1,269,215	\$914,674	\$912,383
Total Required Contributions	\$2,972,428	\$2,864,843	\$2,828,081	\$2,689,289	\$2,710,870	\$2,269,629	\$1,836,942	\$2,446,474	\$1,771,697	\$1,802,603
Contributions in Relation to the Contractually Required Contribution	(\$2,972,428)	(\$2,864,843)	(\$2,828,081)	(\$2,689,289)	(\$2,710,870)	(\$2,269,629)	(\$1,836,942)	(\$2,446,474)	(\$1,771,697)	(\$1,802,603)
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered Payroll</u>										
Police	\$7,454,032	\$7,150,489	\$7,115,032	\$6,904,947	\$7,018,626	\$7,005,067	\$6,781,153	\$9,233,404	\$6,721,749	\$6,982,118
Fire	\$6,621,966	\$6,409,574	\$6,281,809	\$5,861,060	\$5,860,983	\$5,772,279	\$5,636,783	\$7,357,768	\$5,302,458	\$5,289,177
<u>Pension Contributions as a Percentage of Covered Payroll</u>										
Police	19.00%	19.00%	19.00%	19.00%	19.00%	[1]	12.75%	12.75%	12.75%	12.75%
Fire	23.50%	23.50%	23.50%	23.50%	23.50%	[1]	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.

See accompanying notes to the required supplementary information

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

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	2018	2017
City's Proportion of the Net OPEB Liability	0.071860%	0.073540%
City's Proportionate Share of the Net OPEB Liability	\$ 7,803,467	\$ 7,427,790
City's Covered Payroll	\$ 10,179,195	\$ 10,162,743
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	76.66%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.04%

(1) Information prior to 2017 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 calendar year end.

See accompanying notes to the required supplementary information

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

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	2018	2017
City's Proportion of the Net OPEB Liability	0.618035%	0.617740%
City's Proportionate Share of the Net OPEB Liability	\$ 35,016,985	\$ 29,322,729
City's Covered Payroll	\$ 13,560,063	\$ 13,396,841
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	258.24%	218.88%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.13%	15.96%

(1) Information prior to 2017 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 calendar year end.

See accompanying notes to the required supplementary information

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

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	2018	2017	2016	2015
Contractually Required Contribution	\$ 4,403	\$ 106,170	\$ 206,176	\$ 202,352
Contributions in Relation to the Contractually Required Contribution	(4,403)	(106,170)	(206,176)	(202,352)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
City Covered Payroll	\$ 10,549,529	\$ 10,179,195	\$ 10,162,743 0	\$ 10,300,470
Contributions as a Percentage of Covered Payroll	0.04%	1.04%	2.03%	1.96%

(1) Information prior to 2015 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually Required Contribution	\$ 70,380	\$ 71,420	\$ 66,628	\$ 63,663	\$ 63,834	\$ 446,899	\$ 838,211	\$ 1,119,904	\$ 811,634	\$ 828,312
Contributions in Relation to the Contractually Required Contribution	<u>(70,380)</u>	<u>(71,420)</u>	<u>(66,628)</u>	<u>(63,663)</u>	<u>(63,834)</u>	<u>(446,899)</u>	<u>(838,211)</u>	<u>(1,119,904)</u>	<u>(811,634)</u>	<u>(828,312)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 14,075,998	\$ 13,560,063	\$ 13,396,841	\$ 12,766,007	\$ 12,879,609	\$ 12,777,346	\$ 12,417,936	\$ 16,591,172	\$ 12,024,207	\$ 12,271,295
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%	3.62%	6.75%	6.75%	6.75%	6.75%

See accompanying notes to the required supplementary information



**City of Euclid, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2018*

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

***Net Pension Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014-2018.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. 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.

***Net OPEB Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2018.

*Changes in assumptions:* For 2018, the single discount rate changed from 4.23 percent to 3.85 percent

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

***Net Pension Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014-2018.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the investment rate of return was reduced from 8.25 percent to 8.00 percent (b) the projected salary increases was reduced from 4.25% to 3.75% (c) the payroll increases was reduced from 3.75% to 3.25% (d) the inflation assumptions was reduced from 3.25% to 2.75% (e) the cost of living adjustments was reduced from 2.60% to 2.20% (f) rates of withdrawal, disability and service retirement were

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*  
*(Continued)*

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updated to reflect recent experience (g) mortality rates were updated to the RP-2014 Total Employee and Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2016 (h) 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 2016.

***Net OPEB Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2018.

*Changes in assumptions:* For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

## **Combining Statements**

## *Fund Descriptions – Nonmajor Governmental Funds*

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### *Non-Major Special Revenue Funds*

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

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

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

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

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

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

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

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

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

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

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

## *Fund Descriptions – Nonmajor Governmental Funds*

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

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

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

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

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

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

### *Non-Major Capital Project Funds*

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

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

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

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

*Public Building Construction Fund* - This fund accounts for tax revenues used for the construction of public buildings. This fund did not have any budgetary activity in 2018, therefore, budgetary information is not provided.

*Fund Descriptions – Nonmajor Governmental Funds*

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*Non-Major Capital Project Funds (continued)*

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

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

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

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

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

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

**City of Euclid, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2018*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 1,451,803	\$ 1,656,681	\$ 3,108,484
Cash and Cash Equivalents:			
With Escrow Agents	-	13,014	13,014
Materials and Supplies Inventory	100,913	-	100,913
Accounts Receivable	43,837	28,297	72,134
Intergovernmental Receivable	1,925,304	21,049	1,946,353
Property Taxes Receivable	371,437	485,772	857,209
Payments in Lieu of Taxes Receivable	-	527,640	527,640
Assets Held for Resale	161,160	-	161,160
<b>Total Assets</b>	<b>\$ 4,054,454</b>	<b>\$ 2,732,453</b>	<b>\$ 6,786,907</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 224,878	\$ 110,525	\$ 335,403
Accrued Wages and Benefits	38,366	-	38,366
Contracts Payable	837,197	78,244	915,441
Intergovernmental Payable	19,052	-	19,052
Retainage Payable	72,800	23,230	96,030
Interfund Payable	767,825	358,313	1,126,138
Claims Payable	4,207	137	4,344
<b>Total Liabilities</b>	<b>1,964,325</b>	<b>570,449</b>	<b>2,534,774</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes and Payments in Lieu of Taxes	317,093	942,347	1,259,440
Unavailable Revenue - Delinquent Property Taxes	54,344	71,065	125,409
Unavailable Revenue - Other	1,588,513	21,049	1,609,562
<b>Total Deferred Inflows of Resources</b>	<b>1,959,950</b>	<b>1,034,461</b>	<b>2,994,411</b>
<b>Fund Balances:</b>			
Nonspendable	100,913	-	100,913
Restricted	1,832,917	1,485,856	3,318,773
Committed	2,086	-	2,086
Unassigned (Deficit)	(1,805,737)	(358,313)	(2,164,050)
<b>Total Fund Balances</b>	<b>130,179</b>	<b>1,127,543</b>	<b>1,257,722</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 4,054,454</b>	<b>\$ 2,732,453</b>	<b>\$ 6,786,907</b>

**City of Euclid, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2018*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>			
Property Taxes	\$ 316,612	\$ 411,272	\$ 727,884
Payments in Lieu of Taxes	-	330,113	330,113
Intergovernmental	3,216,352	42,097	3,258,449
Interest	336	521	857
Fines and Forfeitures	350,881	-	350,881
Charges for Services	622,682	-	622,682
Contributions and Donations	14,428	-	14,428
All Other Revenues	65,927	28,297	94,224
<b>Total Revenues</b>	<b>4,587,513</b>	<b>812,300</b>	<b>5,399,813</b>
<b>EXPENDITURES</b>			
Current:			
Security of Persons and Property	186,485	187,883	374,368
Leisure Time Activities	781,738	79,522	861,260
Community and Economic Development	1,066,370	489,005	1,555,375
Transportation	1,925,367	37,935	1,963,302
General Government	1,119,088	19,314	1,138,402
Capital Outlay	1,108,473	517,780	1,626,253
Debt Service:			
Principal Retirement	-	300,421	300,421
Interest and Fiscal Charges	-	30,716	30,716
<b>Total Expenditures</b>	<b>6,187,521</b>	<b>1,662,576</b>	<b>7,850,097</b>
Excess of Revenues Over (Under) Expenditures	(1,600,008)	(850,276)	(2,450,284)
<b>OTHER FINANCING SOURCES</b>			
Sale of Capital Assets	501	63,533	64,034
Transfers In	265,000	282,500	547,500
<b>Total Other Financing Sources</b>	<b>265,501</b>	<b>346,033</b>	<b>611,534</b>
Net Change in Fund Balances	(1,334,507)	(504,243)	(1,838,750)
Fund Balances - Beginning of Year	1,464,686	1,631,786	3,096,472
<b>Fund Balances - End of Year</b>	<b>\$ 130,179</b>	<b>\$ 1,127,543</b>	<b>\$ 1,257,722</b>



**City of Euclid, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2018*

	<u>State Highway</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Court Computer- ization</u>	<u>Court Special Projects</u>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 37,877	\$ 141,217	\$ 133,936	\$ 78,664
Materials and Supplies Inventory	-	-	-	-
Accounts Receivable	-	391	7,825	7,860
Intergovernmental Receivable	58,811	-	-	-
Property Taxes Receivable	-	-	-	-
Assets Held for Resale	-	-	-	-
<b>Total Assets</b>	<u>\$ 96,688</u>	<u>\$ 141,608</u>	<u>\$ 141,761</u>	<u>\$ 86,524</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	-	-
Contracts Payable	-	-	-	-
Intergovernmental Payable	-	-	-	-
Retainage Payable	-	-	-	-
Interfund Payable	-	-	-	-
Claims Payable	-	-	47	230
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>47</u>	<u>230</u>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	-	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-	-
Unavailable Revenue - Other	40,178	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>40,178</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	56,510	141,608	141,714	86,294
Committed	-	-	-	-
Unassigned (Deficit)	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<u>56,510</u>	<u>141,608</u>	<u>141,714</u>	<u>86,294</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 96,688</u>	<u>\$ 141,608</u>	<u>\$ 141,761</u>	<u>\$ 86,524</u>

(Continued)

**City of Euclid, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2018*  
*(Continued)*

	<b>Animal Shelter</b>	<b>Indigent Drivers Interlock and Alcohol Monitoring</b>	<b>Street Maintenance &amp; Construction</b>
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 4,595	\$ 49,357	\$ 563,057
Materials and Supplies Inventory	-	-	100,913
Accounts Receivable	-	-	24,276
Intergovernmental Receivable	-	-	746,963
Property Taxes Receivable	-	-	-
Assets Held for Resale	-	-	-
<b>Total Assets</b>	<b>\$ 4,595</b>	<b>\$ 49,357</b>	<b>\$ 1,435,209</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ -	\$ -	\$ 2,214
Accrued Wages and Benefits	1,612	-	23,679
Contracts Payable	-	-	-
Intergovernmental Payable	798	-	10,792
Retainage Payable	-	-	-
Interfund Payable	-	-	-
Claims Payable	99	-	2,140
<b>Total Liabilities</b>	<b>2,509</b>	<b>-</b>	<b>38,825</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-
Unavailable Revenue - Other	-	-	495,526
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>495,526</b>
<b>Fund Balances:</b>			
Nonspendable	-	-	100,913
Restricted	-	49,357	799,945
Committed	2,086	-	-
Unassigned (Deficit)	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>2,086</b>	<b>49,357</b>	<b>900,858</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 4,595</b>	<b>\$ 49,357</b>	<b>\$ 1,435,209</b>

<b>Recreation Operating</b>	<b>Community Development Block Grant</b>	<b>Neighborhood Stabilization Program</b>	<b>Other Grants</b>	<b>Law Enforcement Trust</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ 72,236	\$ -	\$ 120,826	\$ -	\$ 250,038	\$ 1,451,803
-	-	-	-	-	100,913
-	-	-	-	3,485	43,837
16,132	719,534	-	383,864	-	1,925,304
371,437	-	-	-	-	371,437
-	-	161,160	-	-	161,160
<u>\$ 459,805</u>	<u>\$ 719,534</u>	<u>\$ 281,986</u>	<u>\$ 383,864</u>	<u>\$ 253,523</u>	<u>\$ 4,054,454</u>
\$ 22,273	\$ 34,927	\$ -	\$ 148,049	\$ 17,415	\$ 224,878
5,964	6,594	517	-	-	38,366
-	-	-	837,197	-	837,197
3,130	3,745	72	515	-	19,052
-	-	-	72,800	-	72,800
-	688,930	-	78,895	-	767,825
885	806	-	-	-	4,207
<u>32,252</u>	<u>735,002</u>	<u>589</u>	<u>1,137,456</u>	<u>17,415</u>	<u>1,964,325</u>
317,093	-	-	-	-	317,093
54,344	-	-	-	-	54,344
16,132	719,534	-	317,143	-	1,588,513
<u>387,569</u>	<u>719,534</u>	<u>-</u>	<u>317,143</u>	<u>-</u>	<u>1,959,950</u>
-	-	-	-	-	100,913
39,984	-	281,397	-	236,108	1,832,917
-	-	-	-	-	2,086
-	(735,002)	-	(1,070,735)	-	(1,805,737)
<u>39,984</u>	<u>(735,002)</u>	<u>281,397</u>	<u>(1,070,735)</u>	<u>236,108</u>	<u>130,179</u>
<u>\$ 459,805</u>	<u>\$ 719,534</u>	<u>\$ 281,986</u>	<u>\$ 383,864</u>	<u>\$ 253,523</u>	<u>\$ 4,054,454</u>

**City of Euclid, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2018*

	<u>State Highway</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Court Computer- ization</u>	<u>Court Special Projects</u>	<u>Animal Shelter</u>
<b>REVENUES</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	117,717	-	-	-	-
Interest	-	-	-	-	-
Fines and Forfeitures	-	7,627	73,886	76,423	-
Rentals	-	-	-	-	-
Charges for Services	-	-	-	-	32,479
Contributions and Donations	-	-	-	-	-
All Other Revenues	-	-	-	-	-
<b>Total Revenues</b>	<u>117,717</u>	<u>7,627</u>	<u>73,886</u>	<u>76,423</u>	<u>32,479</u>
<b>EXPENDITURES</b>					
Current:					
Security of Persons and Property	-	14,989	36,327	-	99,288
Leisure Time Activities	-	-	-	-	-
Community and Economic Development	-	-	-	-	-
Transportation	83,881	-	-	-	-
General Government	-	-	-	-	-
Capital Outlay	-	-	-	-	-
<b>Total Expenditures</b>	<u>83,881</u>	<u>14,989</u>	<u>36,327</u>	<u>-</u>	<u>99,288</u>
Excess of Revenues Over (Under) Expenditures	<u>33,836</u>	<u>(7,362)</u>	<u>37,559</u>	<u>76,423</u>	<u>(66,809)</u>
<b>OTHER FINANCING SOURCES</b>					
Sale of Capital Assets	-	-	-	-	-
Transfers In	-	-	-	-	57,000
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,000</u>
Net Change in Fund Balances	<u>33,836</u>	<u>(7,362)</u>	<u>37,559</u>	<u>76,423</u>	<u>(9,809)</u>
Fund Balances - Beginning of Year	22,674	148,970	104,155	9,871	11,895
<b>Fund Balances - End of Year</b>	<u>\$ 56,510</u>	<u>\$ 141,608</u>	<u>\$ 141,714</u>	<u>\$ 86,294</u>	<u>\$ 2,086</u>

<b>Indigent Drivers Interlock and Alcohol Monitoring</b>	<b>Street Maintenance &amp; Construction</b>	<b>Recreation Operating</b>	<b>Community Development Block Grant</b>	<b>Neighborhood Stabilization Program</b>	<b>Other Grants</b>	<b>Law Enforcement Trust</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ -	\$ -	\$ 316,612	\$ -	\$ -	\$ -	\$ -	\$ 316,612
-	1,698,362	32,264	19,744	-	1,348,265	-	3,216,352
-	-	-	-	-	-	336	336
7,516	-	-	-	-	2,836	182,593	350,881
-	-	295	-	-	-	-	295
-	332,488	257,715	-	-	-	-	622,682
-	-	182	-	-	14,246	-	14,428
-	24,276	179	-	31,197	10,275	-	65,927
<u>7,516</u>	<u>2,055,126</u>	<u>607,247</u>	<u>19,744</u>	<u>31,197</u>	<u>1,375,622</u>	<u>182,929</u>	<u>4,587,513</u>
581	-	-	-	-	-	35,300	186,485
-	-	781,738	-	-	-	-	781,738
-	-	-	703,592	-	362,778	-	1,066,370
-	1,841,486	-	-	-	-	-	1,925,367
-	-	-	-	-	1,119,088	-	1,119,088
-	-	-	52,182	-	909,999	146,292	1,108,473
<u>581</u>	<u>1,841,486</u>	<u>781,738</u>	<u>755,774</u>	<u>-</u>	<u>2,391,865</u>	<u>181,592</u>	<u>6,187,521</u>
<u>6,935</u>	<u>213,640</u>	<u>(174,491)</u>	<u>(736,030)</u>	<u>31,197</u>	<u>(1,016,243)</u>	<u>1,337</u>	<u>(1,600,008)</u>
-	-	-	-	-	-	501	501
-	-	208,000	-	-	-	-	265,000
-	-	208,000	-	-	-	501	265,501
<u>6,935</u>	<u>213,640</u>	<u>33,509</u>	<u>(736,030)</u>	<u>31,197</u>	<u>(1,016,243)</u>	<u>1,838</u>	<u>(1,334,507)</u>
42,422	687,218	6,475	1,028	250,200	(54,492)	234,270	1,464,686
<u>\$ 49,357</u>	<u>\$ 900,858</u>	<u>\$ 39,984</u>	<u>\$ (735,002)</u>	<u>\$ 281,397</u>	<u>\$ (1,070,735)</u>	<u>\$ 236,108</u>	<u>\$ 130,179</u>

**City of Euclid, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2018*

	<b>General Permanent Improvement</b>	<b>Recreation Capital</b>	<b>Sidewalk Repair &amp; Replacement</b>	<b>Public Building Construction</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 225,032	\$ 918,781	\$ 64	\$ -
Cash and Cash Equivalents:				
With Escrow Agents	13,014	-	-	-
Accounts Receivable	28,297	-	-	-
Intergovernmental Receivable	12,410	8,639	-	-
Property Taxes Receivable	285,720	200,052	-	-
Payments in Lieu of Taxes Receivable	-	-	-	-
<b>Total Assets</b>	<b>\$ 564,473</b>	<b>\$ 1,127,472</b>	<b>\$ 64</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Contracts Payable	-	78,244	-	-
Retainage Payable	-	23,230	-	-
Interfund Payable	-	-	-	358,313
Claims Payable	-	137	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>101,611</b>	<b>-</b>	<b>358,313</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes and Payments in Lieu of Taxes	243,917	170,790	-	-
Unavailable Revenue - Delinquent Property Taxes	41,803	29,262	-	-
Unavailable Revenue - Other	12,410	8,639	-	-
<b>Total Deferred Inflows of Resources</b>	<b>298,130</b>	<b>208,691</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Restricted	266,343	817,170	64	-
Unassigned (Deficit)	-	-	-	(358,313)
<b>Total Fund Balances (Deficit)</b>	<b>266,343</b>	<b>817,170</b>	<b>64</b>	<b>(358,313)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 564,473</b>	<b>\$ 1,127,472</b>	<b>\$ 64</b>	<b>\$ -</b>

<b>Euclid Endowment</b>	<b>Sims Park</b>	<b>Bennington Hamlet</b>	<b>CMP Properties</b>	<b>Harbor Town TIF</b>	<b>Downtown District A TIF</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ 56,551	\$ 4,307	\$ 54,342	\$ 160,681	\$ 109,009	\$ 127,914	\$ 1,656,681
-	-	-	-	-	-	13,014
-	-	-	-	-	-	28,297
-	-	-	-	-	-	21,049
-	-	-	-	-	-	485,772
-	-	90,613	57,910	310,453	68,664	527,640
<u>\$ 56,551</u>	<u>\$ 4,307</u>	<u>\$ 144,955</u>	<u>\$ 218,591</u>	<u>\$ 419,462</u>	<u>\$ 196,578</u>	<u>\$ 2,732,453</u>
\$ 10,000	\$ -	\$ -	\$ 8,000	\$ -	\$ 92,525	\$ 110,525
-	-	-	-	-	-	78,244
-	-	-	-	-	-	23,230
-	-	-	-	-	-	358,313
-	-	-	-	-	-	137
<u>10,000</u>	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>92,525</u>	<u>570,449</u>
-	-	90,613	57,910	310,453	68,664	942,347
-	-	-	-	-	-	71,065
-	-	-	-	-	-	21,049
<u>-</u>	<u>-</u>	<u>90,613</u>	<u>57,910</u>	<u>310,453</u>	<u>68,664</u>	<u>1,034,461</u>
46,551	4,307	54,342	152,681	109,009	35,389	1,485,856
-	-	-	-	-	-	(358,313)
<u>46,551</u>	<u>4,307</u>	<u>54,342</u>	<u>152,681</u>	<u>109,009</u>	<u>35,389</u>	<u>1,127,543</u>
<u>\$ 56,551</u>	<u>\$ 4,307</u>	<u>\$ 144,955</u>	<u>\$ 218,591</u>	<u>\$ 419,462</u>	<u>\$ 196,578</u>	<u>\$ 2,732,453</u>

**City of Euclid, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2018*

	<b>General Permanent Improvement</b>	<b>Recreation Capital</b>	<b>Sidewalk Repair &amp; Replacement</b>	<b>Public Building Construction</b>
<b>REVENUES</b>				
Property Taxes	\$ 243,569	\$ 167,703	\$ -	\$ -
Payment in Lieu of Taxes	-	-	-	-
Intergovernmental	24,819	17,278	-	-
Interest	521	-	-	-
All Other Revenues	28,297	-	-	-
<b>Total Revenues</b>	<u>297,206</u>	<u>184,981</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Security of Persons and Property	187,883	-	-	-
Leisure Time Activities	-	79,522	-	-
Community Environment	-	-	-	-
Transportation	30,000	-	7,935	-
General Government	19,314	-	-	-
Capital Outlay	29,839	429,920	-	-
Debt Service:				
Principal Retirement	300,421	-	-	-
Interest and Fiscal Charges	30,716	-	-	-
<b>Total Expenditures</b>	<u>598,173</u>	<u>509,442</u>	<u>7,935</u>	<u>-</u>
Excess of Revenues (Under) Expenditures	<u>(300,967)</u>	<u>(324,461)</u>	<u>(7,935)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>				
Sale of Capital Assets	13,532	-	-	-
Transfer In	282,500	-	-	-
<b>Total Other Financing Sources</b>	<u>296,032</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(4,935)	(324,461)	(7,935)	-
Fund Balances - Beginning of Year	271,278	1,141,631	7,999	(358,313)
<b>Fund Balances - End of Year</b>	<u>\$ 266,343</u>	<u>\$ 817,170</u>	<u>\$ 64</u>	<u>\$ (358,313)</u>



<b>Euclid Endowment</b>	<b>Sims Park</b>	<b>Bennington Hamlet</b>	<b>CMP Properties</b>	<b>Harbor Town TIF</b>	<b>Downtown District A TIF</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 411,272
-	-	70,929	70,822	117,707	70,655	330,113
-	-	-	-	-	-	42,097
-	-	-	-	-	-	521
-	-	-	-	-	-	28,297
<u>-</u>	<u>-</u>	<u>70,929</u>	<u>70,822</u>	<u>117,707</u>	<u>70,655</u>	<u>812,300</u>
-	-	-	-	-	-	187,883
-	-	-	-	-	-	79,522
20,000	-	69,605	22,589	323,506	53,305	489,005
-	-	-	-	-	-	37,935
-	-	-	-	-	-	19,314
-	-	-	-	-	58,021	517,780
-	-	-	-	-	-	300,421
-	-	-	-	-	-	30,716
<u>20,000</u>	<u>-</u>	<u>69,605</u>	<u>22,589</u>	<u>323,506</u>	<u>111,326</u>	<u>1,662,576</u>
<u>(20,000)</u>	<u>-</u>	<u>1,324</u>	<u>48,233</u>	<u>(205,799)</u>	<u>(40,671)</u>	<u>(850,276)</u>
50,001	-	-	-	-	-	63,533
-	-	-	-	-	-	282,500
<u>50,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>346,033</u>
30,001	-	1,324	48,233	(205,799)	(40,671)	(504,243)
16,550	4,307	53,018	104,448	314,808	76,060	1,631,786
<u>\$ 46,551</u>	<u>\$ 4,307</u>	<u>\$ 54,342</u>	<u>\$ 152,681</u>	<u>\$ 109,009</u>	<u>\$ 35,389</u>	<u>\$ 1,127,543</u>

## *Fund Descriptions – Fiduciary Funds*

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### *Fiduciary Funds*

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

### *Agency Funds*

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

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

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

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

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

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

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

**City of Euclid, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2018*

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
<b><u>Municipal Court and Jail Commissary</u></b>				
<b>Assets</b>				
Cash and Cash Equivalents: in Segregated Accounts	\$ 254,219	\$ 5,139,463	\$ 5,120,518	\$ 273,164
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 254,219	\$ 5,139,463	\$ 5,120,518	\$ 273,164
<b><u>Employee Flex Spending</u></b>				
<b>Assets</b>				
Cash and Cash Equivalents: in Segregated Accounts	\$ 56,578	\$ 265,341	\$ 268,167	\$ 53,752
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 56,578	\$ 265,341	\$ 268,167	\$ 53,752
<b><u>Retirees Insurance Payments</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 17,018	\$ 203	\$ 385	\$ 16,836
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 17,018	\$ 203	\$ 385	\$ 16,836
<b><u>Building Deposits</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 139,886	\$ 93,708	\$ 57,960	\$ 175,634
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 139,886	\$ 93,708	\$ 57,960	\$ 175,634
<b><u>Street Opening</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 70,375	\$ 55,004	\$ 29,000	\$ 96,379
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 70,375	\$ 55,004	\$ 29,000	\$ 96,379
<b><u>Revolving</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 174,848	\$ 7,817,359	\$ 7,608,167	\$ 384,040
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 174,848	\$ 7,817,359	\$ 7,608,167	\$ 384,040
<b><u>Total - All Agency Funds</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 402,127	\$ 7,975,242	\$ 7,695,512	\$ 681,857
Cash and Cash Equivalents: in Segregated Accounts	310,797	5,404,804	5,388,685	326,916
Total Assets	<u>\$ 712,924</u>	<u>\$ 13,380,046</u>	<u>\$ 13,084,197</u>	<u>\$ 1,008,773</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	<u>\$ 712,924</u>	<u>\$ 13,380,046</u>	<u>\$ 13,084,197</u>	<u>\$ 1,008,773</u>

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

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 1,524,225	\$ 1,524,225	\$ 1,508,383	\$ (15,842)
Income Taxes	24,900,000	24,900,000	25,110,475	210,475
Hotel Taxes	600,000	600,000	661,538	61,538
Intergovernmental	1,665,174	1,665,174	1,725,814	60,640
Interest	150,000	150,000	351,763	201,763
Licenses and Permits	2,171,105	2,171,105	1,597,267	(573,838)
Fines and Forfeitures	1,825,250	1,825,250	1,424,383	(400,867)
Rentals	51,000	51,000	33,190	(17,810)
Charges for Services	5,605,486	5,605,486	5,396,570	(208,916)
Contributions and Donations	2,000	2,000	3,117	1,117
Special Assessments	810,000	810,000	824,457	14,457
All Other Revenues	505,000	481,152	785,954	304,802
<b>Total Revenues</b>	<b>39,809,240</b>	<b>39,785,392</b>	<b>39,422,911</b>	<b>(362,481)</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police				
Personal Services	11,395,019	11,558,034	11,447,560	110,474
Other	1,131,787	1,131,787	1,121,216	10,571
Total Police	12,526,806	12,689,821	12,568,776	121,045
Police Administration				
Personal Services	650,471	666,246	662,019	4,227
Other	182,146	182,146	162,485	19,661
Total Police Administration	832,617	848,392	824,504	23,888
Corrections				
Other	404,000	404,000	400,267	3,733
Total Corrections	404,000	404,000	400,267	3,733
Fire				
Personal Services	10,035,221	10,343,665	10,294,219	49,446
Other	99,875	124,988	124,988	-
Total Fire	10,135,096	10,468,653	10,419,207	49,446
Fire Administration				
Personal Services	59,872	59,872	59,640	232
Other	19,700	19,700	19,262	438
Total Fire Administration	79,572	79,572	78,902	670
Total Security of Persons and Property	23,978,091	24,490,438	24,291,656	198,782

(Continued)

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2018  
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Health				
Health				
Personal Services	28,212	28,326	26,319	2,007
Other	265,350	281,850	263,979	17,871
Total Public Health	<u>293,562</u>	<u>310,176</u>	<u>290,298</u>	<u>19,878</u>
Community and Economic Development				
Planning and Development				
Personal Services	213,539	233,179	226,885	6,294
Other Expenses	92,550	92,550	91,613	937
Total Planning and Development	<u>306,089</u>	<u>325,729</u>	<u>318,498</u>	<u>7,231</u>
Building/Housing				
Personal Services	1,142,290	1,094,527	1,032,027	62,500
Other Expenses	471,795	231,795	88,915	142,880
Total Building/Housing	<u>1,614,085</u>	<u>1,326,322</u>	<u>1,120,942</u>	<u>205,380</u>
Total Community and Economic Development	<u>1,920,174</u>	<u>1,652,051</u>	<u>1,439,440</u>	<u>212,611</u>
Sanitation				
Public Works				
Personal Services	126,445	126,715	97,199	29,516
Other Expenses	5,507	5,507	4,669	838
Total Public Works	<u>131,952</u>	<u>132,222</u>	<u>101,868</u>	<u>30,354</u>
Sanitation				
Other Expenses	2,450,750	2,450,750	2,450,750	-
Total Sanitation	<u>2,450,750</u>	<u>2,450,750</u>	<u>2,450,750</u>	<u>-</u>
Total Sanitation	<u>2,582,702</u>	<u>2,582,972</u>	<u>2,552,618</u>	<u>30,354</u>
Leisure Time Activities				
Parks				
Personal Services	893,502	966,347	940,380	25,967
Other Expenses	35,425	35,425	34,951	474
Total Parks	<u>928,927</u>	<u>1,001,772</u>	<u>975,331</u>	<u>26,441</u>
Senior Center				
Personal Services	270,214	272,774	268,064	4,710
Other Expenses	41,905	50,475	48,920	1,555
Total Senior Center	<u>312,119</u>	<u>323,249</u>	<u>316,984</u>	<u>6,265</u>
Total Leisure Time Activities	<u>1,241,046</u>	<u>1,325,021</u>	<u>1,292,315</u>	<u>32,706</u>

(Continued)

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2018  
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government				
Council				
Personal Services	160,861	181,106	166,667	14,439
Other Expenses	3,125	3,125	1,455	1,670
Total Council	<u>163,986</u>	<u>184,231</u>	<u>168,122</u>	<u>16,109</u>
Court				
Personal Services	1,276,663	1,284,023	1,232,276	51,747
Other Expenses	189,245	189,245	164,055	25,190
Total Court	<u>1,465,908</u>	<u>1,473,268</u>	<u>1,396,331</u>	<u>76,937</u>
Mayor				
Personal Services	327,199	352,114	345,835	6,279
Other Expenses	6,045	6,045	3,302	2,743
Total Mayor	<u>333,244</u>	<u>358,159</u>	<u>349,137</u>	<u>9,022</u>
Human Resources				
Personal Services	147,161	132,871	130,661	2,210
Other Expenses	2,450	2,450	1,226	1,224
Total Human Resources	<u>149,611</u>	<u>135,321</u>	<u>131,887</u>	<u>3,434</u>
Civil Services				
Personal Services	19,030	19,030	19,030	-
Other Expenses	40,350	40,350	30,915	9,435
Total Civil Services	<u>59,380</u>	<u>59,380</u>	<u>49,945</u>	<u>9,435</u>
Law				
Personal Services	683,714	690,299	624,786	65,513
Other Expenses	188,853	291,352	289,654	1,698
Total Law Department	<u>872,567</u>	<u>981,651</u>	<u>914,440</u>	<u>67,211</u>
Finance Department				
Personal Services	526,482	529,067	496,639	32,428
Other Expenses	112,873	112,873	111,340	1,533
Total Finance	<u>639,355</u>	<u>641,940</u>	<u>607,979</u>	<u>33,961</u>
Tax				
Personal Services	306,716	308,856	274,659	34,197
Other Expenses	125,580	125,580	90,935	34,645
Total Tax	<u>432,296</u>	<u>434,436</u>	<u>365,594</u>	<u>68,842</u>

(Continued)

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2018  
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Information Technology				
Personal Services	65,297	65,552	50,651	14,901
Other Expenses	144,075	144,075	144,075	-
Total Information Technology	<u>209,372</u>	<u>209,627</u>	<u>194,726</u>	<u>14,901</u>
Public Buildings				
Personal Services	558,361	544,091	520,457	23,634
Other Expenses	163,373	163,373	162,897	476
Total Public Buildings	<u>721,734</u>	<u>707,464</u>	<u>683,354</u>	<u>24,110</u>
Motor Maintenance				
Personal Services	700,105	676,405	656,263	20,142
Other Expenses	427,870	537,870	528,949	8,921
Total Motor Maintenance	<u>1,127,975</u>	<u>1,214,275</u>	<u>1,185,212</u>	<u>29,063</u>
Engineering				
Personal Services	-	-	-	-
Other Expenses	90,032	90,032	89,167	865
Total Engineering	<u>90,032</u>	<u>90,032</u>	<u>89,167</u>	<u>865</u>
Planning and Zoning				
Personal Services	210,662	221,571	217,547	4,024
Other	12,960	12,960	6,760	6,200
Total Planing and Zoning	<u>223,622</u>	<u>234,531</u>	<u>224,307</u>	<u>10,224</u>
General Services				
Personal Services	1,128,144	960,145	533,100	427,045
Other Expenses	2,208,572	2,476,072	2,089,939	386,133
Total General Services	<u>3,336,716</u>	<u>3,436,217</u>	<u>2,623,039</u>	<u>813,178</u>
Total General Government	<u>9,825,798</u>	<u>10,160,532</u>	<u>8,983,240</u>	<u>1,177,292</u>
<b>Total Expenditures</b>	<u>39,841,373</u>	<u>40,521,190</u>	<u>38,849,567</u>	<u>1,671,623</u>
Excess of Revenues Over (Under) Expenditures	(32,133)	(735,798)	573,344	1,309,142
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	2,000	2,000	9,568	7,568
Advances Out	(100,000)	(130,000)	(130,000)	-
Transfers In	80,000	80,000	80,000	-
Transfers Out	(1,737,735)	(1,824,735)	(1,824,735)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,755,735)</u>	<u>(1,872,735)</u>	<u>(1,865,167)</u>	<u>7,568</u>
Net Change in Fund Balance	(1,787,868)	(2,608,533)	(1,291,823)	1,316,710
Fund Balance - Beginning of Year	4,020,007	4,020,007	4,020,007	-
Prior Year Encumbrances Appropriated	551,512	551,512	551,512	-
<b>Fund Balance - End of Year</b>	<u>\$ 2,783,651</u>	<u>\$ 1,962,986</u>	<u>\$ 3,279,696</u>	<u>\$ 1,316,710</u>



**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Obligation Bond Retirement Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Property Taxes	\$ 1,994,133	\$ 2,006,099	\$ 11,966
Intergovernmental	1,102,594	261,225	(841,369)
Special Assessments	491,604	116,470	(375,134)
<b>Total Revenues</b>	<u>3,588,331</u>	<u>2,383,794</u>	<u>(1,204,537)</u>
<b>Expenditures:</b>			
Current:			
General Government			
Personal Services	53,217	50,964	2,253
Other	46,878	46,832	46
Total General Government	<u>100,095</u>	<u>97,796</u>	<u>2,299</u>
Debt Service:			
Principal	<u>5,060,713</u>	<u>5,060,482</u>	<u>231</u>
<b>Total Expenditures</b>	<u>5,160,808</u>	<u>5,158,278</u>	<u>2,530</u>
Excess of Revenues Over (Under) Expenditures	(1,572,477)	(2,774,484)	(1,202,007)
<b>Other Financing Sources</b>			
Bond Anticipation Notes Issued	2,002,172	2,015,707	13,535
Premium on Note Issuance	1,250	-	(1,250)
Transfers In	<u>745,000</u>	<u>745,000</u>	<u>-</u>
<b>Total Other Financing Sources</b>	<u>2,748,422</u>	<u>2,760,707</u>	<u>12,285</u>
Net Change in Fund Balance	1,175,945	(13,777)	(1,189,722)
Fund Balance - Beginning of Year	18,607	18,607	-
<b>Fund Balance - End of Year</b>	<u>\$ 1,194,597</u>	<u>\$ 4,875</u>	<u>\$ (1,189,722)</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Waste Water Treatment Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$ 11,139,200	\$ 17,738,220	\$ 6,599,020
Tap-in Fees	8,500	7,200	(1,300)
Intergovernmental	27,500,000	28,639,925	1,139,925
Other Services	5,000	1,001	(3,999)
<b>Total Revenues</b>	<u>38,652,700</u>	<u>46,386,346</u>	<u>7,733,646</u>
<b>Expenses:</b>			
Current:			
Personal Services	5,417,744	4,766,922	650,822
Contractual Services	5,870,234	5,862,192	8,042
Materials and Supplies	2,203,677	2,116,442	87,235
Capital Outlay	32,383,776	28,732,005	3,651,771
Other Expenses	66,287	64,110	2,177
Debt Service:			
Principal Retirement	3,654,795	3,509,373	145,422
<b>Total Expenses</b>	<u>49,596,513</u>	<u>45,051,044</u>	<u>4,545,469</u>
Excess of Revenues Over (Under) Expenses	(10,943,813)	1,335,302	12,279,115
<b>Other Financing Sources (Uses)</b>			
Transfer In	1,745,000	1,745,000	-
Transfer Out	(1,745,000)	(1,745,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Equity	(10,943,813)	1,335,302	12,279,115
Fund Equity - Beginning of Year, Restated	17,374,794	17,374,794	-
Prior Year Encumbrances Appropriated	1,825,105	1,825,105	-
<b>Fund Equity - End of Year</b>	<u>\$ 8,256,086</u>	<u>\$ 20,535,201</u>	<u>\$ 12,279,115</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Water Line Improvement Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Charges for Services	\$ 2,000,000	\$ 1,814,892	\$ (185,108)
Intergovernmental	-	1,848,465	1,848,465
All Other Revenues	10,000	-	(10,000)
<b>Total Revenues</b>	<u>2,010,000</u>	<u>3,663,357</u>	<u>1,653,357</u>
<b>Expenses:</b>			
Current:			
Contractual Services	1,697,488	1,497,605	199,883
Capital Outlay	1,125,952	981,712	144,240
Other	125,011	122,808	2,203
<b>Total Expenses</b>	<u>2,948,451</u>	<u>2,602,125</u>	<u>346,326</u>
Net Change in Fund Equity	(938,451)	1,061,232	1,999,683
Fund Equity - Beginning of Year	2,891,273	2,891,273	-
Prior Year Encumbrances Appropriated	55,451	55,451	-
<b>Fund Equity - End of Year</b>	<u>\$ 2,008,273</u>	<u>\$ 4,007,956</u>	<u>\$ 1,999,683</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Briardale Greens Golf Course Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts <u>Final</u>	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$ 720,000	\$ 1,183,368	\$ 463,368
<b>Total Revenues</b>	<u>720,000</u>	<u>1,183,368</u>	<u>463,368</u>
<b>Expenses:</b>			
Current:			
Other	\$ 812,000	\$ 1,262,941	\$ (450,941)
<b>Total Expenses</b>	<u>812,000</u>	<u>1,262,941</u>	<u>(450,941)</u>
Excess of Revenues Over (Under) Expenses	(92,000)	(79,573)	12,427
<b>Other Financing Sources</b>			
Advances In	130,000	130,000	-
<b>Total Other Financings Sources</b>	<u>130,000</u>	<u>130,000</u>	<u>-</u>
Net Change in Fund Equity	38,000	50,427	12,427
Fund Equity - Beginning of Year	11,144	11,144	-
<b>Fund Equity - End of Year</b>	<u>\$ 49,144</u>	<u>\$ 61,571</u>	<u>\$ 12,427</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Self Insurance Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Expenses:</b>			
Current:			
Other	\$ 266,727	\$ 245,794	\$ 20,933
<b>Total Expenses</b>	<u>266,727</u>	<u>245,794</u>	<u>20,933</u>
Excess of Revenues Over (Under) Expenses	(266,727)	(245,794)	20,933
<b>Other Financing Sources</b>			
Transfer In	240,000	240,000	-
<b>Total Other Financings Sources</b>	<u>240,000</u>	<u>240,000</u>	<u>-</u>
Net Change in Fund Equity	(26,727)	(5,794)	20,933
Fund Equity - Beginning of Year	27,912	27,912	-
<b>Fund Equity - End of Year</b>	<u>\$ 3,912</u>	<u>\$ 24,845</u>	<u>\$ 20,933</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 State Highway Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ 117,650	\$ 117,621	\$ (29)
<b>Total Revenues</b>	<u>117,650</u>	<u>117,621</u>	<u>(29)</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Other	124,062	124,061	1
<b>Total Expenditures</b>	<u>124,062</u>	<u>124,061</u>	<u>1</u>
Net Change in Fund Balance	(6,412)	(6,440)	(28)
Fund Balance - Beginning of Year	11,256	11,256	-
<b>Fund Balance - End of Year</b>	<u>\$ 4,906</u>	<u>\$ 4,878</u>	<u>\$ (28)</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Indigent Drivers Alcohol Treatment Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 7,800	\$ 7,748	\$ (52)
<b>Total Revenues</b>	<u>7,800</u>	<u>7,748</u>	<u>(52)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Other	150,000	14,990	135,010
<b>Total Expenditures</b>	<u>150,000</u>	<u>14,990</u>	<u>135,010</u>
Net Change in Fund Balance	(142,200)	(7,242)	134,958
Fund Balance - Beginning of Year	148,458	148,458	-
<b>Fund Balance - End of Year</b>	<u>\$ 6,258</u>	<u>\$ 141,216</u>	<u>\$ 134,958</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Court Computerization Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts <u>Final</u>	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 107,400	\$ 70,856	\$ (36,544)
<b>Total Revenues</b>	<u>107,400</u>	<u>70,856</u>	<u>(36,544)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Other	206,700	41,530	165,170
<b>Total Expenditures</b>	<u>206,700</u>	<u>41,530</u>	<u>165,170</u>
Net Change in Fund Balance	(99,300)	29,326	128,626
Fund Balance - Beginning of Year	99,990	99,990	-
Prior Year Encumbrances Appropriated	200	200	-
<b>Fund Balance - End of Year</b>	<u>\$ 890</u>	<u>\$ 129,516</u>	<u>\$ 128,626</u>



**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Court Special Projects Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 92,800	\$ 71,175	\$ (21,625)
<b>Total Revenues</b>	<u>92,800</u>	<u>71,175</u>	<u>(21,625)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Other	100,000	-	100,000
<b>Total Expenditures</b>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Net Change in Fund Balance	(7,200)	71,175	78,375
Fund Balance - Beginning of Year	7,489	7,489	-
<b>Fund Balance - End of Year</b>	<u>\$ 289</u>	<u>\$ 78,664</u>	<u>\$ 78,375</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Animal Shelter Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Charges for Services	\$ 32,500	\$ 32,479	\$ (21)
<b>Total Revenues</b>	<u>32,500</u>	<u>32,479</u>	<u>(21)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Personal Services	84,851	84,633	218
Other	16,705	15,966	739
<b>Total Expenditures</b>	<u>101,556</u>	<u>100,599</u>	<u>957</u>
Excess of Revenues Over (Under) Expenditures	(69,056)	(68,120)	936
<b>Other Financing Sources</b>			
Transfers In	57,000	57,000	-
<b>Total Other Financing Sources</b>	<u>57,000</u>	<u>57,000</u>	<u>-</u>
Net Change in Fund Balance	(12,056)	(11,120)	936
Fund Balance - Beginning of Year	13,663	13,663	-
Prior Year Encumbrances Appropriated	405	405	-
<b>Fund Balance - End of Year</b>	<u>\$ 2,012</u>	<u>\$ 2,948</u>	<u>\$ 936</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Nuisance Abatement Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Charges for Services	\$ 35,517	\$ 35,825	\$ 308
Special Assessments	164,483	165,908	1,425
<b>Total Revenues</b>	<u>200,000</u>	<u>201,733</u>	<u>1,733</u>
<b>Expenditures:</b>			
Current:			
Community and Economic Development			
Other	109,628	84,455	25,173
<b>Total Expenditures</b>	<u>109,628</u>	<u>84,455</u>	<u>25,173</u>
Excess of Revenues Over (Under) Expenditures	90,372	117,278	26,906
<b>Other Financing (Uses)</b>			
Transfers Out	(80,000)	(80,000)	-
<b>Total Other Financing (Uses)</b>	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>
Net Change in Fund Balance	10,372	37,278	26,906
Fund Balance - Beginning of Year	33,625	33,625	-
Prior Year Encumbrances Appropriated	2,628	2,628	-
<b>Fund Balance - End of Year</b>	<u>\$ 46,625</u>	<u>\$ 73,531</u>	<u>\$ 26,906</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Indigent Drivers Interlock and Alcohol Monitoring Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Fines and Forfeitures	\$ 7,600	\$ 7,516	\$ (84)
<b>Total Revenues</b>	<u>7,600</u>	<u>7,516</u>	<u>(84)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Police and Others:			
Other	9,000	581	8,419
<b>Total Expenditures</b>	<u>9,000</u>	<u>581</u>	<u>8,419</u>
Net Change in Fund Balance	(1,400)	6,935	8,335
Fund Balance - Beginning of Year	42,422	42,422	-
<b>Fund Balance - End of Year</b>	<u>\$ 41,022</u>	<u>\$ 49,357</u>	<u>\$ 8,335</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Street Maintenance and Construction Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 1,696,985	\$ 1,696,850	\$ (135)
All Other Revenues	332,515	332,488	(27)
<b>Total Revenues</b>	<u>2,029,500</u>	<u>2,029,338</u>	<u>(162)</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Personal Services	1,217,482	1,215,751	1,731
Other	1,038,886	1,002,413	36,473
<b>Total Expenditures</b>	<u>2,256,368</u>	<u>2,218,164</u>	<u>38,204</u>
Net Change in Fund Balance	(226,868)	(188,826)	38,042
Fund Balance - Beginning of Year	478,090	478,090	-
Prior Year Encumbrances Appropriated	72,513	72,513	-
<b>Fund Balance - End of Year</b>	<u>\$ 323,735</u>	<u>\$ 361,777</u>	<u>\$ 38,042</u>

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Community Television Fund  
For the Year Ended December 31, 2018*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Expenditures:</b>			
Current:			
Community and Economic Development			
Personal Services	\$ 87,084	\$ 86,179	\$ 905
Other	<u>3,200</u>	<u>1,677</u>	<u>1,523</u>
<b>Total Expenditures</b>	<u>90,284</u>	<u>87,856</u>	<u>2,428</u>
Excess of Revenues Over (Under) Expenditures	(90,284)	(87,856)	2,428
<b>Other Financing Sources</b>			
Transfers In	<u>75,000</u>	<u>75,000</u>	-
<b>Total Other Financing Sources</b>	<u>75,000</u>	<u>75,000</u>	-
Net Change in Fund Balance	(15,284)	(12,856)	2,428
Fund Balance - Beginning of Year	<u>16,128</u>	<u>16,128</u>	-
<b>Fund Balance - End of Year</b>	<u>\$ 844</u>	<u>\$ 3,272</u>	<u>\$ 2,428</u>

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Recreation Operating Fund  
For the Year Ended December 31, 2018*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$ 326,083	\$ 316,612	\$ (9,471)
Intergovernmental	66,652	32,264	(34,388)
Rentals	609	295	(314)
Charges for Services	532,393	257,715	(274,678)
Contributions and Donations	376	182	(194)
All Other Revenues	370	179	(191)
<b>Total Revenues</b>	<u>926,483</u>	<u>607,247</u>	<u>(319,236)</u>
<b>Expenditures:</b>			
Current:			
Leisure Time Activities			
Personal Services	419,359	414,299	5,060
Other	414,502	366,798	47,704
<b>Total Expenditures</b>	<u>833,861</u>	<u>781,097</u>	<u>52,764</u>
Excess of Revenues Over (Under) Expenditures	92,622	(173,850)	(266,472)
<b>Other Financing Sources</b>			
Transfers In	208,000	208,000	-
<b>Total Other Financing Sources</b>	<u>208,000</u>	<u>208,000</u>	<u>-</u>
Net Change in Fund Balance	300,622	34,150	(266,472)
Fund Balance - Beginning of Year	15,361	15,361	-
Prior Year Encumbrances Appropriated	6,403	6,403	-
<b>Fund Balance - End of Year</b>	<u>\$ 322,386</u>	<u>\$ 55,914</u>	<u>\$ (266,472)</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Community Development Block Grant Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 1,151,000	\$ 60,219	\$ (1,090,781)
<b>Total Revenues</b>	<u>1,151,000</u>	<u>60,219</u>	<u>(1,090,781)</u>
<b>Expenditures:</b>			
Current:			
Community and Economic Development			
Personal Services	467,554	402,073	65,481
Other	652,887	455,951	196,936
<b>Total Expenditures</b>	<u>1,120,441</u>	<u>858,024</u>	<u>262,417</u>
Net Change in Fund Balance	30,559	(797,805)	(828,364)
Fund Balance - Beginning of Year	(97,937)	(97,937)	-
Prior Year Encumbrances Appropriated	68,287	68,287	-
<b>Fund Balance - End of Year</b>	<u>\$ 909</u>	<u>\$ (827,455)</u>	<u>\$ (828,364)</u>



**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Neighborhood Stabilization Program Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 90,000	\$ -	\$ (90,000)
All Other Revenues	130,000	-	(130,000)
<b>Total Revenues</b>	<u>220,000</u>	<u>-</u>	<u>(220,000)</u>
<b>Expenditures:</b>			
Current:			
Community and Economic Development			
Personal Services	12,500	9,146	3,354
Other	400,600	146,270	254,330
<b>Total Expenditures</b>	<u>413,100</u>	<u>155,416</u>	<u>257,684</u>
Net Change in Fund Balance	(193,100)	(155,416)	37,684
Fund Balance - Beginning of Year	197,005	197,005	-
<b>Fund Balance - End of Year</b>	<u>\$ 3,905</u>	<u>\$ 41,589</u>	<u>\$ 37,684</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Other Grants Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Intergovernmental	9,950,485	\$ 1,483,342	\$ (8,467,143)
Fines and Forfeitures	19,024	2,836	(16,188)
Contributions and Donations	95,564	14,246	(81,318)
All Other Revenues	68,927	10,275	(58,652)
<b>Total Revenues</b>	<u>10,134,000</u>	<u>1,510,699</u>	<u>(8,623,301)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Police and Others:			
Other	400	-	400
Community Development			
Other	544,832	444,134	100,698
General Government			
Personal Services	244,490	86,593	157,897
Other	1,500,000	1,210,088	289,912
Total General Government	<u>1,744,490</u>	<u>1,296,681</u>	<u>447,809</u>
<b>Total Expenditures</b>	<u>2,289,722</u>	<u>1,740,815</u>	<u>548,907</u>
Net Change in Fund Balance	7,844,278	(230,116)	(8,074,394)
Fund Balance - Beginning of Year	(754,442)	(754,442)	-
Prior Year Encumbrances Appropriated	545,232	545,232	-
<b>Fund Balance - End of Year</b>	<u>\$ 7,635,068</u>	<u>\$ (439,326)</u>	<u>\$ (8,074,394)</u>

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Law Enforcement Trust Fund  
For the Year Ended December 31, 2018*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Interest	\$ 337	\$ 336	\$ (1)
Fines and Forfeitures	179,563	179,108	(455)
<b>Total Revenues</b>	179,900	179,444	(456)
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Personal Services	21,400	-	21,400
Other	212,000	167,147	44,853
<b>Total Expenditures</b>	233,400	167,147	66,253
Excess of Revenues Over (Under) Expenditures	(53,500)	12,297	65,797
<b>Other Financing Sources</b>			
Sale of Capital Assets	-	502	502
<b>Total Other Financing Sources</b>	-	502	502
Net Change in Fund Balance	(53,500)	12,799	66,299
Fund Balance - Beginning of Year	234,270	234,270	-
<b>Fund Balance - End of Year</b>	\$ 180,770	\$ 247,069	\$ 66,299

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Shore Corporation Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
All Other Revenues	\$ 12,765	\$ 13,400	\$ 635
<b>Total Revenues</b>	<u>12,765</u>	<u>13,400</u>	<u>635</u>
<b>Expenditures:</b>			
Current:			
Leisure Time Activities			
Other	230,000	228,168	1,832
<b>Total Expenditures</b>	<u>230,000</u>	<u>228,168</u>	<u>1,832</u>
Excess of Revenues Over (Under) Expenditures	(217,235)	(214,768)	2,467
<b>Other Financing Sources</b>			
Transfers In	217,235	217,235	-
<b>Total Other Financing Sources</b>	<u>217,235</u>	<u>217,235</u>	<u>-</u>
Net Change in Fund Balance	-	2,467	2,467
Fund Balance - Beginning of Year	1,797	1,797	-
<b>Fund Balance - End of Year</b>	<u>\$ 1,797</u>	<u>\$ 4,264</u>	<u>\$ 2,467</u>

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
General Permanent Improvement Fund  
For the Year Ended December 31, 2018*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Property Taxes	\$ 250,833	\$ 243,569	\$ (7,264)
Intergovernmental	179,013	24,819	(154,194)
<b>Total Revenues</b>	<u>429,846</u>	<u>268,388</u>	<u>(161,458)</u>
<b>Expenditures:</b>			
Current:			
Capital Outlay:			
Other	555,745	314,939	240,806
Debt Service:			
Principal	285,437	285,437	-
<b>Total Expenditures</b>	<u>841,182</u>	<u>600,376</u>	<u>240,806</u>
Excess of Revenues Over (Under) Expenditures	(411,336)	(331,988)	79,348
<b>Other Financing Sources</b>			
Sale of Capital Assets	97,603	13,532	(84,071)
Transfers In	282,500	282,500	-
<b>Total Other Financing Sources</b>	<u>380,103</u>	<u>296,032</u>	<u>(84,071)</u>
Net Change in Fund Balance	(31,233)	(35,956)	(4,723)
Fund Balance - Beginning of Year	256,790	256,790	-
Prior Year Encumbrances Appropriated	1,995	1,995	-
<b>Fund Balance - End of Year</b>	<u>\$ 227,552</u>	<u>\$ 222,829</u>	<u>\$ (4,723)</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Recreation Capital Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Property Taxes	\$ 172,863	\$ 167,703	\$ (5,160)
Intergovernmental	12,000	17,278	5,278
<b>Total Revenues</b>	<u>184,863</u>	<u>184,981</u>	<u>118</u>
<b>Expenditures:</b>			
Current:			
Capital Outlay:			
Other	1,001,925	518,924	483,001
<b>Total Expenditures</b>	<u>1,001,925</u>	<u>518,924</u>	<u>483,001</u>
Net Change in Fund Balance	(817,062)	(333,943)	483,119
Fund Balance - Beginning of Year	791,840	791,840	-
Prior Year Encumbrances Appropriated	350,000	350,000	-
<b>Fund Balance - End of Year</b>	<u>\$ 324,778</u>	<u>\$ 807,897</u>	<u>\$ 483,119</u>

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Sidewalk Repair and Replacement Fund  
For the Year Ended December 31, 2018*

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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Final			
<b>Expenditures:</b>				
Capital Outlay:				
Other	\$ 7,935		\$ 7,935	\$ -
<b>Total Expenditures</b>	7,935		7,935	-
Net Change in Fund Balance	(7,935)		(7,935)	-
Fund Balance - Beginning of Year	64		64	-
<b>Fund Balance - End of Year</b>	\$ 64		\$ 64	\$ -

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Euclid Endowment Fund  
For the Year Ended December 31, 2018*

	Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
	Final		
<b>Expenditures:</b>			
Current:			
Capital Outlay:			
Community Development	\$ 15,000	\$ 10,000	\$ 5,000
<b>Total Expenditures</b>	15,000	10,000	5,000
 Excess of Revenues Over (Under) Expenditures	 (15,000)	 (10,000)	 5,000
 <b>Other Financing Sources</b>			
Sale of Capital Assets	50,000	50,001	1
<b>Total Other Financing Sources</b>	50,000	50,001	1
 Net Change in Fund Balance	 35,000	 40,001	 5,001
 Fund Balance - Beginning of Year	 16,550	 16,550	 -
<b>Fund Balance - End of Year</b>	\$ 51,550	\$ 56,551	\$ 5,001



**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Sims Park Fund  
 For the Year Ended December 31, 2018*

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	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Expenditures:</b>			
Capital Outlay:			
Other	\$ 4,000	\$ -	\$ 4,000
<b>Total Expenditures</b>	4,000	-	4,000
Net Change in Fund Balance	(4,000)	-	4,000
Fund Balance - Beginning of Year	4,307	4,307	-
<b>Fund Balance - End of Year</b>	\$ 307	\$ 4,307	\$ 4,000

**City of Euclid Ohio**

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Bennington Hamlet Fund  
For the Year Ended December 31, 2018*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Payments in Lieu of Taxes	\$ 70,900	\$ 70,929	\$ 29
<b>Total Revenues</b>	<u>70,900</u>	<u>70,929</u>	<u>29</u>
<b>Expenditures:</b>			
Capital Outlay:			
Other	75,000	69,606	5,394
<b>Total Expenditures</b>	<u>75,000</u>	<u>69,606</u>	<u>5,394</u>
Net Change in Fund Balance	(4,100)	1,323	5,423
Fund Balance - Beginning of Year	53,018	53,018	-
<b>Fund Balance - End of Year</b>	<u>\$ 48,918</u>	<u>\$ 54,341</u>	<u>\$ 5,423</u>

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
CMP Properties Fund  
For the Year Ended December 31, 2018*

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	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Payments in Lieu of Taxes	\$ 72,000	\$ 70,822	\$ (1,178)
<b>Total Revenues</b>	72,000	70,822	(1,178)
<b>Expenditures:</b>			
Capital Outlay:			
Other	171,731	39,589	132,142
Net Change in Fund Balance	(99,731)	31,233	130,964
Fund Balance - Beginning of Year	97,717	97,717	-
Prior Year Encumbrances Appropriated	6,731	6,731	-
<b>Fund Balance - End of Year</b>	\$ 4,717	\$ 135,681	\$ 130,964

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Harbor Town TIF Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Payments in Lieu of Taxes	\$ 119,000	\$ 117,707	\$ (1,293)
<b>Total Revenues</b>	<u>119,000</u>	<u>117,707</u>	<u>(1,293)</u>
<b>Expenditures:</b>			
Capital Outlay:			
Other	433,800	323,505	110,295
<b>Total Expenditures</b>	<u>433,800</u>	<u>323,505</u>	<u>110,295</u>
Net Change in Fund Balance	(314,800)	(205,798)	109,002
Fund Balance - Beginning of Year	308,008	308,008	-
Prior Year Encumbrances Appropriated	6,800	6,800	-
<b>Fund Balance - End of Year</b>	<u>\$ 8</u>	<u>\$ 109,010</u>	<u>\$ 109,002</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Downtown District A TIF Fund  
 For the Year Ended December 31, 2018*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Payments in Lieu of Taxes	\$ 70,000	\$ 70,655	\$ 655
<b>Total Revenues</b>	<u>70,000</u>	<u>70,655</u>	<u>655</u>
<b>Expenditures:</b>			
Capital Outlay:			
Other	145,000	18,801	126,199
<b>Total Expenditures</b>	<u>145,000</u>	<u>18,801</u>	<u>126,199</u>
Net Change in Fund Balance	(75,000)	51,854	126,854
Fund Balance - Beginning of Year	76,060	76,060	-
<b>Fund Balance - End of Year</b>	<u>\$ 1,060</u>	<u>\$ 127,914</u>	<u>\$ 126,854</u>

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# **STATISTICAL SECTION**





# City of Euclid, Ohio

## Statistical Section

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

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

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

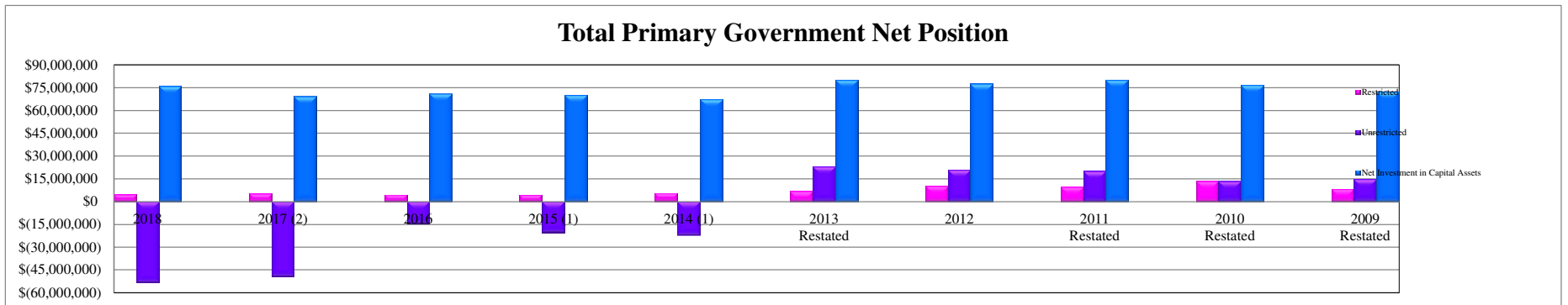
# City of Euclid, Ohio

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

**Table 1**

	2018	2017 (2)	2016	2015 (1)	2014 (1)	2013 Restated	2012	2011 Restated	2010 Restated	2009 Restated
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 24,074,861	\$ 21,530,048	\$ 24,766,951	\$ 27,228,440	\$ 30,734,068	\$ 32,235,958	\$ 32,146,243	\$ 36,430,785	\$ 36,290,780	\$ 37,644,890
Restricted	4,710,052	5,234,805	4,613,091	4,514,553	5,572,849	6,761,817	10,219,167	9,671,191	13,342,663	8,307,210
Unrestricted	(71,286,632)	(65,129,395)	(26,738,157)	(26,065,765)	(26,559,107)	10,896,260	12,076,435	11,807,492	5,052,623	3,360,059
<b>Total Governmental Activities Net Position</b>	<b>\$ (42,501,719)</b>	<b>\$ (38,364,542)</b>	<b>\$ 2,641,885</b>	<b>\$ 5,677,228</b>	<b>\$ 9,747,810</b>	<b>\$ 49,894,035</b>	<b>\$ 54,441,845</b>	<b>\$ 57,909,468</b>	<b>\$ 54,686,066</b>	<b>\$ 49,312,159</b>
<b>Business Type - Activities</b>										
Net Investment in Capital Assets	\$ 51,873,706	\$ 47,629,041	\$ 46,148,436	\$ 42,710,192	\$ 36,541,168	\$ 47,755,727	\$ 45,310,310	\$ 43,523,835	\$ 40,280,422	\$ 34,567,361
Unrestricted	17,957,478	15,625,946	12,251,787	6,386,794	4,187,683	12,158,558	8,658,820	8,144,885	8,285,405	11,352,949
<b>Total Business-Type Activities Net Position</b>	<b>\$ 69,831,184</b>	<b>\$ 63,254,987</b>	<b>\$ 58,400,223</b>	<b>\$ 49,096,986</b>	<b>\$ 40,728,851</b>	<b>\$ 59,914,285</b>	<b>\$ 53,969,130</b>	<b>\$ 51,668,720</b>	<b>\$ 48,565,827</b>	<b>\$ 45,920,310</b>
<b>Primary Government</b>										
Net Investment in Capital Assets	\$ 75,948,567	\$ 69,159,089	\$ 70,915,387	\$ 69,938,632	\$ 67,275,236	\$ 79,991,685	\$ 77,456,553	\$ 79,954,620	\$ 76,571,202	\$ 72,212,251
Restricted	4,710,052	5,234,805	4,613,091	4,514,553	5,572,849	6,761,817	10,219,167	9,671,191	13,342,663	8,307,210
Unrestricted	(53,329,154)	(49,503,449)	(14,486,370)	(20,499,081)	(22,371,424)	23,054,818	20,735,255	19,952,377	13,338,028	14,713,008
<b>Total Primary Government Net Position</b>	<b>\$ 27,329,465</b>	<b>\$ 24,890,445</b>	<b>\$ 61,042,108</b>	<b>\$ 53,954,104</b>	<b>\$ 50,476,661</b>	<b>\$ 109,808,320</b>	<b>\$ 108,410,975</b>	<b>\$ 109,578,188</b>	<b>\$ 103,251,893</b>	<b>\$ 95,232,469</b>

- (1) The City implemented GASB Statement No. 68. As a result, the 2014 and 2015 Net Position was restated.  
 (2) The City implemented GASB Statement No. 75. As a result, the 2017 Net Position was restated.



# City of Euclid, Ohio

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

**Table 2**

	2018	2017	2016	2015	2014	2013	2012	2011 Restated	2010 Restated	2009 Restated
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 1,335,403	\$ 2,146,060	\$ 1,806,019	\$ 1,899,438	\$ 1,884,612	\$ 1,615,417	\$ 2,066,689	\$ 2,507,033	\$ 4,317,024	\$ 2,301,388
Security of Persons and Property	3,453,611	3,695,435	4,039,613	3,520,400	3,316,938	3,643,071	3,919,272	3,448,103	3,732,402	2,845,690
Public Health	132,249	131,993	106,213	102,102	91,297	84,625	76,651	77,382	82,068	78,398
Leisure Time Activities	500,163	518,824	308,629	371,949	368,130	403,594	394,730	450,554	433,648	590,597
Community and Economic Development	2,841,379	2,151,060	1,611,124	1,833,210	1,769,947	1,965,204	1,779,151	1,702,985	1,512,112	1,413,183
Sanitation	1,804,919	1,808,746	1,941,239	1,849,666	1,907,893	1,592,590	2,378,857	1,797,856	1,337,454	0
Transportation	332,488	0	0	0	0	2,024	600	0	0	114,156
Subtotal - Charges for Services	10,400,212	10,452,118	9,812,837	9,576,765	9,338,817	9,306,525	10,615,950	9,983,913	11,414,708	7,343,412
Operating Grants and Contributions:										
General Government	17,363	2,550	240,924	0	84,216	47,626	0	550,724	587,960	137,338
Security of Persons and Property	111,709	535,938	697,848	548,918	95,757	398,529	617,370	667,415	1,084,936	491,637
Public Health	49,315	42,021	38,623	40,646	18,326	14,569	0	0	0	0
Leisure Time Activities	182	993	19,415	380	391	368	6,741	51,895	3,766	10,039
Community and Economic Development	1,714,870	1,660,021	2,238,870	1,593,676	934,765	1,317,949	1,365,971	1,770,441	2,738,366	1,215,829
Sanitation	0	0	0	0	0	5,000	4,000	0	0	0
Transportation	2,158,291	1,802,921	1,750,921	1,773,437	1,874,674	1,576,336	1,691,509	1,707,991	1,819,510	1,699,535
Subtotal - Operating Grants and Contributions	4,051,730	4,044,444	4,986,601	3,957,057	3,008,129	3,360,377	3,685,591	4,748,466	6,234,538	3,554,378
Capital Grants and Contributions:										
General Government	1,331	0	116,470	0	191,784	0	18,354	65,527	350,000	0
Security of Persons and Property	23,502	9,596	0	0	0	21,561	124,372	25,511	0	0
Public Health	0	0	0	0	0	30,844	0	0	0	0
Transportation	0	500,000	0	0	0	125,587	34,227	1,514,633	0	0
Community and Economic Development	0	0	0	1,985	0	67,200	13,047	0	0	0
Leisure Time Activities	0	0	0	0	0	252,489	548,313	67,597	0	0
Subtotal - Capital Grants and Contributions	24,833	509,596	116,470	1,985	191,784	497,681	738,313	1,673,268	350,000	0
<b>Total Governmental Activities Program Revenues</b>	<b>14,476,775</b>	<b>15,006,158</b>	<b>14,915,908</b>	<b>13,535,807</b>	<b>12,538,730</b>	<b>13,164,583</b>	<b>15,039,854</b>	<b>16,405,647</b>	<b>17,999,246</b>	<b>10,897,790</b>
<b>Business-Type Activities</b>										
Charges for Services:										
Briardale Greens Golf Course	1,183,368	1,026,527	698,725	760,598	709,972	0	0	0	8,746	939,058
Waste Water Treatment	17,635,675	18,130,416	15,196,076	14,618,099	15,433,332	14,615,480	11,112,883	11,068,529	9,238,260	10,663,957
Water Line Improvement	1,752,798	2,047,715	1,838,834	1,785,669	2,003,009	1,682,000	2,895,931	1,606,374	1,551,174	1,967,426
Operating Grants and Contributions:										
Wastewater Treatment	0	0	0	0	0	0	0	0	184,648	227,712
Water Line Improvement	1,848,465	0	0	735,805	2,042,210	0	0	0	0	0
Capital Grants and Contributions										
Briardale Golf Course	51,383	0	70,914	26,598	110,582	86,723	9,300	0	98,794	0
Waste Water Treatment	1,862,719	168,012	3,862,258	6,555,091	2,528,406	850,622	0	0	321,351	94,932
Water Line Improvement	0	0	0	0	0	0	0	1,053,139	464,161	1,042,281
<b>Total Business-Type Activities Program Revenues</b>	<b>24,334,408</b>	<b>21,372,670</b>	<b>21,666,807</b>	<b>24,481,860</b>	<b>22,827,511</b>	<b>17,234,825</b>	<b>14,018,114</b>	<b>13,728,042</b>	<b>11,867,134</b>	<b>14,935,366</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 38,811,183</b>	<b>\$ 36,378,828</b>	<b>\$ 36,582,715</b>	<b>\$ 38,017,667</b>	<b>\$ 35,366,241</b>	<b>\$ 30,399,408</b>	<b>\$ 29,057,968</b>	<b>\$ 30,133,689</b>	<b>\$ 29,866,380</b>	<b>\$ 25,833,156</b>

# City of Euclid, Ohio

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

**Table 2**

	2018	2017	2016	2015	2014	2013	2012	2011	2010 Restated	2009 Restated
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 10,842,408	\$ 13,350,744	\$ 14,996,193	\$ 13,569,848	\$ 13,851,860	\$ 13,381,458	\$ 11,879,530	\$ 14,070,597	\$ 13,105,802	\$ 13,389,365
Security of Persons and Property	29,540,104	23,622,226	23,033,620	21,344,311	20,975,180	21,090,420	20,602,865	19,892,646	20,607,153	21,052,721
Sanitation	2,562,686	2,548,206	2,156,988	2,292,854	2,274,374	2,310,771	2,063,996	2,185,892	1,916,687	2,251,317
Public Health	294,163	305,534	464,708	294,862	279,500	273,361	275,393	285,793	273,641	280,112
Leisure Time Activities	3,042,131	2,912,241	2,245,540	1,930,889	1,987,341	1,878,910	1,709,689	1,667,298	1,766,298	2,095,133
Community and Economic Development	3,300,179	4,236,334	2,746,663	3,108,042	2,606,619	3,004,987	2,991,518	2,884,982	2,873,059	2,846,921
Transportation	5,279,478	5,783,848	6,090,854	6,476,034	5,930,036	6,026,874	9,489,789	6,057,526	6,647,276	7,382,963
Interest and Fiscal Charges	636,247	645,515	799,472	846,847	830,823	993,111	1,210,537	846,954	1,418,378	1,406,102
<b>Total Governmental Activities Expenses</b>	<b>55,497,396</b>	<b>53,404,648</b>	<b>52,534,038</b>	<b>49,863,687</b>	<b>48,735,733</b>	<b>48,959,892</b>	<b>50,223,317</b>	<b>47,891,688</b>	<b>48,608,294</b>	<b>50,704,634</b>
<b>Business-Type Activities</b>										
Briardale Golf Course	1,368,458	1,211,719	894,434	871,822	806,348	88,397	92,343	80,540	131,602	894,060
Waste water Treatment	12,551,560	12,690,066	11,157,630	11,958,134	10,053,697	9,997,445	10,203,983	9,601,656	9,938,574	10,920,206
Water Line Improvement	1,356,857	988,430	312,351	3,409,410	2,125,851	1,253,974	1,433,806	800,228	965,870	1,033,398
<b>Total Business-Type Activities Expenses</b>	<b>15,276,875</b>	<b>14,890,215</b>	<b>12,364,415</b>	<b>16,239,366</b>	<b>12,985,896</b>	<b>11,339,816</b>	<b>11,730,132</b>	<b>10,482,424</b>	<b>11,036,046</b>	<b>12,847,664</b>
<b>Total Primary Government Program Expenses</b>	<b>70,774,271</b>	<b>68,294,863</b>	<b>64,898,453</b>	<b>66,103,053</b>	<b>61,721,629</b>	<b>60,299,708</b>	<b>61,953,449</b>	<b>58,374,112</b>	<b>59,644,340</b>	<b>63,552,298</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(41,020,621)	(38,398,490)	(37,618,130)	(36,327,880)	(36,197,003)	(35,795,309)	(35,183,463)	(31,486,041)	(30,609,048)	(39,806,844)
Business-Type Activities	9,057,533	6,482,455	9,302,392	8,242,494	9,841,615	5,895,009	2,287,982	3,245,618	831,088	2,087,702
<b>Total Primary Government Net Expense</b>	<b>(31,963,088)</b>	<b>(31,916,035)</b>	<b>(28,315,738)</b>	<b>(28,085,386)</b>	<b>(26,355,388)</b>	<b>(29,900,300)</b>	<b>(32,895,481)</b>	<b>(28,240,423)</b>	<b>(29,777,960)</b>	<b>(37,719,142)</b>

# City of Euclid, Ohio

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

**Table 2**

	2018	2017	2016	2015	2014	2013	2012	2011	2010 Restated	2009 Restated
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Property and Other Local Taxes	4,821,321	4,096,416	4,774,698	4,687,118	4,746,669	4,765,637	4,898,836	4,940,319	5,162,960	5,069,206
Municipal Income Taxes	25,989,593	23,451,267	26,199,511	24,435,672	22,555,188	23,090,347	22,359,573	24,315,337	22,994,810	22,527,179
Grants and Entitlements not Restricted to										
Specific Programs	2,002,431	2,184,167	2,227,555	2,332,890	2,576,299	2,189,349	3,061,866	4,458,718	6,874,711	5,885,372
Payments in Lieu of Taxes	330,113	340,398	246,429	330,248	259,991	261,567	304,822	179,400	174,801	172,310
Investment Income	321,373	245,311	195,775	168,425	64,882	90,253	107,136	94,986	173,483	451,410
Gain on Sale of Capital Assets	37,336	14,888	45,904	48,163	192,874	23,311	0	0	128,453	45,431
Miscellaneous	898,940	1,555,622	1,781,650	380,129	746,440	827,035	983,607	1,082,783	478,952	1,196,228
Transfers	2,482,337	(101,858)	(68,625)	(125,347)	0	0	0	420,923	(5,215)	0
Total Governmental Activities	<u>36,883,444</u>	<u>31,786,211</u>	<u>35,402,897</u>	<u>32,257,298</u>	<u>31,142,343</u>	<u>31,247,499</u>	<u>31,715,840</u>	<u>35,492,466</u>	<u>35,982,955</u>	<u>35,347,136</u>
Business-Type Activities										
Property Taxes	0	0	0	0	0	0	0	11,475	365,166	465,667
Grants and Entitlements not Restricted to										
Specific Programs	0	0	0	0	0	0	0	0	0	0
Investment Income	0	1,629	0	127	21	146	196	41,651	9,856	4,339
Miscellaneous	1,001	447,603	845	167	0	0	12,232	483,293	1,434,192	318,581
Transfers	(2,482,337)	101,858	0	125,347	0	0	0	(420,923)	5,215	0
Total Business-Type Activities	<u>(2,481,336)</u>	<u>551,090</u>	<u>845</u>	<u>125,641</u>	<u>21</u>	<u>146</u>	<u>12,428</u>	<u>115,496</u>	<u>1,814,429</u>	<u>788,587</u>
<b>Total Primary Government General Revenues</b>	<u>34,402,108</u>	<u>32,337,301</u>	<u>35,403,742</u>	<u>32,382,939</u>	<u>31,142,364</u>	<u>31,247,645</u>	<u>31,728,268</u>	<u>35,607,962</u>	<u>37,797,384</u>	<u>36,135,723</u>
Business-Type Activities										
Special Items	0	0	0	0	(26,263,065)	0	0	0	0	0
<b>Total Primary Government General Revenues and Other Changes in Net Position</b>	<u>34,402,108</u>	<u>32,337,301</u>	<u>35,403,742</u>	<u>32,382,939</u>	<u>4,879,299</u>	<u>31,247,645</u>	<u>31,728,268</u>	<u>35,607,962</u>	<u>37,797,384</u>	<u>36,135,723</u>
<b>Change in Net Position</b>										
Governmental Activities	(4,137,177)	(6,612,279)	(2,215,233)	(4,070,582)	(5,054,660)	(4,547,810)	(3,467,623)	4,006,425	5,373,907	(4,459,708)
Business-Type Activities	6,576,197	7,033,545	9,303,237	8,368,135	(16,421,429)	5,895,155	2,300,410	3,361,114	2,645,517	2,876,289
<b>Total Primary Government Change in Net Position</b>	<u>\$ 2,439,020</u>	<u>\$ 421,266</u>	<u>\$ 7,088,004</u>	<u>\$ 4,297,553</u>	<u>\$ (21,476,089)</u>	<u>\$ 1,347,345</u>	<u>\$ (1,167,213)</u>	<u>\$ 7,367,539</u>	<u>\$ 8,019,424</u>	<u>\$ (1,583,419)</u>

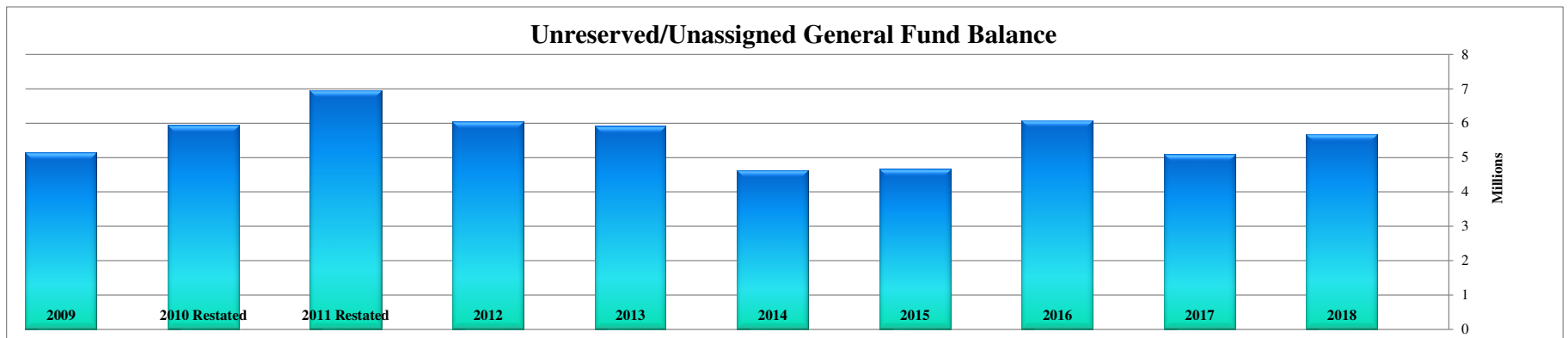
# City of Euclid, Ohio

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

**Table 3**

	2018	2017	2016	2015	2014	2013	2012	2011 Restated	2010 Restated	2009
<b>General Fund</b>										
Nonspendable	\$ 738,608	\$ 818,965	\$ 977,122	\$ 1,059,658	\$ 1,077,737	\$ 1,278,550	\$ 1,323,212	\$ 1,367,748	\$ 1,460,576	\$ 0
Committed	83,297	50,027	92,977	127,031	107,724	63,128	73,615	183,472	216,334	0
Assigned	326,641	1,791,976	331,822	836,076	69,288	506,881	451,520	36,008	28,105	0
Unassigned	5,684,242	5,094,528	6,083,614	4,664,182	4,631,088	5,915,128	6,046,519	6,954,074	5,938,091	0
Reserved	0	0	0	0	0	0	0	0	0	1,389,906
Unreserved	0	0	0	0	0	0	0	0	0	5,143,251
<b>Total General Fund</b>	<b>6,832,788</b>	<b>7,755,496</b>	<b>7,485,535</b>	<b>6,686,947</b>	<b>5,885,837</b>	<b>7,763,687</b>	<b>7,894,866</b>	<b>8,541,302</b>	<b>7,643,106</b>	<b>6,533,157</b>
<b>All Other Governmental Funds</b>										
Nonspendable	100,913	32,542	23,840	93,182	173,105	152,190	159,191	95,779	71,887	0
Restricted	3,681,850	3,839,784	3,880,296	2,884,961	4,131,784	3,546,337	3,144,566	6,093,620	8,028,597	0
Committed	2,086	11,895	25,346	22,959	18,324	12,473	1,077	0	0	0
Unassigned	(2,164,050)	(412,805)	(1,551,650)	(419,411)	(408,930)	(3,851,205)	(1,170,048)	(1,542,936)	(438,584)	0
Reserved	0	0	0	0	0	0	0	0	0	498,970
Unreserved, Undesignated, Reported in:										
Special Revenue funds	0	0	0	0	0	0	0	0	0	1,281,141
Debt Service funds	0	0	0	0	0	0	0	0	0	2,767,975
Capital Projects funds	0	0	0	0	0	0	0	0	0	2,095,459
<b>Total All Other Governmental Funds</b>	<b>1,620,799</b>	<b>3,471,416</b>	<b>2,377,832</b>	<b>2,581,691</b>	<b>3,914,283</b>	<b>(140,205)</b>	<b>2,134,786</b>	<b>4,646,463</b>	<b>7,661,900</b>	<b>6,643,545</b>
<b>Total Governmental Funds</b>	<b>\$ 8,453,587</b>	<b>\$ 11,226,912</b>	<b>\$ 9,863,367</b>	<b>\$ 9,268,638</b>	<b>\$ 9,800,120</b>	<b>\$ 7,623,482</b>	<b>\$ 10,029,652</b>	<b>\$ 13,187,765</b>	<b>\$ 15,305,006</b>	<b>\$ 13,176,702</b>

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



# City of Euclid, Ohio

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

**Table 4**

	2018	2017	2016	2015	2014	2013	2012	2011 Restated	2010	2009
<b>Revenues</b>										
Property and Other Local Taxes	\$ 4,905,606	\$ 4,722,114	\$ 4,820,808	\$ 4,684,888	\$ 4,733,723	\$ 4,758,699	\$ 5,223,856	\$ 5,014,254	\$ 4,908,989	\$ 4,863,732
Municipal Income Taxes	25,318,825	24,183,801	24,827,667	24,671,958	24,508,171	24,043,014	20,599,919	23,868,290	22,165,312	22,295,312
Charges for Services	5,962,392	6,345,334	6,467,478	6,113,352	6,082,512	5,376,589	6,912,556	6,048,437	6,120,126	4,396,344
Fees, Licenses and Permits	1,598,189	639,869	529,927	462,830	274,714	556,302	161,302	180,020	148,341	136,019
Fines and Forfeitures	1,784,044	2,111,894	2,302,963	1,931,591	2,049,775	2,294,990	1,975,305	1,607,230	1,778,448	1,849,083
Payments in Lieu of Taxes	330,113	340,398	251,094	330,248	259,991	261,566	304,822	179,400	174,801	172,310
Intergovernmental	5,254,530	7,627,542	6,015,259	5,984,434	5,479,675	6,638,542	7,468,739	9,113,247	13,061,780	9,702,823
Special Assessments	1,106,835	1,076,849	913,178	918,829	1,103,167	1,236,275	1,229,316	1,223,194	335,115	320,199
Rentals	279,855	307,233	52,671	54,197	74,938	142,242	136,385	220,757	205,560	928,741
Contributions and Donations	17,545	20,742	27,401	15,703	50,905	18,780	79,483	1,610,147	57,741	51,034
Interest	321,373	245,311	195,775	168,425	64,882	90,253	107,376	97,802	256,825	500,049
Miscellaneous	930,137	971,532	1,795,553	375,078	342,989	1,304,261	982,197	1,082,783	478,952	1,196,228
<b>Total Revenues</b>	<b>47,809,444</b>	<b>48,592,619</b>	<b>48,199,774</b>	<b>45,711,533</b>	<b>45,025,442</b>	<b>46,721,513</b>	<b>45,181,256</b>	<b>50,245,561</b>	<b>49,691,990</b>	<b>46,411,874</b>
<b>Expenditures</b>										
Current:										
General Government	10,055,502	12,006,222	14,489,591	13,389,106	13,590,209	12,871,946	12,087,105	13,489,522	13,904,635	12,846,810
Security of Persons and Property	24,701,364	21,015,670	20,637,641	20,172,947	20,997,711	20,885,109	20,379,045	20,598,229	20,337,564	20,493,264
Public Health	292,616	298,928	311,695	293,531	273,132	277,146	275,451	289,293	272,263	272,496
Leisure Time Activities	2,719,940	2,471,909	1,993,717	1,687,257	1,731,598	1,651,776	1,517,664	1,519,385	1,568,545	1,826,333
Community and Economic Development	3,131,858	3,899,965	2,708,395	2,491,988	2,603,656	2,830,876	2,999,577	2,908,927	2,863,379	2,728,006
Sanitation	2,551,740	2,523,999	2,156,988	2,163,084	2,412,938	2,303,563	2,067,356	2,180,946	1,916,687	2,251,317
Transportation	1,961,186	1,876,515	2,686,849	2,140,656	1,931,627	1,905,970	1,909,461	1,862,722	2,109,236	2,232,410
Capital Outlay	1,626,253	264,013	2,034,544	2,159,371	1,297,529	2,514,506	2,658,188	4,967,119	2,547,975	3,015,982
Debt Service:										
Principal Retirement	4,824,093	3,930,395	2,713,679	7,841,552	2,963,741	3,177,581	3,077,574	7,151,780	5,240,760	3,305,944
Interest and Fiscal Charges	553,991	616,394	719,439	741,042	643,280	964,494	1,151,530	1,070,780	1,311,229	1,367,743
Debt Issuance Costs	13,535	10,563	19,585	74,494	67,315	0	17,592	179,065	0	0
Advance Refund Escrow	0	0	0	0	148,751	0	0	123,978	0	0
<b>Total Expenditures</b>	<b>52,432,078</b>	<b>48,914,573</b>	<b>50,472,123</b>	<b>53,155,028</b>	<b>48,661,487</b>	<b>49,382,967</b>	<b>48,140,543</b>	<b>56,341,746</b>	<b>52,072,273</b>	<b>50,340,305</b>
Excess of Revenues Over (Under) Expenditures	(4,622,634)	(321,954)	(2,272,349)	(7,443,495)	(3,636,045)	(2,661,454)	(2,959,287)	(6,096,185)	(2,380,283)	(3,928,431)

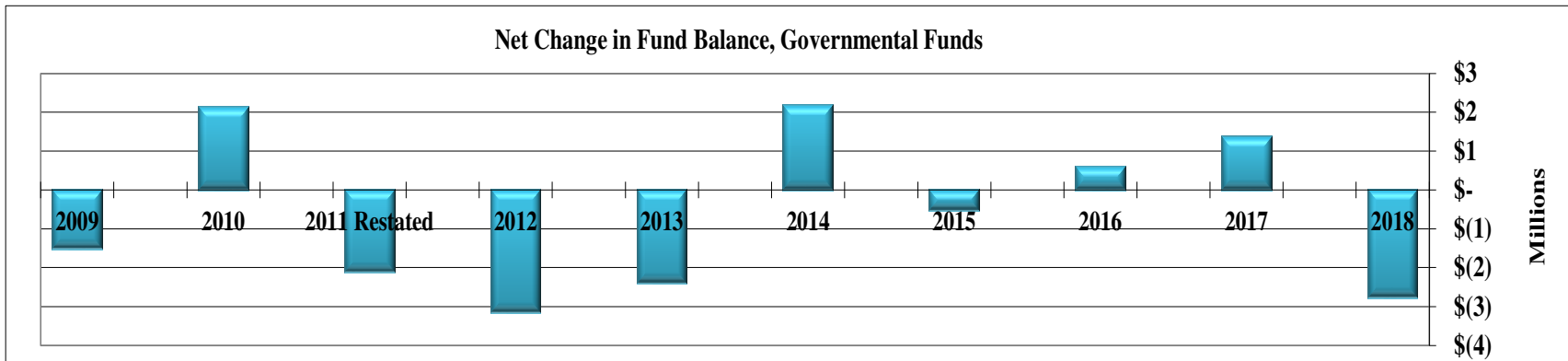
(Continued)

# City of Euclid, Ohio

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

**Table 4**

	2018	2017	2016	2015	2014	2013	2012	2011 Restated	2010	2009
<b>Other Financing Sources (Uses)</b>										
Sale of Capital Assets	73,602	66,573	56,581	48,163	192,874	36,125	26,174	62,028	197,309	52,620
General Obligation Bonds Issued	0	0	0	0	0	0	0	4,316,000	0	0
Refunding Bonds Issued	0	0	0	6,999,000	6,548,507	0	0	5,482,000	0	0
Premium on Debt Issued	14,707	11,826	11,888	0	25,851	0	0	121,632	21,278	0
OPWC Loan	0	0	0	0	0	0	0	0	0	18,267
Notes Issued	2,001,000	2,001,000	1,501,000	0	5,265,000	0	0	0	4,290,000	2,340,000
Inception of Capital Lease	0	161,100	1,338,609	0	420,000	292,000	0	0	0	0
Insurance Recoveries	0	0	0	0	0	2,159	0	35,500	0	0
Transfers In	1,292,500	311,000	430,000	364,850	944,815	2,334,550	4,234,675	342,300	553,800	1,061,859
Transfers Out	(1,532,500)	(866,000)	(471,000)	(500,000)	(1,077,315)	(2,409,550)	(4,459,675)	(912,300)	(553,800)	(1,061,859)
Payment to Refunded Bond Escrow Agent	0	0	0	0	(6,507,049)	0	0	(5,468,216)	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>1,849,309</u>	<u>1,685,499</u>	<u>2,867,078</u>	<u>6,912,013</u>	<u>5,812,683</u>	<u>255,284</u>	<u>(198,826)</u>	<u>3,978,944</u>	<u>4,508,587</u>	<u>2,410,887</u>
<b>Net Change in Fund Balances</b>	<u>\$ (2,773,325)</u>	<u>\$ 1,363,545</u>	<u>\$ 594,729</u>	<u>\$ (531,482)</u>	<u>\$ 2,176,638</u>	<u>\$ (2,406,170)</u>	<u>\$ (3,158,113)</u>	<u>\$ (2,117,241)</u>	<u>\$ 2,128,304</u>	<u>\$ (1,517,544)</u>
Debt Service as a Percentage of Noncapital Expenditures	10.31%	9.35%	7.09%	16.38%	7.55%	8.74%	9.28%	16.20%	13.48%	9.70%





# City of Euclid, Ohio

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

### Last Ten Years

**Table 5**

	Collection Year 2018	Collection Year 2017	Collection Year 2016	Collection Year 2015	Collection Year 2014	Collection Year 2013	Collection Year 2012	Collection Year 2011	Collection Year 2010	Collection Year 2009
<b>Unvoted Millage</b>										
Bond Sinking Fund	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88
<b>Total Unvoted Millage</b>	<u>3.88</u>	<u>3.88</u>	<u>3.88</u>	<u>3.88</u>	<u>3.88</u>	<u>3.88</u>	<u>3.88</u>	<u>3.88</u>	<u>3.88</u>	<u>3.88</u>
<b>Voted Millage</b>										
1964 Charter Current Expense	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72
1964 Charter Perm Improvement	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1964 Charter Recreational	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
1964 Charter Recreational	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
1976 Sewage Levy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	2.00	2.00
<b>Total Voted Millage</b>	<u>9.72</u>	<u>9.72</u>	<u>9.72</u>	<u>9.72</u>	<u>9.72</u>	<u>9.72</u>	<u>9.72</u>	<u>11.72</u>	<u>11.72</u>	<u>11.72</u>
<b>Total Millage</b>	<u>13.60</u>	<u>13.60</u>	<u>13.60</u>	<u>13.60</u>	<u>13.60</u>	<u>13.60</u>	<u>13.60</u>	<u>15.60</u>	<u>15.60</u>	<u>15.60</u>
<b>Overlapping Rates by Taxing District</b>										
<b>City of Euclid</b>										
Residential/Agricultural Effective Rate	7.4632	7.4435	7.4252	7.3102	7.2808	7.2595	6.3749	6.3560	6.8571	6.5566
Commerical/Industrial and Public Utility Effective Rate	10.7500	10.5317	10.5638	10.2345	9.9585	9.9577	9.5791	9.4690	10.6120	10.3296
General Business and Public Utility Personal Property	13.6000	13.6000	13.6000	13.6000	13.6000	13.6000	13.6000	13.6000	15.6000	15.6000
<b>Euclid City Schools</b>										
Residential/Agricultural Effective Rate	85.4798	86.4056	77.3439	75.9075	74.7478	72.2593	53.3148	54.4667	54.4664	46.1446
Commerical/Industrial and Public Utility Effective Rate	99.5924	99.5527	90.9418	88.8396	86.3873	84.0823	71.9537	72.7342	72.8014	66.1743
General Business and Public Utility Personal Property	109.8200	110.9200	102.0200	101.6000	100.7000	98.4000	88.4000	89.8000	89.9000	85.2000
<b>Cuyahoga County</b>										
Residential/Agricultural Effective Rate	13.9140	13.8802	13.8698	14.0500	14.0500	13.2200	13.1182	13.1866	13.1789	12.6607
Commerical/Industrial and Public Utility Effective Rate	14.0060	14.0124	14.0500	14.0195	13.9495	12.9968	12.7846	12.8412	12.8457	12.8153
General Business and Public Utility Personal Property	14.0500	14.0500	14.0500	14.0500	14.0500	13.2200	13.2200	13.3200	13.3200	13.3200
<b>Special Taxing Districts (1)</b>										
Residential/Agricultural Effective Rate	14.2881	12.3701	10.7674	10.8643	9.9639	9.0635	9.0041	8.9900	7.9811	7.2832
Commerical/Industrial and Public Utility Effective Rate	14.3434	12.4200	10.8676	10.8401	9.8843	8.9621	8.8649	8.8450	7.9119	7.8711
General Business and Public Utility Personal Property	14.3800	12.4800	10.8800	10.8800	9.9800	9.0800	9.0800	9.0800	8.2800	8.2800

Source: Cuyahoga County Fiscal Officer

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

Charter millage is consistently applied to all types of property.

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

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

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

## City of Euclid, Ohio

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

#### Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2018	\$ 379,520,140	\$ 152,620,010	\$ 1,520,400,429	\$ 23,303,290	\$ 26,481,011
2017	\$ 381,595,260	\$ 155,568,740	\$ 1,534,754,286	\$ 21,846,670	\$ 24,825,761
2016	\$ 383,494,150	\$ 153,257,260	\$ 1,533,575,457	\$ 20,642,090	\$ 23,456,920
2015	\$ 396,231,090	\$ 164,449,260	\$ 1,601,943,857	\$ 20,085,560	\$ 22,824,500
2014	\$ 399,245,760	\$ 168,521,720	\$ 1,622,192,800	\$ 19,072,000	\$ 21,672,727
2013	\$ 401,745,490	\$ 168,140,380	\$ 1,628,245,343	\$ 17,368,880	\$ 19,737,364
2012	\$ 546,762,120	\$ 175,905,170	\$ 2,064,763,686	\$ 16,043,950	\$ 18,231,761
2011	\$ 551,393,850	\$ 179,899,430	\$ 2,089,409,371	\$ 15,476,470	\$ 17,586,898
2010	\$ 553,341,120	\$ 181,540,130	\$ 2,099,660,714	\$ 15,108,400	\$ 17,168,636
2009	\$ 615,910,790	\$ 183,124,340	\$ 2,282,957,514	\$ 13,964,270	\$ 15,868,489

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

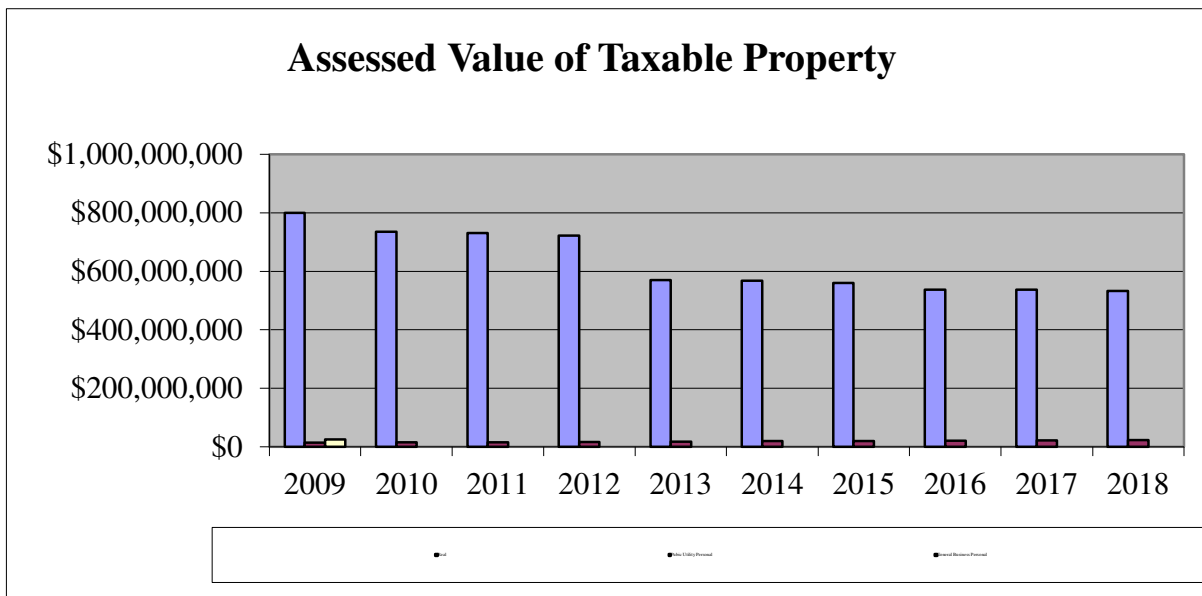
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General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

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

Source: Ohio Department of Taxation

**Table 6**

Tangible Personal Property		Total		Ratio	Weighted Average Tax Rate
General Business	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$ -	\$ -	\$ 555,443,440	\$ 1,546,881,440	35.91%	0.0000
\$ -	\$ -	\$ 559,010,670	\$ 1,559,580,047	35.84%	0.0000
\$ -	\$ -	\$ 557,393,500	\$ 1,557,032,377	35.80%	0.0000
\$ -	\$ -	\$ 580,765,910	\$ 1,624,768,357	35.74%	0.0000
\$ -	\$ -	\$ 586,839,480	\$ 1,643,865,527	35.70%	8.2551
\$ -	\$ -	\$ 587,254,750	\$ 1,647,982,707	35.63%	8.2196
\$ -	\$ -	\$ 738,711,240	\$ 2,082,995,447	35.46%	7.2948
\$ -	\$ -	\$ 746,769,750	\$ 2,106,996,269	35.44%	7.2561
\$ -	\$ -	\$ 749,989,650	\$ 2,116,829,351	35.43%	7.9421
\$ 24,916,620	\$ 132,888,640	\$ 837,916,020	\$ 2,431,714,643	34.46%	7.8008



## City of Euclid, Ohio

### Property Tax Levies and Collections

#### Last Ten Years

**Table 7**

Year	Current Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Current Tax Levy
2018	\$ 5,103,954	\$ 4,750,411	93.07%	\$ 312,845	\$ 5,063,256	99.20%	\$ 785,409	15.39%
2017	\$ 5,090,507	\$ 4,710,282	92.53%	\$ 243,805	\$ 4,954,087	97.32%	\$ 869,694	17.08%
2016	\$ 5,141,300	\$ 4,748,698	92.36%	\$ 345,719	\$ 5,094,417	99.09%	\$ 902,733	17.56%
2015	\$ 5,201,241	\$ 4,641,127	89.23%	\$ 285,470	\$ 4,926,597	94.72%	\$ 948,843	18.24%
2014	\$ 5,242,049	\$ 4,612,167	87.98%	\$ 302,689	\$ 4,914,856	93.76%	\$ 946,613	18.06%
2013	\$ 5,176,102	\$ 4,667,849	90.18%	\$ 281,672	\$ 4,949,521	95.62%	\$ 933,666	18.04%
2012	\$ 5,752,944	\$ 5,173,294	89.92%	\$ 376,418	\$ 5,549,712	96.47%	\$ 926,729	16.11%
2011	\$ 6,884,315	\$ 5,171,119	75.11%	\$ 316,071	\$ 5,487,190	79.71%	\$ 433,724	6.30%
2010	\$ 7,526,417	\$ 5,778,277	76.77%	\$ 457,077	\$ 6,235,354	82.85%	\$ 496,190	6.59%
2009	\$ 7,636,772	\$ 5,849,893	76.60%	\$ 423,626	\$ 6,273,519	82.15%	\$ 547,502	7.17%

Source: Cuyahoga County Fiscal Officer

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

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

# City of Euclid, Ohio

## Principal Taxpayers – Real Estate Tax

2018 and 2009

Table 8

Taxpayer	2018	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleveland Electric Illum Co.	\$ 16,372,490	3.06 %
Euclid Indian Hills, LLC	10,748,540	2.01
Northpointe Towers LTD	7,546,010	1.41
Lincoln Electric Co	4,904,870	0.92
Harbor Crest LTD.	5,481,880	1.03
American Transmission System	4,331,610	0.81
Horizon House LTD	3,087,010	0.58
Euclid Leasing Housing Associates 1, Ltd.	2,954,760	0.55
AE Portfolio, LLC	2,881,200	0.54
Gateway SNF Holdings, LLC	2,644,020	0.49
Total	<u>\$ 60,952,390</u>	<u>11.40 %</u>
Total Assessed Valuation	<u>\$ 534,215,270</u>	
Taxpayer	2009	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 12,315,810	1.53 %
Lincoln Electric Co.	12,025,410	1.50
Niederst Indian Hills, LLC	11,822,510	1.48
Northpointe Towers LTD	6,885,000	0.86
Harbor Crest LTD.	5,510,970	0.69
Willo Arms Euclid LLC	5,017,300	0.63
Horizon House LTD	3,638,640	0.45
Depot Land Co., Ltd.	3,369,730	0.42
AE Portfolio, LLC	2,975,000	0.37
Normandy Towers East I & II, LLC	2,664,210	0.33
Total	<u>\$ 66,224,580</u>	<u>8.26 %</u>
Total Assessed Valuation	<u>\$ 800,819,550</u>	

Source: Cuyahoga County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2018 and 2009 collections were based.

# City of Euclid, Ohio

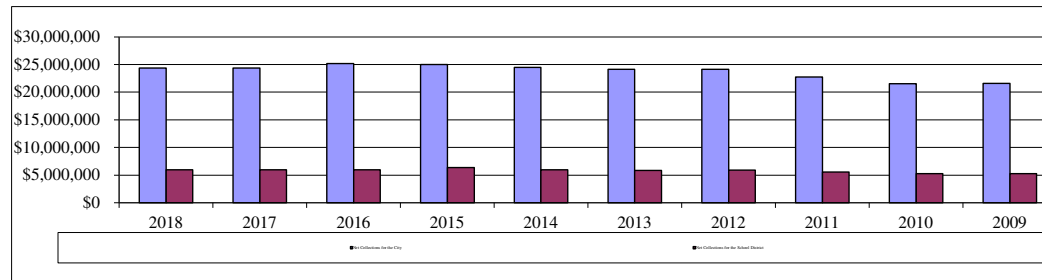
## Income Tax Collection

### Last Ten Years

**Table 9**

Year	Tax Rate	Individual	Net Profit	Payroll Withholding	Penalty and Interest	Miscellaneous Revenue/Fees	Gross Collections	Refunds and Adjustments	Net Collections	Net Collections for the City	Net Collections for the School District
2018	2.85%	\$3,706,698	\$4,449,157	\$22,972,757	\$559,997	(\$89,289)	\$31,599,320	(\$910,613)	\$30,688,707	\$24,737,092	\$5,951,615
2017	2.85%	\$4,691,337	\$4,155,935	\$21,633,888	\$679,049	\$40,541	\$31,200,752	(\$831,661)	\$30,369,090	\$24,354,737	\$6,014,353
2016	2.85%	\$5,395,236	\$4,512,341	\$21,533,377	\$597,022	(\$148,987)	\$31,888,990	(\$743,204)	\$31,145,786	\$25,135,350	\$6,010,436
2015	2.85%	\$4,876,343	\$4,567,901	\$21,697,241	\$600,040	\$2,024	\$31,743,549	(\$607,558)	\$31,322,400	\$24,954,644	\$6,367,756
2014	2.85%	\$4,864,917	\$3,645,543	\$22,189,891	\$605,852	\$32,405	\$31,338,608	(\$890,681)	\$30,447,927	\$24,486,985	\$5,960,942
2013	2.85%	\$4,730,185	\$3,149,071	\$22,024,374	\$535,721	\$177,761	\$30,617,112	(\$607,558)	\$30,009,554	\$24,145,781	\$5,863,773
2012	2.85%	\$4,791,973	\$3,880,111	\$21,381,656	\$595,097	\$199,002	\$30,847,839	(\$791,291)	\$30,056,548	\$24,163,169	\$5,893,379
2011	2.85%	\$5,024,705	\$3,148,360	\$19,758,688	\$625,900	\$187,785	\$28,745,438	(\$465,598)	\$28,279,840	\$22,732,211	\$5,547,629
2010	2.85%	\$5,082,908	\$3,567,641	\$17,882,748	\$586,113	\$92,518	\$27,211,928	(\$458,849)	\$26,753,079	\$21,511,064	\$5,242,015
2009	2.85%	\$5,571,815	\$2,205,169	\$19,127,921	\$501,077	\$139,475	\$27,545,457	(\$710,927)	\$26,834,530	\$21,570,417	\$5,264,113
2008	2.85%	\$5,613,660	\$3,506,412	\$20,750,925	\$658,185	\$31,777	\$30,560,960	(\$621,987)	\$29,938,973	\$24,076,487	\$5,862,486

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



# City of Euclid, Ohio

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

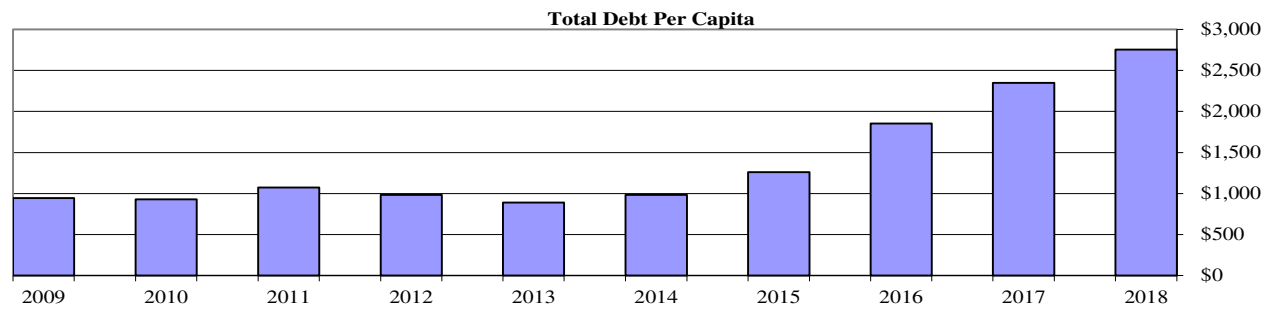
### Last Ten Years

**Table 10**

Year	Governmental Activities							Business-Type Activities				Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds (1)	Long-term Notes Payable (1)	Special Obligation Bonds	Special Assessment Bonds (1)	OPWC Loans	Capital Leases	Development Revenue Bonds (1)	General Obligation Bonds (1)	Capital Leases	OWDA Loans	OPWC Loans			
2018	\$ 9,954,146	\$ 2,005,902	\$ 6,442,000	\$ -	\$ 918,704	\$ 1,115,838	\$ -	\$ 6,472,944	\$ 454,073	\$ 100,118,844	\$ 7,319,347	\$ 134,801,798	12.92%	\$ 2,756
2017	\$ 11,825,809	\$ 2,004,942	\$ 6,899,000	\$ 131,287	\$ 1,002,223	\$ 1,416,259	\$ -	\$ 7,483,716	\$ 654,347	\$ 75,476,173	\$ 7,934,339	\$ 114,828,095	11.01%	\$ 2,347
2016	\$ 13,646,915	\$ 1,504,963	\$ 6,949,000	\$ 262,575	\$ 1,085,742	\$ 1,623,997	\$ -	\$ 8,463,935	\$ 850,072	\$ 47,995,724	\$ 8,340,564	\$ 90,723,487	8.70%	\$ 1,855
2015	\$ 15,757,778	\$ -	\$ 6,999,000	\$ 398,863	\$ 1,169,261	\$ 461,253	\$ 185,000	\$ 9,426,897	\$ 546,182	\$ 18,253,817	\$ 8,515,622	\$ 61,713,673	5.91%	\$ 1,262
2014	\$ 17,754,494	\$ 5,276,848	\$ -	\$ 530,151	\$ 1,252,780	\$ 681,136	\$ 360,000	\$ 10,351,004	\$ 86,012	\$ 4,726,790	\$ 7,171,677	\$ 48,190,892	4.62%	\$ 985
2013	\$ 19,975,891	\$ -	\$ -	\$ 570,111	\$ 1,336,299	\$ 375,358	\$ 419,000	\$ 11,098,452	\$ 4,751	\$ 2,523,453	\$ 7,177,596	\$ 43,480,911	4.17%	\$ 889
2012	\$ 22,581,511	\$ -	\$ -	\$ 683,133	\$ 1,419,818	\$ 271,420	\$ 547,000	\$ 11,874,105	\$ 57,692	\$ 2,915,302	\$ 7,775,402	\$ 48,125,383	4.61%	\$ 984
2011	\$ 25,114,131	\$ -	\$ -	\$ 786,155	\$ 1,503,337	\$ 286,628	\$ 665,000	\$ 12,612,758	\$ 108,395	\$ 3,184,851	\$ 8,134,229	\$ 52,395,484	5.02%	\$ 1,071
2010	\$ 23,114,489	\$ -	\$ -	\$ 995,000	\$ 1,586,856	\$ 473,890	\$ 995,000	\$ 5,945,106	\$ 246,279	\$ 4,790,889	\$ 7,372,374	\$ 45,519,883	4.36%	\$ 930
2009	\$ 25,667,580	\$ -	\$ -	\$ 1,080,000	\$ 1,670,375	\$ 653,131	\$ 1,120,000	\$ 6,537,151	\$ 357,699	\$ 6,779,135	\$ 5,971,616	\$ 49,836,687	4.81%	\$ 945

(1) Amounts include associated premiums

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



## City of Euclid, Ohio

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

**Table 11**

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Net Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Net Bonded Debt Per Capita</u>
2018	48,920	\$ 1,546,881,440	\$ 18,432,992	1.19 %	\$ 377
2017	48,920	\$ 1,559,580,047	\$ 21,314,467	1.37 %	\$ 436
2016	48,920	\$ 1,557,032,377	\$ 23,615,813	1.52 %	\$ 483
2015	48,920	\$ 1,624,768,357	\$ 25,184,675	1.55 %	\$ 515
2014	48,920	\$ 1,643,865,527	\$ 33,382,346	2.03 %	\$ 682
2013	48,920	\$ 1,647,982,707	\$ 31,074,343	1.89 %	\$ 635
2012	48,920	\$ 2,082,995,447	\$ 34,455,616	1.65 %	\$ 704
2011	48,920	\$ 2,106,996,269	\$ 34,936,226	1.66 %	\$ 714
2010	48,920	\$ 2,116,829,351	\$ 25,814,059	1.22 %	\$ 528
2009	52,717	\$ 2,431,714,643	\$ 28,608,582	1.18 %	\$ 543

Sources:

(1) Source: U. S. Census

(a) Year 2009 - 2000 Federal Census

(b) Years 2010 through 2018 - 2010 Federal Census

(2) Cuyahoga County Fiscal Officer

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



# City of Euclid, Ohio

## Computation of Direct and Overlapping Governmental Activities Debt

December 31, 2018

**Table 12**

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct - City of Euclid (2)</b>			
General Obligation Bonds, net	\$ 9,954,146	100.00%	\$ 9,954,146
Long-term Notes Payable, net	2,005,902	100.00%	2,005,902
Special Obligation Bonds, net	6,442,000	100.00%	6,442,000
OPWC Loans	918,704	100.00%	918,704
Capital Leases	1,115,838	100.00%	1,115,838
<b>Total Direct Debt</b>	<u>20,436,590</u>		<u>20,436,590</u>
<b>Overlapping</b>			
Euclid City School District	129,269,490	100.00%	129,269,490
Cuyahoga County	188,010,000	2.33%	4,380,967
Cuyahoga Community College	212,260,000	2.33%	4,946,035
<b>Total Overlapping Debt</b>	<u>529,539,490</u>		<u>138,596,492</u>
<b>Total</b>	<u>\$ 549,976,080</u>		<u>\$ 159,033,082</u>

Source: Cuyahoga County Fiscal Officer

- (1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.
- (2) Amounts include associated premiums

# City of Euclid, Ohio

## Legal Debt Margin

### Last Ten Years

	2018	2017	2016	2015	2014	2013
<b>Total Assessed Property Value</b>	<u>\$ 555,443,440</u>	<u>\$ 559,010,670</u>	<u>\$ 557,393,500</u>	<u>\$ 580,765,910</u>	<u>\$ 586,839,480</u>	<u>\$ 587,254,750</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>58,321,561</u>	<u>58,696,120</u>	<u>58,526,318</u>	<u>60,980,421</u>	<u>61,618,145</u>	<u>61,661,749</u>
<b>Debt Outstanding:</b>						
General Obligation Bonds	\$ 9,954,146	\$ 11,825,809	\$ 13,646,915	\$ 15,757,778	\$ 17,754,494	\$ 20,245,532
General Obligation Bonds - Enterprise	6,472,944	7,483,716	8,463,935	9,426,897	10,351,004	11,249,954
Income Tax Special Obligation Bonds	6,442,000	6,899,000	6,949,000	6,999,000	0	0
Special Assessment Bonds	0	131,287	262,575	398,863	530,151	661,439
Notes	2,005,902	2,004,942	1,504,963	0	5,276,848	5,278,176
Notes - Enterprise	0	0	0	0	0	0
OPWC Loans	918,704	1,002,223	1,085,742	1,169,261	1,252,780	1,336,299
OPWC Loans - Enterprise	7,319,347	7,934,339	8,340,564	8,515,622	7,171,677	7,177,596
OWDA Loans - Enterprise	100,118,844	75,476,173	47,995,724	18,253,817	4,726,790	2,523,453
Industrial Development Revenue Bonds	0	0	0	185,000	360,000	530,000
<b>Total Gross Indebtedness</b>	<u>133,231,887</u>	<u>112,757,489</u>	<u>88,249,418</u>	<u>60,706,238</u>	<u>47,423,744</u>	<u>49,002,449</u>
Less:						
General Obligation Bonds - Enterprise	(6,472,944)	(7,483,716)	(8,463,935)	(9,426,897)	(10,351,004)	(11,249,954)
Income Tax Special Obligation Bonds	(6,442,000)	(6,899,000)	(6,949,000)	(6,999,000)	0	0
Special Assessment Bonds	0	(131,287)	(262,575)	(398,863)	(530,151)	(661,439)
Notes	0	0	0	0	0	0
Notes - Enterprise	0	0	0	0	0	0
OPWC Loans	(918,704)	(1,002,223)	(1,085,742)	(1,169,261)	(1,252,780)	(1,336,299)
OPWC Loans - Enterprise	(7,319,347)	(7,934,339)	(8,340,564)	(8,515,622)	(7,171,677)	(7,177,596)
OWDA Loans	(100,118,844)	(75,476,173)	(47,995,724)	(18,253,817)	(4,726,790)	(2,523,453)
Industrial Development Revenue Bonds	0	0	0	(185,000)	(360,000)	(530,000)
General Obligation Bond Retirement Fund Balance	0	0	0	0	0	0
<b>Total Net Debt Applicable to Debt Limit</b>	<u>11,960,048</u>	<u>13,830,751</u>	<u>15,151,878</u>	<u>15,757,778</u>	<u>23,031,342</u>	<u>25,523,708</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 46,361,513</u>	<u>\$ 44,865,369</u>	<u>\$ 43,374,440</u>	<u>\$ 45,222,643</u>	<u>\$ 38,586,803</u>	<u>\$ 36,138,041</u>
Legal Debt Margin as a Percentage of the Debt Limit	79.49%	76.44%	74.11%	74.16%	62.62%	58.61%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 30,549,389</u>	<u>\$ 30,745,587</u>	<u>\$ 30,656,643</u>	<u>\$ 31,942,125</u>	<u>\$ 32,276,171</u>	<u>\$ 32,299,011</u>
<b>Total Gross Indebtedness</b>	\$ 133,231,887	\$ 112,757,489	\$ 88,249,418	\$ 60,706,238	\$ 47,423,744	\$ 49,002,449
Less:						
General Obligation Bonds - Enterprise	(6,472,944)	(7,483,716)	(8,463,935)	(9,426,897)	(10,351,004)	(11,249,954)
Income Tax Special Obligation Bonds	(6,442,000)	(6,899,000)	(6,949,000)	(6,999,000)	0	0
Special Assessment Bonds	0	(131,287)	(262,575)	(398,863)	(530,151)	(661,439)
Notes	0	0	0	0	0	0
Notes - Enterprise	0	0	0	0	0	0
OPWC Loans	(918,704)	(1,002,223)	(1,085,742)	(1,169,261)	(1,252,780)	(1,336,299)
OPWC Loans - Enterprise	(7,319,347)	(7,934,339)	(8,340,564)	(8,515,622)	(7,171,677)	(7,177,596)
OWDA Loans	(100,118,844)	(75,476,173)	(47,995,724)	(18,253,817)	(4,726,790)	(2,523,453)
Industrial Development Revenue Bonds	0	0	0	(185,000)	(360,000)	(530,000)
General Obligation Bond Retirement Fund Balance	0	0	0	0	0	0
<b>Net Debt Within 5 ½ % Limitations</b>	<u>11,960,048</u>	<u>13,830,751</u>	<u>15,151,878</u>	<u>15,757,778</u>	<u>23,031,342</u>	<u>25,523,708</u>
<b>Unvoted Legal Debt Margin Within 5 ½ % Limitations</b>	<u>\$ 18,589,341</u>	<u>\$ 16,914,836</u>	<u>\$ 15,504,765</u>	<u>\$ 16,184,347</u>	<u>\$ 9,244,829</u>	<u>\$ 6,775,303</u>
<b>Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation</b>	60.85%	55.02%	50.58%	50.67%	28.64%	20.98%

Source: City Financial Records

**Table 13**

2012	2011	2010	2009
<u>\$ 738,711,240</u>	<u>\$ 746,769,750</u>	<u>\$ 749,989,650</u>	<u>\$ 837,916,020</u>
77,564,680	78,410,824	78,748,913	87,981,182
\$ 22,890,262	\$ 25,114,131	\$ 23,114,489	\$ 25,481,000
12,051,810	12,612,758	5,945,106	6,454,000
0	0	0	0
792,727	786,155	995,000	1,080,000
5,276,969	3,432,049	4,290,000	2,340,000
0	0	7,040,000	7,040,000
1,419,818	1,503,337	1,586,856	1,670,375
7,775,402	8,134,229	7,372,374	5,971,616
2,915,302	3,184,851	4,790,889	6,779,135
695,000	665,000	995,000	1,120,000
<u>53,817,290</u>	<u>55,432,510</u>	<u>56,129,714</u>	<u>57,936,126</u>
(12,051,810)	(12,612,758)	(5,945,106)	(6,454,000)
0	0	0	0
(792,727)	(786,155)	(995,000)	(1,080,000)
0	0	(4,290,000)	(2,340,000)
0	0	(7,040,000)	(7,040,000)
(1,419,818)	(1,503,337)	(1,586,856)	(1,670,375)
(7,775,402)	(8,134,229)	(7,372,374)	(5,971,616)
(2,915,302)	(3,184,851)	(4,790,889)	(6,779,135)
(695,000)	(665,000)	(995,000)	(1,120,000)
0	(2,790,663)	(3,245,536)	(3,596,149)
<u>28,167,231</u>	<u>25,755,517</u>	<u>19,868,953</u>	<u>21,884,851</u>
<u>\$ 49,397,449</u>	<u>\$ 52,655,307</u>	<u>\$ 58,879,960</u>	<u>\$ 66,096,331</u>
63.69%	67.15%	74.77%	75.13%
<u>\$ 40,629,118</u>	<u>\$ 41,072,336</u>	<u>\$ 41,249,431</u>	<u>\$ 46,085,381</u>
\$ 53,817,290	\$ 55,432,510	\$ 56,129,714	\$ 57,936,126
(12,051,810)	(12,612,758)	(5,945,106)	(6,454,000)
0	0	0	0
(792,727)	(786,155)	(995,000)	(1,080,000)
0	0	(4,290,000)	(2,340,000)
0	0	(7,040,000)	(7,040,000)
(1,419,818)	(1,503,337)	(1,586,856)	(1,670,375)
(7,775,402)	(8,134,229)	(7,372,374)	(5,971,616)
(2,915,302)	(3,184,851)	(4,790,889)	(6,779,135)
(695,000)	(665,000)	(995,000)	(1,120,000)
0	(2,790,663)	(3,245,536)	(3,596,149)
<u>28,167,231</u>	<u>25,755,517</u>	<u>19,868,953</u>	<u>21,884,851</u>
<u>\$ 12,461,887</u>	<u>\$ 15,316,819</u>	<u>\$ 21,380,478</u>	<u>\$ 24,200,530</u>
30.67%	37.29%	51.83%	52.51%

## City of Euclid, Ohio

### *Pledged Revenue Coverage*

### *Industrial Development Revenue Bonds – General Fund*

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

**Table 14**

Year (2)	Net Revenues (1)	Net Revenue Available for Debt Service	Debt Service			Coverage
			Principal	Interest	Total	
2018	\$ 109,336	\$ 109,336	\$ -	\$ -	\$ -	0.00
2017	\$ 109,336	\$ 109,336	\$ -	\$ -	\$ -	0.00
2016	\$ 109,336	\$ 109,336	\$ 185,000	\$ 8,048	\$ 193,048	0.57
2015	\$ 109,336	\$ 109,336	\$ 175,000	\$ 15,660	\$ 190,660	0.57
2014	\$ 109,336	\$ 109,336	\$ 170,000	\$ 23,055	\$ 193,055	0.57
2013	\$ 109,336	\$ 109,336	\$ 165,000	\$ 30,233	\$ 195,233	0.56
2012	\$ 109,336	\$ 109,336	\$ 155,000	\$ 36,975	\$ 191,975	0.57
2011	\$ 109,336	\$ 109,336	\$ 165,000	\$ 33,114	\$ 198,114	0.55
2010	\$ 109,336	\$ 109,336	\$ 125,000	\$ 92,400	\$ 217,400	0.50
2009	\$ 109,336	\$ 109,336	\$ 115,000	\$ 101,888	\$ 216,888	0.50

(1) Net revenues include principal and interest received from repayment of loan from Lincoln Electric Company

(2) The revenue bond was paid in full as of December 31, 2016.

# City of Euclid, Ohio

## Principal Employers

2018 and 2009

**Table 15**

<b>2018</b>		
Employer	Number of W-2 Issued	Percentage of Total City Employment
Lincoln Electric	2,879	12.26%
Cleveland Clinic	1,403	5.98%
Euclid Board of Education	997	4.25%
Hose Masters	542	2.31%
City of Euclid	521	2.22%
Eaton Industrial Corporation	413	1.76%
Babcock & Wilcox Nuclear Operations	368	1.57%
Remedi Senior	221	0.94%
HC Starck Incorporated	126	0.54%
Turbine Engine	125	0.53%
<b>Total</b>	<b>7,595</b>	<b>32.35%</b>
Total Estimated Employment within the City	<u>23,478</u>	
<b>2009</b>		
Employer	Number of W-2 Issued	Percentage of Total City Employment
Lincoln Electric	2,416	10.16%
Cleveland Clinic	1,594	6.70%
Euclid Board of Education	1,379	5.80%
City of Euclid	686	2.88%
Cuyahoga County	552	2.32%
University Hospitals Health System	519	2.18%
Argo Tech Corporation	434	1.82%
Babcock & Wilcox Nuclear Operations	249	1.05%
HC Starck Inc.	245	1.03%
Hose Masters	244	1.03%
<b>Total</b>	<b>8,318</b>	<b>34.96%</b>
Total Estimated Employment within the City	<u>23,790</u>	

Source: City Income Tax Department

# City of Euclid, Ohio

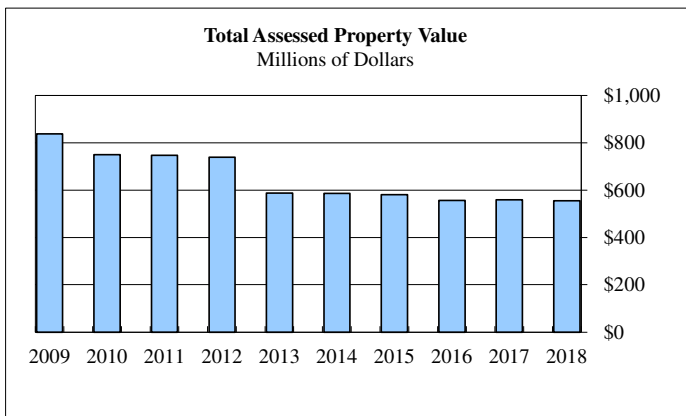
## Demographic and Economic Statistics

### Last Ten Years

**Table 16**

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2018	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,194	5.0%	\$ 71,400	\$ 555,443,440
2017	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,218	5.9%	\$ 72,854	\$ 559,010,670
2016	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,341	5.4%	\$ 63,072	\$ 557,393,500
2015	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,382	4.0%	\$ 57,125	\$ 580,765,910
2014	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,277	5.3%	\$ 51,752	\$ 586,839,480
2013	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,381	7.2%	\$ 56,716	\$ 587,254,750
2012	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,580	6.6%	\$ 54,872	\$ 738,711,240
2011	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,793	7.1%	\$ 50,265	\$ 746,769,750
2010	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	6,168	9.5%	\$ 71,632	\$ 749,989,650
2009	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,040	9.0%	\$ 69,136	\$ 837,916,020

- (1) Source: U. S. Census
  - (a) Year 2009 - 2000 Federal Census
  - (b) Years 2010 through 2018 - 2010 Federal Census
- (2) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us/>"
- (3) Source: County Planning Commission
- (4) Source: County Auditor
- (5) Computation of per capita personal income multiplied by population



# City of Euclid, Ohio

## Full-Time Equivalent City Employees by Function/Program

### Last Ten Years

**Table 17**

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>General Government</b>										
Council	10	10	10	10	11	11	10	10	10	11
Finance	7	7	9	9	9	11	11	12	14	15
Tax	6	5	6	5	8	8	8	8	8	10
Mayor	22	22	22	24	24	24	22	22	22	22
Law	8	8	6	6	7	10	9	11	11	10
Municipal Court	30	25	23	26	25	28	27	26	28	28
Public Service Administration	7	6	4	5	4	3	4	5	6	7
Engineer	0	0	2	1	3	7	6	6	6	2
Public Building	7	7	7	7	8	8	8	8	8	10
<b>Security of Persons and Property</b>										
Police	91	92	91	93	91	93	92	93	97	96
Police - Administration	12	12	12	12	12	11	11	11	11	11
Police - Records Room	6	6	5	5	6	4	5	5	6	6
Police - School Guards	10	10	10	9	10	11	11	11	11	11
Police - Communications	0	0	0	0	18	18	18	17	16	16
Police - Corrections	0	0	0	0	0	13	29	28	28	28
Police - Animal Control	2	2	2	1	1	1	2	2	2	2
Fire	80	80	81	83	77	76	80	81	79	79
Fire - Administration	2	2	2	2	2	0	0	0	0	0
<b>Leisure Time Activities</b>										
Recreation - Administration	3	4	4	4	4	5	4	4	4	4
Parks & Rec Maintenance	13	14	13	13	13	12	12	12	13	14
Recreation - Programs	60	53	60	67	59	56	56	56	75	75
Shore Cultural Center	0	0	0	0	0	0	0	0	0	0
Golf Course	0	0	0	0	0	0	0	0	0	27
<b>Community Development</b>										
Economic Development	7	6	6	5	6	7	6	7	6	6
Building	3	0	0	2	2	2	3	4	4	5
Housing	10	13	11	12	10	10	11	11	10	12
Weatherization	1	1	2	3	4	5	4	4	5	5
Senior Programs	11	10	8	10	10	11	12	11	8	15
<b>Transportation</b>										
Motor Maintenance	8	8	8	8	9	9	8	8	8	12
Traffic Maintenance	0	0	1	1	1	1	1	1	0	4
Street M&R	24	24	25	25	24	25	25	25	26	29
<b>Basic Utility Services</b>										
Wastewater	33	35	37	39	36	43	43	42	43	43
<b>Totals:</b>	<u>473</u>	<u>462</u>	<u>467</u>	<u>487</u>	<u>494</u>	<u>523</u>	<u>538</u>	<u>541</u>	<u>565</u>	<u>615</u>

Source: Annual Operating Budget - Employee Count (Appendix A)

# City of Euclid, Ohio

## Operating Indicators by Function/Program

### Last Ten Years

**Table 18**

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>General Government</b>										
<i>Council and Clerk</i>										
Number of Ordinances & Resolutions Passed	169	150	150	170	141	150	198	183	178	218
<i>Finance Department</i>										
Number of checks/ vouchers issued	6,105	3,904	6,995	3,840	4,046	4,123	4,312	4,785	4,781	6,492
Amount of checks written	\$ 37,487,960	\$ 24,367,940	\$ 24,941,887	\$ 24,752,868	\$ 16,794,496	\$ 16,606,930	\$ 16,785,380	\$ 19,158,227	\$ 22,146,777	\$ 21,145,225
Interest earnings for fiscal year (cash basis)	\$ 351,763	\$ 321,554	\$ 222,218	\$ 148,230	\$ 84,071	\$ 97,847	\$ 91,462	\$ 114,879	\$ 261,703	\$ 578,273
Agency Ratings - Moody's Financial Services	A2	A2	A2	Aa2	Aa2	Aa2	Aa2	A1	A1	A1
Health Insurance Costs vs General Fund Expenditures %	10.75%	11.13%	11.71%	16.03%	12.49%	13.68%	12.45%	11.90%	11.96%	9.89%
General Fund Receipts (cash basis)	\$ 39,650,563	\$ 38,541,284	\$ 38,878,016	\$ 37,928,351	\$ 37,286,945	\$ 37,981,989	\$ 39,828,625	\$ 38,435,617	\$ 37,792,896	\$ 36,206,654
General Fund Expenditures (cash basis)	\$ 40,452,031	\$ 37,983,039	\$ 38,399,647	\$ 36,909,912	\$ 39,097,396	\$ 37,912,194	\$ 38,430,772	\$ 38,582,867	\$ 36,685,422	\$ 38,143,278
General Fund Cash Balances	\$ 3,207,798	\$ 3,809,240	\$ 3,454,978	\$ 3,324,922	\$ 2,306,483	\$ 4,116,934	\$ 4,047,139	\$ 2,591,536	\$ 2,796,536	\$ 1,689,062
<i>Income Tax Department</i>										
Number of Individual Returns	23,422	25,777	26,443	29,184	36,866	29,203	25,844	25,125	24,552	25,487
Number of Business Returns	2,315	2,960	3,148	3,351	3,414	4,362	3,214	3,168	2,950	2,958
Number of Business Withholding Accounts	4,052	3,791	3,773	3,773	3,514	3,800	3,050	3,022	2,979	3,043
Amount of Penalties and Interest Collected	\$ 559,997	\$ 679,049	\$ 597,022	\$ 600,040	\$ 605,852	\$ 535,721	\$ 595,147	\$ 625,900	\$ 586,113	\$ 501,077
Annual number of Corporate withholding forms processed	20,423	20,129	19,270	17,784	17,016	14,759	16,193	16,720	17,045	17,746
Annual number of balance due statements forms processed	16,249	18,206	20,745	22,695	27,357	22,180	21,563	10,926	7,471	6,484
Annual number of estimated payment forms processed	15,773	15,642	12,923	17,293	15,049	19,331	21,818	22,123	12,844	14,883
Annual number of reconciliations of withholdings processed	2,335	2,341	2,314	2,245	2,247	2,281	2,205	2,391	2,188	3,112
<i>Municipal Court</i>										
Number of Civil Cases	4,045	4,184	4,369	3,454	3,853	3,975	4,009	3,671	3,614	4,234
Number of Traffic/Criminal cases	4,631	4,782	5,474	5,474	7,592	7,862	7,643	6,720	7,430	7,510
<i>Vital Statistics</i>										
<i>Certificates Filed</i>										
Number of Births	3	3	0	1	5	5	2	0	4	2
Number of Deaths	384	374	378	404	423	414	368	366	404	430
<i>Certificates Issued</i>										
Number of Births	3,900	3,803	2,743	2,500	1,969	1,782	1,559	1,616	1,482	1,724
Number of Deaths	1,325	1,312	1,262	1,490	1,577	1,477	1,398	1,391	1,703	1,830
Burial Permits Issued	640	742	734	775	743	884	763	639	625	675
<i>Civil Service</i>										
Number of police entry tests administered	0	1	0	0	0	1	0	0	1	0
Number of fire entry tests administered	0	1	0	0	0	1	0	0	1	0
Number of police promotional tests administered	3	0	1	0	0	1	0	2	3	0
Number of fire promotional tests administered	0	0	3	0	0	0	4	0	3	0
Number of hires of Police Officers from certified lists	2	1	0	0	8	6	0	6	4	0
Number of hires of Fire/Medics from certified lists	1	0	0	7	7	5	5	10	0	0
Number of promotions from police certified lists	3	4	1	0	10	0	0	18	0	1
Number of promotions from fire certified lists	0	3	2	0	9	0	7	3	3	0
Number of Police Lateral Hires	0	0	4	5	0	1	6	n/a	n/a	n/a
Number of Fire Lateral Hires	0	0	2	0	0	0	0	0	0	0

(Continued)



# City of Euclid, Ohio

## Operating Indicators by Function/Program (continued)

### Last Ten Years

**Table 18**

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>General Government</b>										
<i>Building Department Indicators</i>										
Estimated Value of Construction	\$ 157,339,091	\$ 21,719,393	\$ 22,050,010	\$ 21,058,012	\$ 7,816,356	\$ 22,572,868	\$ 14,571,894	\$ 10,879,053	\$ 22,004,556	\$ 17,632,080
Number of permits issued	4,163	5,607	6,683	3,066	3,419	2,909	3,667	2,978	2,504	2,964
Amount of Revenue generated from permits	\$ 984,667	\$ 430,688	\$ 523,049	\$ 449,442	\$ 418,511	\$ 430,184	\$ 421,875	\$ 1,271,562	\$ 325,992	\$ 231,664
Number of contractor registrations issued	540	695	918	927	875	3,863	1,056	989	794	969
<i>Housing Department Indicators</i>										
Total dwelling / housing units	26,008	26,005	26,020	26,050	26,053	26,111	26,153	26,181	26,205	26,235
Number of point of sale inspections	1,128	1,062	1,049	1,764	923	937	840	654	748	859
Number of rental inspections performed	2,042	4,691	13,614	13,663	11,779	11,845	11,129	11,126	11,138	10,890
Revenue generated from Housing Fees	\$ 649,775	\$ 1,451,281	\$ 1,552,292	\$ 1,072,447	\$ 968,029	\$ 846,802	\$ 799,942	\$ 729,035	\$ 735,200	\$ 839,055
<b>Security of Persons &amp; Property</b>										
<i>Police</i>										
Total Crimes/Offenses	7,402	8,906	8,681	9,240*	11,584	11,288	12,594	13,956	18,130	15,592
Motor Vehicle Accidents	1,552	1,502	1,448	1,367	1,229	1,218	1,282	1,269	1,223	1,149
Fatalities from Motor Vehicle Accidents	4	7	1	3	2	2	2	3	2	1
Number of criminal arrests	1,588	2,870	2,375	2,514	3,017	2,874	3,249	2,665	2,988	2,654
Number of traffic citations issued	5,069	5,228	9,724	8,756	11,678	10,785	11,080	8,983	10,712	12,373
Number of parking citations issued	4,216	4,505	5,278	4,183	4,983	2,511	2,686	3,389	3,208	3,596
Narcotics & Vice Criminal Charges	1,533	2,037	2,166		1,295	2,043	2,060	1,457	1,760	1,798
Warrants Processed	2,297	3,112	3,682	3,169**	4,256	3,953	2,466	2,390	1,926	2,669
Emergency Response Team (ERT) calls for service	76	81	71	40	17	19	14	7	13	29
Police Dept. Auxiliary hours worked	1,533.00	1,826.00	1,492.00	1,241.75	1,506.15	1,590.00	2,014.00	2,573.00	1,912.75	2,088.00
Grant Awards	128,034.09	37,407.00	91,736.00	110,832.90	\$ 100,040	\$ 106,584	\$ 548,842	\$ 585,689	\$ 1,807,491	\$ 1,665,907
Prisoners (Total Jail Days)	0	0	0	0	699	10,090	17,390	14,482	20,957	19,166
Prisoner revenue	0	0	0	0	\$ 0	\$ 292,111	\$ 399,663	\$ 385,031	\$ 719,895	\$ 469,059
Juvenile Diversion Program - referred	25	101	72	142	156	243	362	240	264	255
Juvenile Diversion Program - accepted	13	37	39	50	85	118	170	205	114	203
<i>Fire</i>										
EMS Calls	9,349	9,203	8,687	8,091	7,634	7,164	6,796	6,670	6,208	5,636
Ambulance Billing Collections (net)	\$ 1,426,203	\$ 1,437,590	\$ 1,552,703	\$ 1,541,848	\$ 1,107,475	\$ 1,310,616	\$ 1,475,553	\$ 1,370,438	\$ 1,231,380	\$ 1,228,840
Fire Calls	1,709	1,621	1,620	1,464	1,535	1,262	1,389	1,212	1,225	1,152
Fire Losses	\$ 1,095,150	\$ 1,837,000	\$ 1,368,700	\$ 867,217	\$ 1,698,670	\$ 1,427,400	\$ 1,756,825	\$ 3,409,405	\$ 1,256,000	\$ 380,450
Fire Safety Company Inspections	64	0	1,063	1,154	1,167	1,060	1,650	1,452	1,460	1,462
Fire Prevention Bureau Inspections	846	1,807	438	589	693	1,455	2,850	2,691	2,704	2,978
EMS Training (Man Hours)	1,012.00	973.00	753.00	826.00	1,920.00	1,920.00	1,500.00	1,450.00	1,255.00	1,452.75
Fire Training (Man Hours)	8,610.00	8,900.00	1,407.00	1,321.00	10,573.00	3,556.00	7,215.00	6,223.00	6,381.00	7,001.25
<b>Public Health and Welfare</b>										
Cemetery burials	0	0	2	0	0	3	2	5	1	3
Cemetery cremations	0	0	0	0	0	2	2	2	3	2
Cemetery sale of lots	0	0	0	0	0	0	0	0	0	0
Cemetery receipts	\$ 0	\$ 0	\$ 400	\$ 0	\$ 0	\$ 1,300	\$ 875	\$ 2,475	\$ 600	\$ 1,000

(Continued)

# City of Euclid, Ohio

## Operating Indicators by Function/Program (continued)

### Last Ten Years

**Table 18**

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Leisure Time Activities</b>										
<i>Recreation</i>										
Swimming pool receipts	\$ 46,480	\$ 47,887	\$ 44,538	\$ 55,748	\$ 62,021	\$ 82,524	\$ 85,166	\$ 91,655	\$ 96,334	\$ 98,348
Ice Arena receipts	\$ 135,629	\$ 140,653	\$ 118,908	\$ 95,140	\$ 130,171	\$ 129,006	\$ 124,809	\$ 141,293	\$ 115,074	\$ 141,666
Youth & Adult Sports receipts	\$ 74,600	\$ 90,824	\$ 101,952	\$ 110,187	\$ 123,931	\$ 146,593	\$ 142,412	\$ 159,667	\$ 177,020	\$ 179,836
Shore Cultural Facility rentals	\$ 246,370	\$ 393,120	\$ 300,345	\$ 293,480	\$ 285,183	\$ 254,085	\$ 306,324	\$ 360,401	\$ 290,623	\$ 117,887
<i>Golf</i>										
Rounds of Golf	27,572	28,679	29,345	31,943	28,800	30,800	38,691	31,169	31,856	35,118
Food/Pro-shop receipts	\$ 552,091	\$ 545,650	\$ 572,534	\$ 619,465	\$ 584,158	\$ 642,322	\$ 701,977	\$ 569,643	\$ 601,983	\$ 623,533
Food & Beverage receipts	\$ 308,150	\$ 287,711	\$ 270,879	\$ 298,896	\$ 214,110	\$ 334,121	\$ 348,439	\$ 295,821	\$ 244,397	\$ 318,844
<b>Community Development</b>										
Grant amounts received due to Economic Development Dept.	\$ 2,089,738	\$ 2,463,099	\$ 3,972,381	\$ 7,428,017	\$ 1,617,312	\$ 1,850,449	\$ 1,260,262	\$ 2,292,241	\$ 3,157,430	\$ 1,245,302
<b>Transportation</b>										
Motor Maintenance - Number of vehicles & equip. maintained	511	495	485	499	509	499	493	512	542	544
Motor Maintenance - Repair Orders	1,563	1,519	1,416	1,459	1,462	2,026	1,277	1,777	1,905	2,151
Traffic Maintenance - No. of responses to EPD Signals/Signs	285.00	300.00	271.00	124.00	398.00	150.00	105.00	N/A	N/A	N/A
Snow & Ice Removal - Salt (tons)	5,540.78	5,552.76	4,533.58	6,306.74	5,642.00	7,259.00	\$ 4,451	4,483.51	6,763.83	5,261.25
Snow & Ice Removal - Salt (cost)	\$ 341,188	\$ 308,001	\$ 296,021	\$ 413,185	\$ 330,000	\$ 366,548	210,164.00	\$ 202,215	\$ 311,652	\$ 221,330
Street Repair Maintenance - Cold Patch (tons)	152.73	210.85	120.45	246.15	310.89	184.00	182.00	357.20	291.27	296.97
Street Repair Maintenance - Cold Patch (cost)	\$ 14,815	\$ 19,407	\$ 12,045	\$ 24,306	\$ 31,089	\$ 15,917	15,295.00	\$ 30,716	\$ 25,807	\$ 29,714
Street Repair Maintenance - Hot Mix (tons)	587.66	673.01	549.00	661.71	719.18	715.00	\$ 744	468.46	904.07	741.38
Street Repair Maintenance - Hot Mix (cost)	\$ 36,141	\$ 40,381	\$ 34,707	\$ 43,009	\$ 45,308	\$ 42,171	42,400	\$ 26,307	\$ 49,451	\$ 41,493
Street Repair Maintenance - Emulsion/Crack Sealer (gallons)	214	857	214	317	504	1,945	\$ 1,018	909	1,898	1,766
Street Repair Maintenance - Emulsion/Crack Sealer (cost)	\$ 1,080	\$ 4,320	\$ 1,114	\$ 729	\$ 1,159	\$ 4,863	2,545	\$ 2,518	\$ 5,542	\$ 4,681
Sewer Jet Cleaning - Sanitary Sewers (feet)	118,006	59,465	81,968	51,509	91,220	118,082	121,878	172,530	250,510	193,475
Sewer Jet Cleaning - Storm Sewers (feet)	8,932	39,279	53,207	0	0	0	0	2,000	20,390	2,100
Sewer Repairs (includes Water Department damage)	90	53	51	42	40	39	33	36	47	76
House Call Sewer Jobs/Residential & Business	1,378	1,254	1,194	1,163	1,154	1,361	1,006	1,431	1,058	1,185
Catch Basin Repairs	30	49	63	67	30	23	42	62	49	55
Catch Basin Cleaning	475	318	897	531	467	409	488	576	1,134	1,194
Man Hole Repairs	29	23	5	8	8	6	4	20	20	23
Sidewalk Repairs	16	7	21	10	7	11	10	16	14	16
Curb & Apron Repairs	40	29	47	37	39	53	88	40	52	80
Leaf Collection - Number of Loads	835	944	633	871	891	784	815	845	754	750
Street Sweeping - Number of Loads (dirt & debris)	392	390	275	303	434	352	401	248	381	386
Street Sweeping - Number of times whole city sweep	4	4	3	3	3	4	4	3	3	4
Water Hole Maintenance - New Water Openings	218	176	229	170	287	171	197	259	213	250
Water Hole Maintenance - Completed (cemented/asphalted)	208	207	201	185	234	250	314	265	326	288
Water Hole Maintenance - Total not completed	39	31	78	60	90	40	130	361	363	538
Fire Hydrants Painted	0	0	0	0	0	0	0	0	0	0

(Continued)

# City of Euclid, Ohio

## Operating Indicators by Function/Program (continued)

### Last Ten Years

Table 18

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Wastewater Department</b>										
Wastewater Rates for Water Consumption Based Customers (per 1000 MCF)										
Euclid	\$ 67.11	\$ 62.24	\$ 58.76	\$ 56.23	\$ 56.23	\$ 52.20	\$ 48.17	\$ 35.17	\$ 33.01	\$ 31.01
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)	43.75	39.25	36.19	35.19	35.19	34.19	33.49	29.21	29.05	29.05
Willoughby Hills	39.94	35.45	32.38	31.38	31.38	30.38	30.38	24.16	24.16	24.16
Waste Water Flow MGD (Million Gallons per Day)										
Euclid	\$ 12.74	\$ 12.73	\$ 12.18	\$ 13.02	\$ 14.46	\$ 13.88	\$ 12.86	\$ 15.50	\$ 11.70	\$ 10.59
Wickliffe	2.51	2.34	2.11	2.20	2.35	2.46	2.36	2.93	1.93	1.92
Willowick	1.85	1.73	1.67	1.73	1.75	1.82	1.72	2.25	1.70	1.88
Total	<u>17.10</u>	<u>16.80</u>	<u>15.96</u>	<u>16.95</u>	<u>18.56</u>	<u>18.16</u>	<u>16.94</u>	<u>20.68</u>	<u>15.33</u>	<u>14.39</u>
<b>Water Line Construction Fund</b>										
Euclid (charges included with wastewater billing) (per 1000 MCF)	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 9.00	\$ 9.00	\$ 9.00
Wastewater Rates										
Wickliffe & Willowick (master metered per 1,000 GA)										
Operating, Maintenance & Repairs	\$ 1.73	\$ 1.72	\$ 1.72	\$ 1.71	\$ 1.71	\$ 1.70	\$ 1.70	\$ 1.39	\$ 1.39	\$ 1.39
Capital Costs	0.73	0.53	0.39	0.39	0.39	0.39	0.39	0.28	0.28	0.28
Lakeshore Trunk Sewer Line maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.06	0.06
Total	<u>2.46</u>	<u>2.25</u>	<u>2.11</u>	<u>2.10</u>	<u>2.10</u>	<u>2.09</u>	<u>2.09</u>	<u>1.73</u>	<u>1.73</u>	<u>1.73</u>
Willoughby Hills (per MCF of water consumption)										
Operating, Maintenance & Repairs	\$ 27.60	\$ 26.60	\$ 26.60	\$ 25.60	\$ 25.60	\$ 24.60	\$ 24.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	12.34	8.85	5.78	5.78	5.78	5.78	5.78	4.08	4.08	4.08
Satellite Sewer Discharge Program services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.48	0.48	0.48
Total	<u>39.94</u>	<u>35.45</u>	<u>32.38</u>	<u>31.38</u>	<u>31.38</u>	<u>30.38</u>	<u>30.38</u>	<u>24.16</u>	<u>24.16</u>	<u>24.16</u>
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)										
Operating, Maintenance & Repairs	\$ 27.60	\$ 26.60	\$ 26.60	\$ 25.60	\$ 25.60	\$ 24.60	\$ 24.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	12.34	8.85	5.78	5.78	5.78	5.78	5.78	4.08	4.08	4.08
Satellite Sewer Discharge Program services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.48	0.48	0.48
Equalization under billing (2nd quarter 2000)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equalization under billing (3rd quarter 2000)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.94	1.94	1.94
Meter Reading/Billing Charges (City of Cleveland)	2.30	2.30	2.31	2.31	2.31	2.31	1.61	1.61	1.45	1.45
Administrative Expenses (City of Euclid)	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total	<u>43.74</u>	<u>39.25</u>	<u>36.19</u>	<u>35.19</u>	<u>35.19</u>	<u>34.19</u>	<u>33.49</u>	<u>29.21</u>	<u>29.05</u>	<u>29.05</u>
Euclid										
Operating, Maintenance & Repairs	\$ 27.60	\$ 26.60	\$ 26.60	\$ 25.60	\$ 25.60	\$ 24.60	\$ 24.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	17.06	13.97	11.18	9.95	9.95	9.41	8.08	4.08	4.08	4.08
Peterson Construction Fund	20.15	19.37	18.67	18.37	18.37	15.88	13.88	9.88	7.88	5.88
Meter Reading/Billing Charges	2.30	2.30	2.31	2.31	2.31	2.31	1.61	1.61	1.61	1.61
Total	<u>67.11</u>	<u>62.24</u>	<u>58.76</u>	<u>56.23</u>	<u>56.23</u>	<u>52.20</u>	<u>48.17</u>	<u>35.17</u>	<u>33.17</u>	<u>31.17</u>

Source: City Departments  
(a) Test not administered  
n/a Information not available

# City of Euclid, Ohio

## Capital Assets Statistics by Function/Program

### Last Ten Years

**Table 19**

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>General Government</b>										
Square Footage Occupied	11,392	11,392	11,392	11,392	11,392	11,392	11,392	11,392	11,392	11,392
Administrative Vehicles	2	2	2	2	2	2	2	3	2	1
Inspection Vehicles	10	10	10	10	14	15	14	14	11	12
Municipal Court Vehicles	1	1	1	1	1	1	1	1	1	1
Lands & Buildings Vehicles	8	8	8	8	11	11	12	14	11	11
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Mini-stations	2	2	2	2	2	2	2	2	2	2
Square Footage of Buildings	58,384	58,384	58,384	58,384	58,384	58,384	58,384	58,384	58,384	58,384
Vehicles	61	58	58	62	62	65	64	63	63	64
<b>Fire</b>										
Stations	3	3	3	3	3	3	3	3	3	3
Square Footage of Buildings	27,389	27,389	27,389	27,389	27,389	27,389	27,389	27,389	27,389	27,389
Vehicles	19	20	20	18	19	18	18	18	13	16
<b>Recreation</b>										
Number of Parks	6	6	6	6	6	6	6	6	3	3
Acres of Parks	106	106	106	106	106	106	106	106	106	106
Acres of Playgrounds/Recreation	254	254	254	254	254	254	254	254	254	254
Number of Playgrounds	14	14	14	14	14	14	14	14	14	14
Number of Tennis Courts	6	6	6	6	6	6	6	6	6	6
Number of Skateboarding Areas	1	1	1	1	1	1	1	1	1	1
Number of Baseball Diamonds	9	9	9	9	9	9	9	9	9	9
Number of Soccer Fields	7	7	7	7	7	7	7	7	7	7
Number of Swimming Pools	4	4	4	4	4	4	4	4	5	6
Number of Spray Parks	1	1	1	1	1	1	0	0	0	0
Number of Ice Rinks	1	1	1	1	1	1	1	1	1	1
Acres of Golf Course	126	126	126	126	126	126	126	126	126	126
Square Footage of Shore Center Building	153,525	153,525	153,525	153,525	153,525	153,525	153,525	153,525	153,525	153,525
Vehicles	14	14	14	12	13	17	16	16	n/a	n/a
<b>Other Public Works</b>										
Streets (miles)	143.065	143.065	143.065	143.065	143.065	143.065	143.065	143.065	143.065	143.065
Service Vehicles	59	59	59	57	57	57	58	54	43	43
<b>Wastewater</b>										
Sanitary Sewers (miles)	262.38	262.38	262.38	262.38	262.38	262.38	262.38	262.38	262.38	262.38
Vehicles	14	13	13	13	11	10	10	10	11	10
<b>Water Department</b>										
Water Lines (miles)	139.65	139.65	139.65	139.65	139.65	139.65	139.65	139.65	139.65	139.65

Source: City Departments

(1) Information prior to 2004 is not available

# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF EUCLID**

**CUYAHOGA COUNTY**

### **CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 25, 2019**