

**CITY OF LAKEWOOD
CUYAHOGA COUNTY, OHIO**

SINGLE 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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Columbus, Ohio 43215
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Members of Council
City of Lakewood
12650 Detroit Avenue
Lakewood, Ohio 44107

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



Keith Faber
Auditor of State
Columbus, Ohio

June 28, 2019

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

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

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Pass-Through to Subrecipient	Total Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
<i>Direct Programs</i>				
CDBG-Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 215,654 *	\$ 2,682,955
Total CDBG-Entitlement Grants Cluster			<u>215,654</u>	<u>2,682,955</u>
Emergency Solutions Grant Program	14.231	N/A	<u>0</u>	<u>212,074</u>
<i>Total Direct Programs</i>			<u>215,654</u>	<u>2,895,029</u>
<i>Pass-Through Cuyahoga County Housing Consortium</i>				
HOME Investment Partnerships Program Grant	14.239	CE-0400-354-01	<u>0 *</u>	<u>107,941</u>
<i>Total Pass-Through Programs</i>			<u>0</u>	<u>107,941</u>
Total U.S. Department of Housing and Urban Development			<u>215,654</u>	<u>3,002,970</u>
<u>U.S. Department of Justice</u>				
<i>Direct Program</i>				
JLEO-Joint Law Enforcement Operations - Overtime Reimbursement	16.111	N/A	<u>0</u>	<u>27,731</u>
Total U.S. Department of Justice			<u>0</u>	<u>27,731</u>
<u>U.S. Department of Health and Human Services</u>				
<i>Pass-Through Western Reserve Area Agency on Aging</i>				
<i>Aging Cluster:</i>				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	N/A	<u>0</u>	<u>54,975</u>
Total Aging Cluster			<u>0</u>	<u>54,975</u>
Total U.S. Department of Health and Human Services			<u>0</u>	<u>54,975</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 215,654</u>	<u>\$ 3,085,676</u>

* Includes program income.

See notes to the Schedule of Expenditures of Federal Awards.

**CITY OF LAKEWOOD
CUYAHOGA COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Lakewood, Ohio, under programs of the federal government for the year ended December 31, 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 Lakewood, Ohio, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Lakewood, Ohio.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3: INDIRECT COST RATE

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

NOTE 4: SUBRECIPIENTS

The City passes through certain federal assistance received from the U.S. Department of Housing and Urban Development (HUD) to other governments or not-for-profit agencies (subrecipients). As described above in Note 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 LAKEWOOD
CUYAHOGA COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

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

The City has established a revolving loan program to provide low-interest loans to persons from low to moderate income households to rehabilitate their homes. The U.S. Department of Housing and Urban Development (HUD) grants monies for these loans directly to the City. The initial loan of these monies is recorded as a disbursement on the accompanying Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on this Schedule. These loans are collateralized by mortgages on the property. At December 31, 2018, the gross amount of loans outstanding under this program is \$1,352,790. The Emergency Solutions Grant and the Homelessness Prevention and Rapid Re-Housing Program Grant are directly received by the City. HUD's HOME Program grant is passed through the Cuyahoga County Housing Consortium.

NOTE 7: FOOD DISTRIBUTION

The U.S. Department of Health and Human Services allocated \$61,216 to the City for the Congregate Meal Program and \$106,649 for the Home Delivered Meal Program, and these funds were passed through the Western Reserve Area Agency on Aging. Meals received from the Western Reserve Area Agency on Aging are valued at \$4.18 for the Congregate Meal Program per meal served and \$4.59 for the Home Delivered Meal Program per meal served. For the year ended December 31, 2018, the City served 14,610 and 23,235 meals through the City's Office on Aging Congregate Meal Program and Home Delivered Meal Program, respectively.

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

Certified Public Accountants

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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
City of Lakewood
Lakewood, 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, each major fund, and the aggregate remaining fund information of the City of Lakewood, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 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 3, 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 3, 2019

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

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

To the Members of City Council
City of Lakewood
Lakewood, 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 Lakewood, Cuyahoga County, Ohio's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended December 31, 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 Lakewood complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 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, 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 3, 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 3, 2019

**CITY OF LAKEWOOD
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2018**

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 Grant 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 LAKEWOOD
CUYAHOGA COUNTY, OHIO
SCHEDULE OF PRIOR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018**

The prior audit report, as of December 31, 2017, included no findings or management letter recommendations.

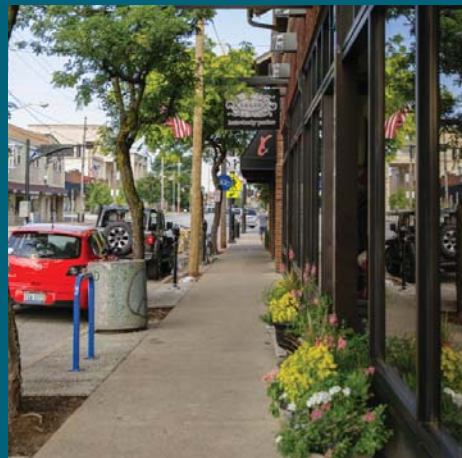
City of Lakewood, Ohio

Comprehensive Annual Financial Report

For the Year Ending December 31, 2018



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CITY OF LAKEWOOD, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2018

Issued by:

City of Lakewood
Department of Finance

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

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INTRODUCTORY SECTION

City of Lakewood, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2018
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Jennifer R. Pae
Director of Finance

June 3, 2019

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Lakewood (the “City”) for the year ended December 31, 2018.

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

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

The independent public accounting firm of James G. Zupka, C.P.A., Inc., has issued an unmodified (“clean”) opinion on the City of Lakewood’s financial statements for the year ended December 31, 2018. The Independent Auditor’s Report is located at the front of the financial section of this report.

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

City of Lakewood’s Profile

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

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

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

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

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

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

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

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

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

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

Local Economy

Economic Development

The local economy benefits from the City's location on Lake Erie on the Westside of Cleveland and easy access to the interstates, downtown job centers and Cleveland Hopkins International Airport. There are approximately 1,000 bricks and mortar businesses and approximately 4,300 employers overall that provide more than 12,000 local jobs. The City has a population of more than 52,000 residents and is the most densely populated city in Ohio with more than 9,000 residents per square mile.

This makes the community an attractive location for business both from a trade area and customer point of view as well as availability of high quality workforce.

The City has utilized Community Development Block Grant Funds and Home Improvement Partnership Grant Funds to invest in commercial revitalization through the Storefront Renovation Program and help finance residential improvement via such programs as the Low-Interest Loan Home, First Time Homebuyer and Home Improvement Grants.

Additionally, the City has helped to foster a fertile entrepreneurial environment through programs such as Start UP Lakewood, a business development and entrepreneurship initiative that provides technical assistance to aspiring entrepreneurs by tapping into the City's strong business community.

Retail

In 2018, dozens of new businesses either opened or undertook a major expansion and renovation, including: City of Fades Barber Shop, Prime and Process Hair Lounge, Nosotros Rock Climbing Gym, The Diner on Clifton, Waterbury Coach House, Allstate Insurance, Cleveland Curiosities, Rood Food & Pie, Liliana Bridal house, Brewella's, Good Kind Coffee, Rising Star Coffee, The Reserves Network, and Phoenix Salon Suites.

The City's retail occupancy held strong in 2018, and Detroit Avenue continues to have a strong retention rate and occupancy at around 90%. However, in the past year Madison Avenue experienced its biggest gains in recent history. The occupancy rate does take into account storefronts that are not occupied and also not listed. Only taking the available retail vacancy into account would drop that percentage below 10%.

Madison Avenue, the community's second major retail corridor, has stabilized as a strong retail and business corridor. The resurfacing of the entirety of Madison coupled with the City's "Madison on the Move" initiative is approving to have benefit as the pace of new business and building purchases have outpaced projections. Specifically, the Birdtown neighborhood has benefitted from investment and new business development. Griffin Cider House, LBM Bar, and STEM Handmade Soaps have become stabilized in the neighborhood and the marketplace providing entertainment and shopping options for the district and the city. Continued investment will continue to occur with the recent listing of two new commercial properties in the Birdtown neighborhood that could draw new housing and retail to the neighborhood.

Commercial Office and Industrial

The City's tech sector is holding strong and seeing gains with growth companies such as Onyx, Within3, Inc., NeoGraf, Tempest, and Ferry Cap & Screw. University Tees and 717 Inc., a tee shirt design and print making company, has also demonstrated growth in space and number of employees each year since it moved to City in 2008. The company has partnered with the owners of the former Lake Erie Screw Factory to creatively expand office and production space in an industrial mixed use complex in Birdtown.

In January 2016, Roundstone Insurance ("Roundstone") purchased the former Christian Science Church in the downtown area of the City in order to relocate its corporate headquarters from the city of Westlake. Since then, Roundstone has invested more than \$500,000 in improvements to build out the space for the 45-person firm. The company continues to show signs of growth, with current full-time employee count of 55 as of the end of 2018.

Premier Physicians purchased the former Berger Village building on Detroit Avenue, a mixed use office and commercial building, and completed its renovation of the building to be a second medical practice in the City.

The City's commercial corridors have seen several innovative projects take shape over the last year. A long-vacant former storage building was redeveloped into Western Reserve Distillery and the Distill Table restaurant for a total redevelopment cost of \$3 million. Also approved, filling a long-vacant commercial lot, was the Lakewood Truck Park, a beer garden and food truck concept that includes a \$1.5 million investment. This project is expected to break ground in spring of 2019.

In 2018, along the City's commercial corridors, 50 businesses opened or underwent a major renovation. The City's storefront renovation grants continue to be popular with businesses. Ten of the completed projects received storefront grants with a total of \$239,355 disbursed.

Residential

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

To assist in supporting the next century of housing, the City launched Housing Forward in 2011 to better coordinate proactive code enforcement and residents reinvesting in their homes. The initial city wide housing survey in 2011 was updated in 2013, 2015 and 2018. The survey is a disciplined strategy to focus the City's attention on the properties that have major code violations or are in need of many small improvements.

The improvements in the housing stock are being demonstrated in property value. The City saw 8% growth in housing value as of the 2015 tri-annual reappraisal, one of only three communities in the County to see such improvement. This was followed by a 22.5% increase in the 2018 tri-annual reappraisal for residential property. The single family home median sale price has increased from \$114,500 in 2011 to \$170,000 in 2018.

In addition to educating property owners on best practices to improve their homes, the City is making significant effort to connect these owners to resources for improvements through the Division of Community Development. Since 2014, 122 properties were improved using the City's low interest loan and grant programs.

Another positive trend in the residential market was the City being able to partner with private developers to construct independent single family houses. The City partnered with three local builders to build or start construction on seven independent residential lots in 2018. The average sales price for the newly constructed homes was \$250,000 for a total value of approximately \$1.75 million.

There has been new multifamily development in the City as well. McKinley Place began construction on 40 units in 2016. This \$17 million project recently sold its last remaining unit. Rockport Townhomes completed 51 townhouse units in a \$12 million development in 2018. The Mews, a \$2.5 million nine unit townhouse complex adjacent to the Rockport development, was approved in 2018 and will break ground in 2019. Center North is a \$14 million project that converted an antiquated office high-rise to 183 apartment units. The first two phases of this project are completely leased with the third phase under construction.

Redevelopment

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

The Cleveland Clinic Foundation's new Lakewood Family Health Center opened in July 2018. This 64,700 square foot, \$34 million project in the heart of the City's downtown district features offers a variety of outpatient services and features 60 exam room and a 24/7 emergency department.

One Lakewood Place is a mixed-use project in the City's Downtown district. This project is part of the multi-year effort to transition healthcare in the City and reimagine the former Lakewood Hospital site, which is across the street from the new Lakewood Family Health Center. The former hospital is currently undergoing hazardous materials abatement to prepare for demolition and construction. The estimated project value is \$75-100 million, with no TIF or tax abatements proposed. Construction on the 5.7 acres is expected to begin in 2019 and will include office, retail, residential and 0.5-acre public plaza.

St. Peter's Episcopal Church has also made major investments in their buildings. St. Peter's started construction on a \$3.5 million-dollar new addition to their building. St. Edward's High School was also approved in 2018 for a 15,000 square foot addition creating a new entrance, dining hall, and courtyard for their students. Two institutions received historic tax credits for their expansion projects, The Lakewood Historical Society and North Coast College received historic tax credits for expansion projects. The Lakewood Historical Society plans to invest approximately \$300,000 into its building and receive a tax credit of approximately \$20,000. North Coast College plans to invest approximately \$2 million and receive a tax credit of approximately \$250,000.

Recreation

The City is also investing in its park spaces. Play equipment replacement at Kids Cove Playground at Lakewood Park was completed in 2018. Also, in 2018, the City invested \$600,000 in the three-acre Cove Park, adding new play equipment, a new pavilion, new trails, and a new baseball field. Wagar Park is budgeted for \$1 million and will begin construction in 2019. Edwards Park and St. Charles green are also scheduled for improvements this year. In all, an estimated \$5 million has been spent improving our public parks over the past five years.

Major Initiatives Going Forward

During 2018, the City continued the visioning and strategic planning that began in 2013 as detailed in that year's Comprehensive Annual Financial Report.

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

Vision *What the City Wants to Be / Achieve*

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

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

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

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

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

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

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

The table on the following page is the City’s 2018 and beyond Strategic Objectives as outlined by the Administration as well as City Council Priorities. Discussions of how individual departments will make these investments can be found in each division’s respective budget narrative.

The Objectives outline specific actions to be carried out by the City during 2018 and beyond, and if it is a new objective or a continuation of prior year efforts. As part of the 2018 budget deliberations, City Council undertook a budget prioritization process that recommended the following projects or policies which are included in the 2018 appropriations:

- Pool Equipment to Improve Usability of Pool
- Upgrade and Improve Webb Park
- Supplemental Curb Replacement Funding (curb conditions to be included in the 2018 Pavement Condition Rating Study)
- Full Court Basketball
- Create a Public Art Plan for the City
- Implement Lakewood’s Bicycle Master Plan
- Acquire and Install Electric Vehicle Charging Stations
- Lakewood Park Recycling Pilot Program
- Support Project SOAR (Supporting Opiate Addiction Recovery)
- Focus on Clean and Renewable Energy

2018 Strategic Objectives and Priorities

Objective	Actions	Council Priority ?	Owner / Champion(s)	Sound Government	Vibrant Neighborhoods	Safe & Secure City	Economic Development	New Objective?	Continuation of a Prior Year Objective?
Downtown Development	<ul style="list-style-type: none"> Developer Plans solidified Demo/construction to begin 		<ul style="list-style-type: none"> City Council Mayor's Office Planning Law Finance 		✓		✓		✓
Resiliency and Sustainability Strategies Developed	<ul style="list-style-type: none"> Benchmark Eco District Template vs Lakewood plans Set priority to gaps in plans Seek funding, assemble, and empower citizen led task force 		<ul style="list-style-type: none"> Mayor's Office Planning Finance 	✓	✓	✓	✓	✓	
	<ul style="list-style-type: none"> Clean Power-increase amount of energy purchased from Clean and Renewable sources 	✓	<ul style="list-style-type: none"> City Council Public Works 	✓				✓	
	<ul style="list-style-type: none"> Continue Bike Promotion 	✓	<ul style="list-style-type: none"> City Council Planning 		✓		✓		✓
	<ul style="list-style-type: none"> Electric Vehicle infrastructure created – three stations 	✓	<ul style="list-style-type: none"> City Council Public Works Planning 		✓		✓	✓	
	<ul style="list-style-type: none"> Implement Lakewood Park Recycling 	✓	<ul style="list-style-type: none"> City Council Public Works 		✓			✓	
Employee Healthcare Plans Developed	<ul style="list-style-type: none"> Bargaining unit committee to develop proposals due Sept 2018 to begin Jan. 1, 2019 		<ul style="list-style-type: none"> Human Resources Law Finance 	✓				✓	
New Wellness Foundation Launched	<ul style="list-style-type: none"> Governing documents agreed to, legal structure designed, approved by IRS and Ohio Atty. General Leadership appointed Funds received 		<ul style="list-style-type: none"> City Council Mayor's Office 	✓	✓	✓	✓		✓
Integrated Wet Weather Plan Finalized- EPA Clean Water Act/ NPDES Permit Application	<ul style="list-style-type: none"> Final plans due March 2019 Timeline of Investments clarified in rate model 		<ul style="list-style-type: none"> Mayor's Office Public Works Planning Law Finance 	✓	✓	✓	✓		✓
Opiate Overdose Reduction & Elimination Plan	<ul style="list-style-type: none"> Implement full year of Project SOAR Expand education Continued drug interdiction 	✓	<ul style="list-style-type: none"> City Council Mayor's Office Human Services Police Fire Law 	✓	✓	✓		✓	
Human Service Facility Improvement	<ul style="list-style-type: none"> Look for improved Community Service Center to improve program quality and quantity Evaluate Senior transportation strategies post FHC opening 		<ul style="list-style-type: none"> Mayor's Office Human Services Planning 	✓	✓			✓	

2018 Strategic Objectives and Priorities

Objective	Actions	Council Priority ?	Owner / Champion(s)	Sound Government	Vibrant Neighborhoods	Safe & Secure City	Economic Development	New Objective?	Continuation of a Prior Year Objective?
Quality of Life Initiatives	<ul style="list-style-type: none"> Parks improvement initiative – Cove, Wagar, Webb and Kauffman Parks 	✓	<ul style="list-style-type: none"> City Council Mayor's Office Public Works Planning 		✓				✓
	<ul style="list-style-type: none"> Winterhurst Contract Expiration- August 2018 		<ul style="list-style-type: none"> City Council Mayor's Office Law Public Works 		✓			✓	
	<ul style="list-style-type: none"> Public Art Investments 	✓	<ul style="list-style-type: none"> City Council Mayor's Office Planning 		✓		✓	✓	
	<ul style="list-style-type: none"> Long-term Swimming Pool strategy and short-term improvements 	✓	<ul style="list-style-type: none"> City Council Mayor's Office Public Works Planning 		✓				✓
	<ul style="list-style-type: none"> Expand Traffic Calming to an additional street 	✓	<ul style="list-style-type: none"> City Council Mayor's Office Public Works 		✓	✓			✓
	<ul style="list-style-type: none"> Outdoor Basketball full-court built in Madison Park 	✓	<ul style="list-style-type: none"> City Council Mayor's Office Public Works Planning 		✓				✓
	<ul style="list-style-type: none"> Curb Replacement program 	✓	<ul style="list-style-type: none"> City Council Mayor's Office Public Works 		✓				✓
	<ul style="list-style-type: none"> Infrastructure Improvement - Lake Ave resurfacing- Belle to W117th 		<ul style="list-style-type: none"> Mayor's Office Public Works 		✓	✓			
Core Service Excellence Improvements	<ul style="list-style-type: none"> LEAN Initiative Continued - 8 new projects 		<ul style="list-style-type: none"> Mayor's Office 	✓					✓
	<ul style="list-style-type: none"> Building Department Software conversion to Citizen Serve 		<ul style="list-style-type: none"> Mayor's Office IT Building & Housing 	✓				✓	
	<ul style="list-style-type: none"> Police Computer Aided Dispatch - upgrade finished 		<ul style="list-style-type: none"> Mayor's Office IT Police Fire 	✓		✓			✓
	<ul style="list-style-type: none"> Improve Municipal and City Hall Security 		<ul style="list-style-type: none"> Mayor's Office Court City Council IT Public Works 	✓		✓		✓	

Capital Plan

In accordance with Article V, Section 7 of the City of Lakewood Third Amended Charter annually, after consultation with the mayor and the heads of affected city departments, the director of finance shall prepare and submit to the mayor and council a recommended five-year financial plan for the city's capital needs.

Awards and Acknowledgements

Awards:

- The City of Lakewood received the Auditor of State Award with Distinction for its 2017 Comprehensive Annual Financial Report for the fifth year in a row. The award is presented to the top five percent of governments that meet specific criteria during their financial audit. The Auditor of State Award with Distinction is given to entities that file an annual CAFR and timely financial reports, as well as receive a "clean" audit report. The clean audit report means that Lakewood's financial audit did not contain findings for recovery, material citations, material weaknesses, significant deficiencies, Single Audit findings or any questioned costs.
- The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lakewood for its (CAFR) for the year ended December 31, 2017. This was the 37th consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements:

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

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

Respectfully submitted,



Michael P. Summers
Mayor



Jennifer R. Pae
Director of Finance





Government Finance Officers Association

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

Presented to

**City of Lakewood
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

City of Lakewood, Ohio

*Elected Officials
December 31, 2018*

Mayor..... Michael Summers

Municipal Court Judge..... Patrick Carroll

City Council At Large..... Thomas Bullock

City Council At Large..... Meghan George

City Council At Large..... Tristan Rader

City Council by Wards:

Ward 1..... David Anderson

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

Ward 3..... John Litten

Ward 4..... Daniel O’Malley

City of Lakewood, Ohio

Appointed Officials

December 31, 2018

Office of Council

Clerk of Council.....Maureen Bach

Municipal Court

Clerk of Court Christina McCallum

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

Department of Law

Director of Law Kevin Butler

Department of Finance

Director of FinanceJennifer R. Pae

Department of Public Works

Director of Public WorksJoseph Beno

Department of Public Safety

Chief of Fire..... Scott Gilman

Chief of Police Timothy Malley

Department of Human Services

Director of Human Services.....Antoinette Gelsomino

Department of Planning and Community Development

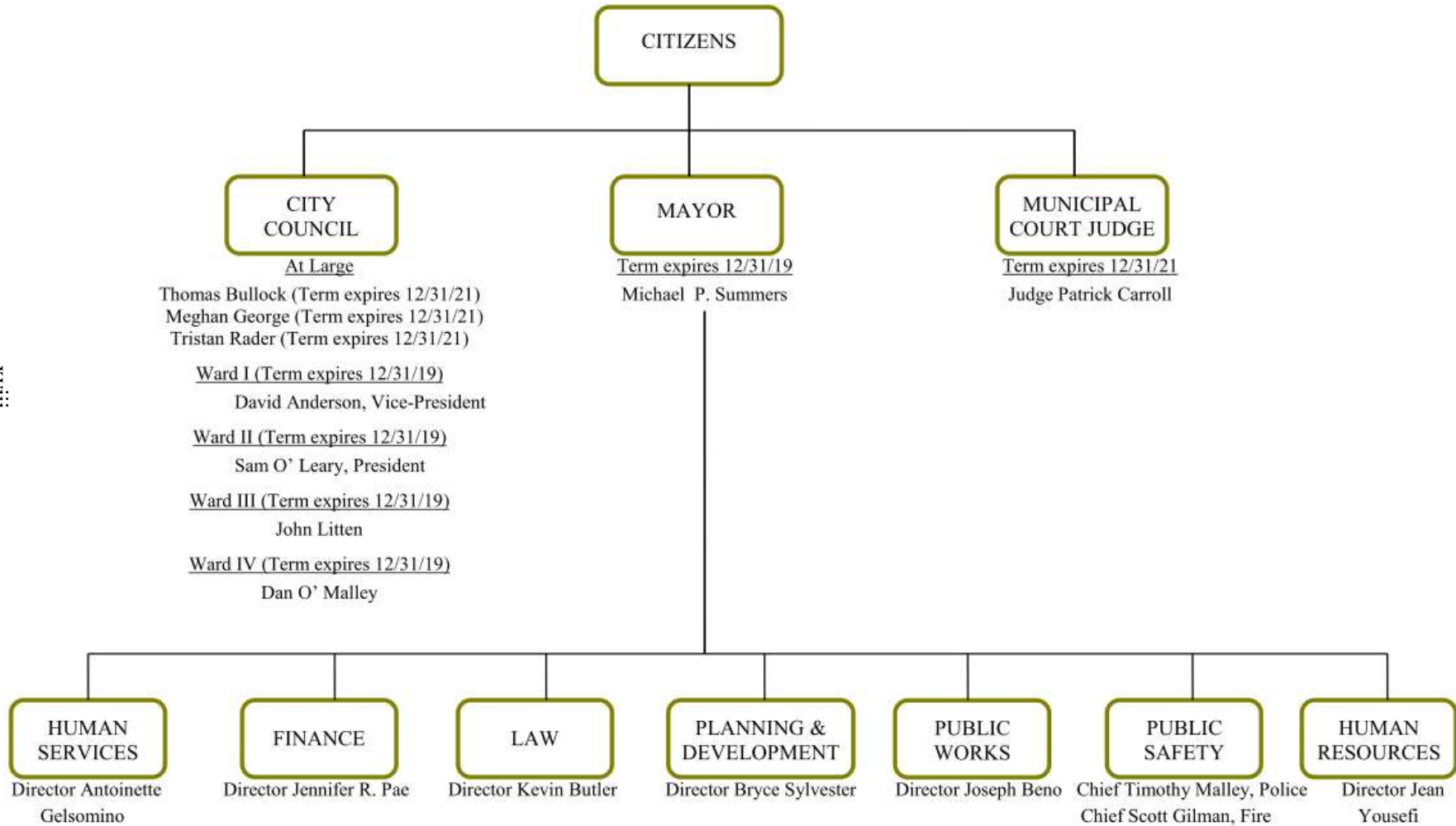
Director of Planning and DevelopmentBryce Sylvester

Department of Human Resources

Director of Human Resources..... Jean Yousefi

City of Lakewood, Ohio
Organizational Chart
December 31, 2018

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FINANCIAL SECTION

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

*Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council
City of Lakewood
Lakewood, 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, each major fund, and the aggregate remaining fund information of the City of Lakewood, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 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, each major fund, and the aggregate remaining fund information of the City of Lakewood as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund and the Police and Fire Pension Fund, Community Development Block Grant Fund, and Lakewood Hospital Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 3, 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 3, 2019

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

The discussion and analysis of the City of Lakewood's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 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:

- Overall, governmental activities revenues (including transfers) of \$68,613,290 exceeded the expenses, which came in at \$61,596,854 resulting in an increase in net position by \$7,016,436 for the year 2018. The total governmental activities' net position was \$10,117,576 compared to \$3,101,140 in the previous year.
- Overall, business-type activities revenues of \$24,348,321 exceeded the expenses (including transfers) which came in at \$21,240,236 resulting in an increase in net position by \$3,108,085 for the year 2018. The total business-type activities' net position was \$82,153,071 compared to \$79,044,986 in the previous year.
- During 2018, the City implemented GASB Statement No. 75, which had the effect of restating net position at December 31, 2017. For the governmental activities and business-type activities net position went from \$41,537,776 to \$3,101,140 and from \$81,144,687 to 79,044,986, respectively.
- The City issued bond anticipation notes during 2018 for roadway improvements, various park improvements, sidewalk improvements, building improvements, and water and sewer improvements.
- The City is committed to providing the Citizens of Lakewood with the highest quality of services while maintaining efficiency and cost effectiveness. The City actively pursues grants to offset costs of providing services and to offer new programs.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Proprietary Funds. The City maintains four proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water, Sewer (which includes the Wastewater Treatment Plant), Parking Facilities and Winterhurst Ice Rink. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its hospitalization and workers' compensation. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer funds, both of which are considered to be major funds of the City. Data from the other two non-major enterprise funds are combined into a single fund, aggregated presentation. Individual fund data for each of these non-major proprietary funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 32-35 of this report.

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

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

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-96 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the financial statements, the required supplementary information related to the net pension liability 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 98-176 of the report.

Government-Wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question "How did we do financially during 2018?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

The City of Lakewood as a Whole

Recall that the Statement of Net Position looks at the City as a whole. The following table on page 9 provides a summary of the City's net position for 2018 compared to 2017.

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	Governmental Activities		Business-Type Activities		Total	
	2018	2017 *	2018	2017 *	2018	2017 *
ASSETS						
Current and other assets	\$88,131,853	\$74,563,950	\$34,538,931	\$29,439,630	\$122,670,784	\$104,003,580
Capital assets, net	87,354,590	84,741,346	110,469,520	106,249,856	197,824,110	190,991,202
Net Pension Asset	81,862	28,335	20,195	6,989	102,057	35,324
Total Assets	175,568,305	159,333,631	145,028,646	135,696,475	320,596,951	295,030,106
DEFERRED OUTFLOWS OF RESOURCES						
Deferral on Refunding	61,873	72,532	274,105	298,247	335,978	370,779
Pension	9,551,386	14,975,506	863,285	1,875,821	10,414,671	16,851,327
OPEB	4,642,823	206,253	188,106	33,263	4,830,929	239,516
Total Deferred Outflows of Resources	14,256,082	15,254,291	1,325,496	2,207,331	15,581,578	17,461,622
LIABILITIES						
Current and other liabilities	4,106,385	3,425,209	3,753,864	2,572,739	7,860,249	5,997,948
Long-term liabilities:						
Due within one year	20,024,854	16,965,848	22,082,144	16,365,507	42,106,998	33,331,355
Due in more than one year:						
Net Pension Liability	52,931,727	59,616,627	3,389,114	4,833,447	56,320,841	64,450,074
Net OPEB Liability	45,562,431	38,642,889	2,314,075	2,132,964	47,876,506	40,775,853
Other Amounts	34,765,640	37,433,621	29,749,724	31,306,205	64,515,364	68,739,826
Total Liabilities	157,391,037	156,084,194	61,288,921	57,210,862	218,679,958	213,295,056
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	14,695,146	11,972,636	1,908,459	1,554,887	16,603,605	13,527,523
Payments in Lieu of Taxes	920,786	580,536	0	0	920,786	580,536
Pension	5,580,420	1,449,416	831,308	93,071	6,411,728	1,542,487
OPEB	1,119,422	0	172,383	0	1,291,805	0
Promissory Note	0	1,400,000	0	0	0	1,400,000
Total Deferred Inflows of Resources	22,315,774	15,402,588	2,912,150	1,647,958	25,227,924	17,050,546
NET POSITION						
Net Investment in						
Capital Assets	43,044,549	43,075,007	58,378,500	59,258,570	101,423,049	102,333,577
Restricted	34,551,535	26,121,452	0	0	34,551,535	26,121,452
Unrestricted	(67,478,508)	(66,095,319)	23,774,571	19,786,416	(43,703,937)	(46,308,903)
Total Net Position	\$10,117,576	\$3,101,140	\$82,153,071	\$79,044,986	\$92,270,647	\$82,146,126

* - Restated

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.

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Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. 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*. 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.

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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 \$41,537,776 to \$3,101,140 for Governmental Activities and from \$81,144,687 to 79,044,986 for Business-type Activities.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$92,270,647 at the close of 2018.

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

Total assets and deferred outflows of resources increased by \$23,686,801 from 2017 to 2018, while the City's total liabilities and deferred inflows of resources increased by \$13,562,280. Total net position increased \$10,124,521 with governmental activities comprising \$7,016,436 and business-type activities comprising \$3,108,085 of that amount. Most of the increase in net position is from the final funds received from the closure of Lakewood Hospital.

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

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	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
REVENUES						
Program Revenues:						
Charges for Services	\$7,623,856	\$8,451,557	\$22,007,973	\$21,069,566	\$29,631,829	\$29,521,123
Operating Grants and Contributions	13,812,981	5,193,489	0	0	13,812,981	5,193,489
Capital Grants and Contributions	1,240,093	1,191,332	427,333	1,279,891	1,667,426	2,471,223
Total Program Revenues	22,676,930	14,836,378	22,435,306	22,349,457	45,112,236	37,185,835
General Revenues:						
Property Taxes	12,520,782	12,375,304	1,626,074	1,607,149	14,146,856	13,982,453
Municipal Income Taxes	24,888,422	21,338,449	0	0	24,888,422	21,338,449
Payments in Lieu of Taxes	941,486	521,296	0	0	941,486	521,296
Grants and Entitlements	3,662,605	3,551,342	0	66,504	3,662,605	3,617,846
Investment Income	1,242,399	407,277	170,019	168,199	1,412,418	575,476
All Other Revenues	847,206	424,698	116,922	267,586	964,128	692,284
Total General Revenues	44,102,900	38,618,366	1,913,015	2,109,438	46,015,915	40,727,804
Total Revenues	66,779,830	53,454,744	24,348,321	24,458,895	91,128,151	77,913,639
EXPENSES						
Program Expenses:						
Security of Persons and Property:						
Police and Others	17,242,593	15,229,304	0	0	17,242,593	15,229,304
Fire	13,461,208	13,056,945	0	0	13,461,208	13,056,945
Public Health Services	1,939,618	1,964,825	0	0	1,939,618	1,964,825
Leisure Time Activities	2,895,785	2,944,733	0	0	2,895,785	2,944,733
Community Environment	6,946,597	6,655,555	0	0	6,946,597	6,655,555
Basic Utility Services	4,004,891	3,935,756	0	0	4,004,891	3,935,756
Transportation	3,828,421	3,921,229	0	0	3,828,421	3,921,229
General Government	9,881,664	10,314,519	0	0	9,881,664	10,314,519
Interest and Fiscal Charges	1,396,077	1,961,698	0	0	1,396,077	1,961,698
Water	0	0	8,848,326	8,977,286	8,848,326	8,977,286
Sewer	0	0	9,761,987	7,133,603	9,761,987	7,133,603
Parking Facilities	0	0	369,619	427,010	369,619	427,010
Winterhurst Ice Rink	0	0	426,844	401,376	426,844	401,376
Total Expenses	61,596,854	59,984,564	19,406,776	16,939,275	81,003,630	76,923,839
Change in Net Position before Transfers	5,182,976	(6,529,820)	4,941,545	7,519,620	10,124,521	989,800
Transfers	1,833,460	1,713,362	(1,833,460)	(1,713,362)	0	0
Change in Net Position	7,016,436	(4,816,458)	3,108,085	5,806,258	10,124,521	989,800
Net Position - Beginning of Year, Restated	3,101,140	7,917,598	79,044,986	73,238,728	82,146,126	81,156,326
Net Position - End of Year	\$10,117,576	\$3,101,140	\$82,153,071	\$79,044,986	\$92,270,647	\$82,146,126

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 \$239,516 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 \$3,897,924. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

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	Governmental Activities	Business-Type Activities	Total
Total 2018 program expenses under GASB 75	\$ 61,596,854	\$ 19,406,776	\$ 81,003,630
OPEB expense under GASB 75	(3,694,383)	(203,540)	(3,897,923)
2018 contractually required contribution	91,989	4,889	96,878
Adjusted 2018 program expenses	57,994,460	19,208,125	77,202,585
Total 2017 program expenses under GASB 45	59,984,564	16,939,275	76,923,839
Increase (Decrease) in program expenses not related to OPEB	\$ 1,990,104	\$ (2,268,850)	\$ (278,746)

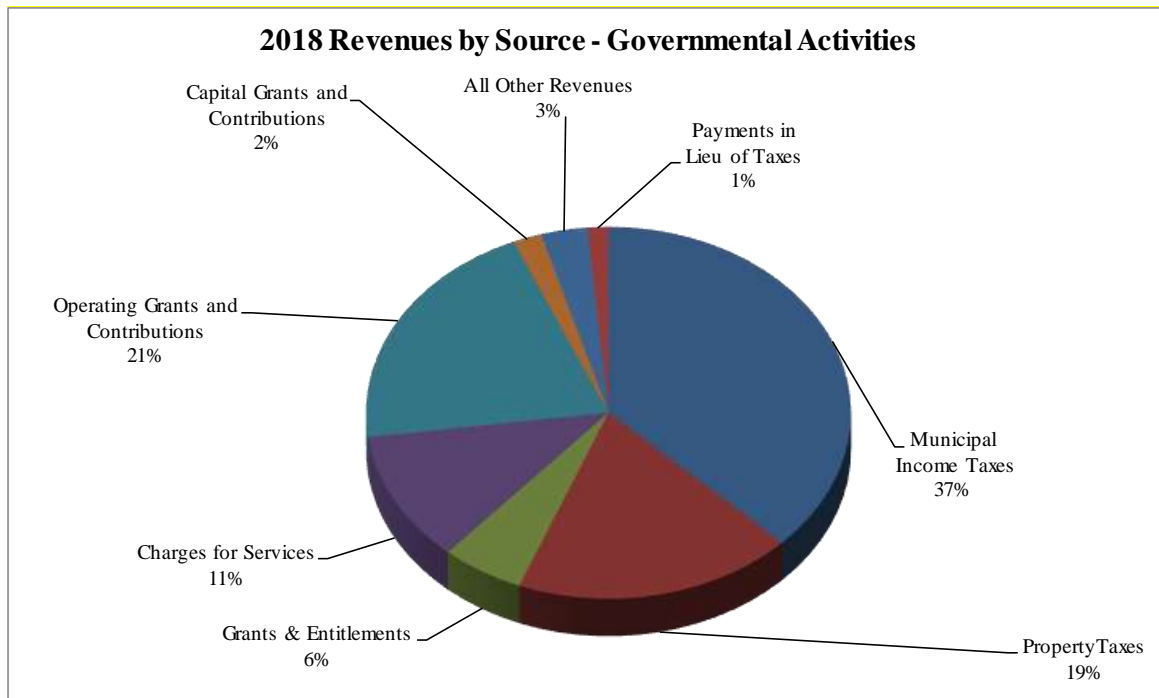
Governmental Activities

Several types of revenues fund the City's governmental activities, with the City's municipal income tax being the biggest contributor. The income tax rate was 1.5 percent in 2018. Both residents and non-residents who work inside the City are subject to the income tax.

However, residents of the City are granted a credit for income taxes paid to other municipalities to a maximum of one-half of one percent of income earned outside the City. The income tax revenue for 2018 was \$24,888,422. Of the \$66,779,830 in total governmental revenues, income tax accounts for 37 percent of that total. Property taxes and payment in lieu of taxes of \$13,462,268 account for 20 percent of total revenues. Operating/capital grants and contributions, and general revenues from grants and entitlements account for 28 percent of total revenues, and charges for services, investment income and other revenue make up the remaining 15 percent.

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

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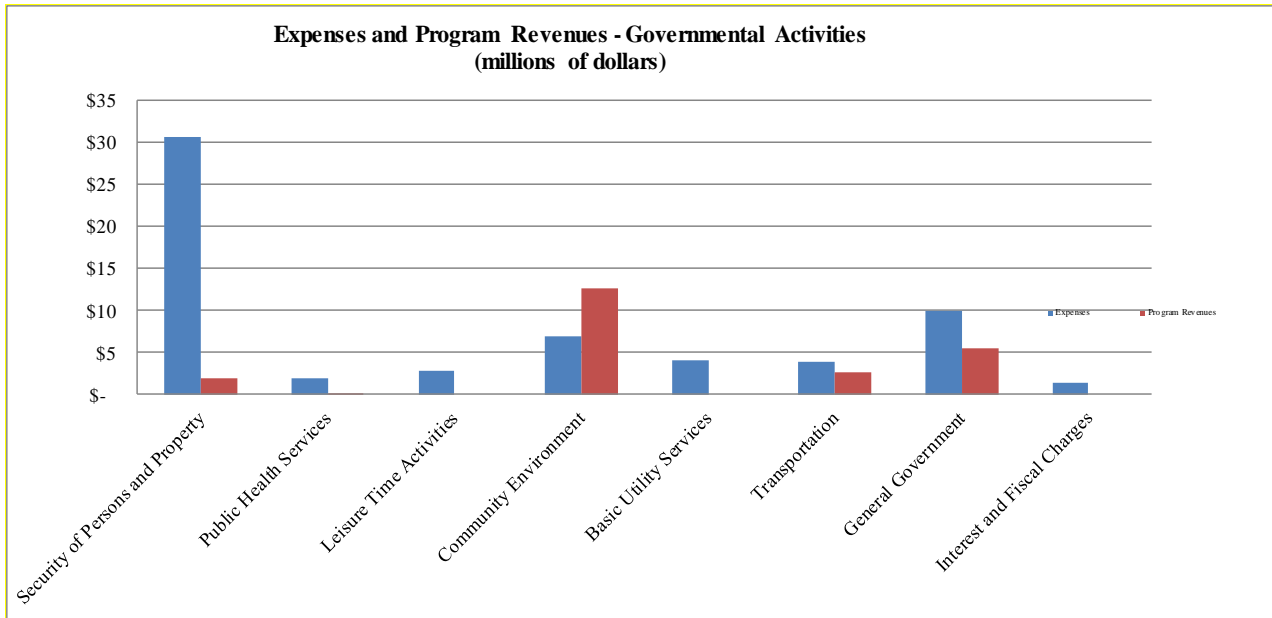


Total revenues for governmental activities increased by \$13,325,086 from 2017 to 2018. Operating and Grants experienced the largest increase of \$8,619,492 due to final receipts of monies associated with the closure of Lakewood Hospital. Municipal Income Taxes experienced the next largest increase of \$3,549,973, which was due to timing differences associated with HB67. This bill changed the due date of 4th quarter 2018 estimates to January 2019.

Total expenses of governmental activities for 2018 were \$61,596,854. The largest program function for the City relates to Security of Persons and Property, which includes the Police and Fire departments. Total Security of Persons and Property accounted for program expenses of \$30,703,801, which is 50 percent of the program expenses for governmental activities. General Government is the next largest program expense at 16 percent, followed by Community Environment expenses of 11 percent.

Total expenses of governmental activities increased by \$1,612,290 from 2017 to 2018. This was mainly due to increases in Security of Persons and Property.

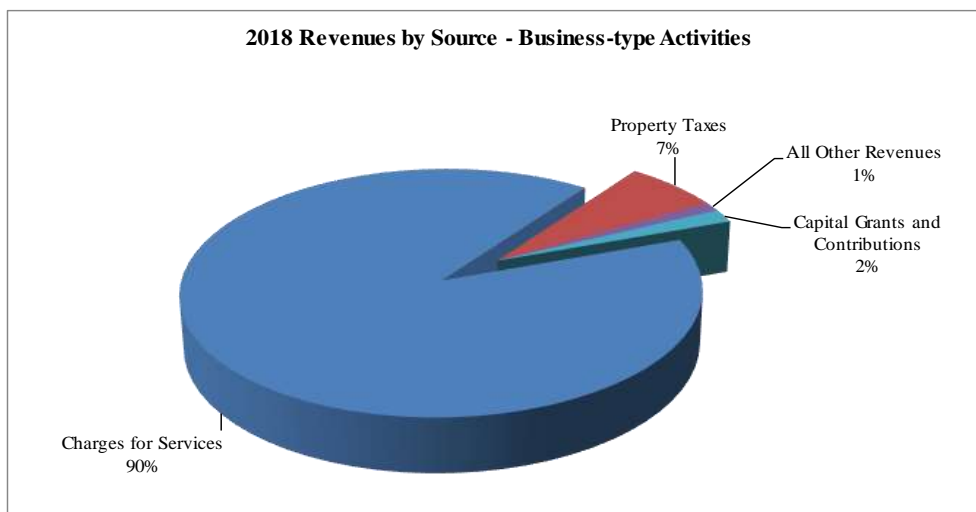
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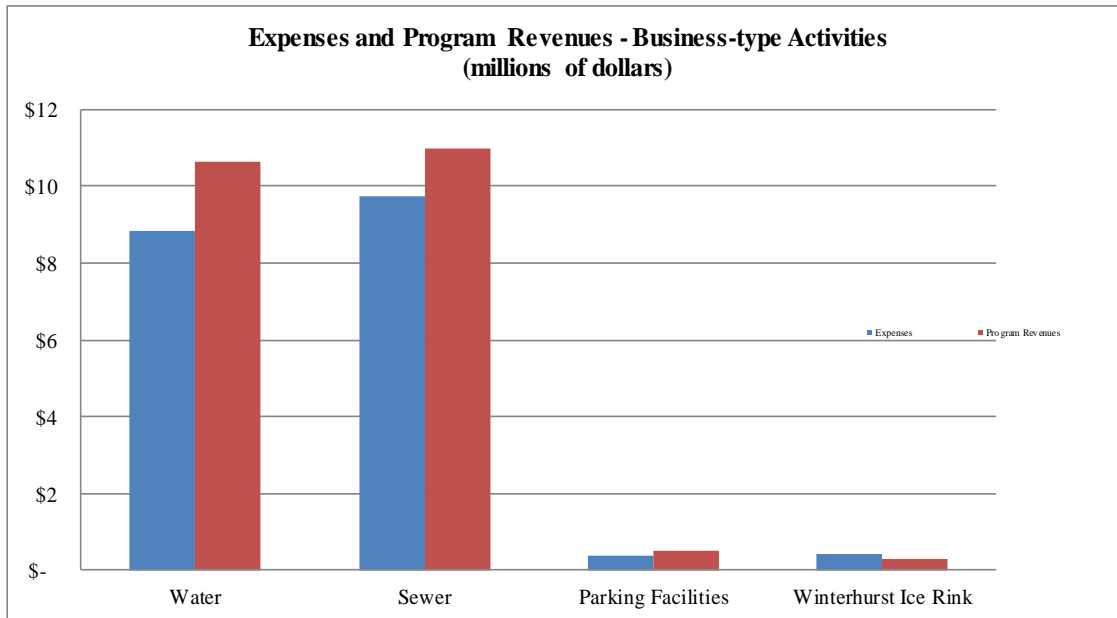
Business-Type Activities

Business-type activities increased the City's net position by \$3,108,085. The increase is due primarily to the City's efforts to keep expenses in line with revenues. Total expenses of business-type activities were \$19,406,776, with the Water Department comprising 46 percent of that amount followed by the Sewer Department at 50 percent. Total revenues decreased slightly by \$110,574.

Total expenses increased by \$2,467,501 from 2017 to 2018. This increase is due to the design and engineering associated with the Integrated Wet Weather Improvement Plan Phase2 plan with Ohio EPA.



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Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance serves as a useful measure of a government's net resource available for spending at the end of the fiscal year. Information about the City's governmental funds begins on page 24. These funds are accounted for using the modified accrual basis of accounting.

As of December 31, 2018, the City's governmental funds reported combined ending fund balances of \$50,004,261, a \$9,892,137 increase from 2017. Of that amount, \$7,359,019 constitutes unassigned fund balances, which are available for spending at the government's discretion. The remainder of fund balance is classified as nonspendable, restricted, committed or assigned to indicate that it is not available for new spending and will be used for loans and to liquidate contracts and purchases of the prior period.

The General Fund had total revenues of \$41,176,848 and expenditures of \$42,810,222 (not including other financing sources and uses) leaving an increase in fund balance after other financing sources and uses of \$344,600. This increase is primarily due to an increase in interest earnings coupled with a decrease in transfers out.

The General Fund is the chief operating fund of the City. At the end of the current year, the unassigned fund balance of the General Fund was \$7,443,450, while the total fund balance reached \$14,858,075. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

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Unassigned fund balance represents approximately 17 percent of total General Fund expenditures (including other financing uses), while total fund balance represents 34 percent of that same amount.

The Police and Fire Pension Fund had total revenues of \$3,010,134 and expenditures of \$3,119,099 with a net change in fund balance after other financing uses of (\$108,965).

The Community Development Block Grant Fund had total revenues of \$2,565,734 and expenditures of \$2,515,622 with a net change in fund balance of \$50,122.

The Lakewood Hospital Fund had total revenues of \$10,130,668 and expenditures of \$2,708,052 with a net change in fund balance after other financing uses of \$7,854,716. The increase was mainly due to receipt of monies associated with the closure of Lakewood hospital.

The Debt Service Fund had total revenues of \$3,924,304, expenditures of \$12,167,782, and a net change in fund balance after other financing sources and uses of \$542,925. The fund balance's increase was due to the issuance of Bond Anticipation Notes in 2018.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of all enterprise funds at the end of the year amounted to \$23,774,571. The City's Water and Sewer Funds experienced increases in net position during 2018. The City's efforts to keep utility rates sufficient to cover expenses are evident in the increases in net position for 2018.

General Fund Budgetary Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of 2018, the City amended its General Fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for Ordinance enactment on the change. The legal level of budgetary control is at the object level (i.e. personnel costs). Adjustments to the budget can only be made within a department and then within each category. The General Fund supports many of our major activities such as the Police, Fire and Refuse departments, as well as most legislative and executive activities. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the General Fund, original budgeted revenues were \$38,956,926 and final budgeted revenues were \$39,078,329. Actual revenues were \$41,384,604. The main differences between budgeted and actual revenues are property taxes, income tax revenues and interest. Due to economic factors during the year, property taxes, income taxes, licenses, charges for services, fines and forfeitures, intergovernmental and interest increased in 2018 over 2017 while licenses, permits and fees and miscellaneous decreased in 2018 compared to 2017. Original General Fund budgeted expenditures were \$41,031,013 and the final amended budget was \$47,083,927. Actual General Fund expenditures were \$45,613,700 or \$1,470,227 less than budgeted due to operating expenditures less than originally estimated in all programs of the General Fund. The City's ending unencumbered cash balance in the General Fund of \$6,779,026 was \$3,776,502 above the final budgeted amount of \$3,002,524.

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Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2018, amounts to \$197,824,110 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, land improvements, furniture and equipment, vehicles, roads, traffic signals, sidewalks, curbing, water lines, and sewer lines.

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$6,139,702	\$6,139,702	\$78,140	\$78,140	\$6,217,842	\$6,217,842
Construction in progress	1,480,408	1,272,319	13,206,133	8,754,525	14,686,541	10,026,844
Total Non-Depreciable	7,620,110	7,412,021	13,284,273	8,832,665	20,904,383	16,244,686
Land improvements	7,596,770	5,972,574	10,351,923	10,807,645	17,948,693	16,780,219
Buildings and improvements	12,822,158	12,591,125	12,569,014	11,180,850	25,391,172	23,771,975
Furniture and equipment	2,275,548	2,187,626	3,025,098	3,117,871	5,300,646	5,305,497
Vehicles	7,857,086	7,126,511	1,629,031	1,785,462	9,486,117	8,911,973
Infrastructure:						
Roads	38,391,436	39,253,414	0	0	38,391,436	39,253,414
Traffic Signals	4,809,649	4,924,442	0	0	4,809,649	4,924,442
Sidewalks	5,139,053	4,418,426	63,165	63,816	5,202,218	4,482,242
Curbing	842,780	855,207	0	0	842,780	855,207
Water Lines	0	0	43,980,491	44,566,754	43,980,491	44,566,754
Sewer Lines	0	0	25,566,525	25,894,793	25,566,525	25,894,793
Total Depreciable, Net of Depreciation	79,734,480	77,329,325	97,185,247	97,417,191	176,919,727	174,746,516
Total Capital Assets, Net of Depreciation	\$87,354,590	\$84,741,346	\$110,469,520	\$106,249,856	\$197,824,110	\$190,991,202

The total increase in the City's capital assets for the current fiscal year was \$6,832,908, a \$2,613,244 increase for governmental activities and a \$4,219,664 increase for business-type activities. The most significant increase in capital assets came in the Sidewalks category within the governmental activities. The most significant increase in capital assets came in the construction in progress category within the business-type activities for sewer projects.

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

Debt – As of December 31, 2018, the City had \$99,656,851 in bonds, notes, loans, and capital leases outstanding. Of this amount, \$38,010,997 is due within one year.

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Notes -						
Long-term	\$12,005,729	\$8,595,326	\$20,339,490	\$13,136,853	\$32,345,219	\$21,732,179
General Obligation Notes -						
Short-term	0	172,000	0	385,000	0	557,000
General Obligation Bonds	29,016,850	31,762,253	23,135,335	24,902,427	52,152,185	56,664,680
Revenue Bonds	0	0	0	0	0	0
OPWC Loan	0	30,800	4,939,125	4,348,352	4,939,125	4,379,152
Capital Leases	6,177,769	6,649,243	4,042,553	4,516,901	10,220,322	11,166,144
Total Outstanding Debt	<u>\$47,200,348</u>	<u>\$47,209,622</u>	<u>\$52,456,503</u>	<u>\$47,289,533</u>	<u>\$99,656,851</u>	<u>\$94,499,155</u>

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

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

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

The City's overall legal debt margin was \$58,112,940 at December 31, 2018.

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

Current Financial Related Activities

The Cleveland Clinic Foundation's new Lakewood Family Health Center opened in July 2018. This 64,700 square foot, \$34 million project in the heart of the City's downtown district features offers a variety of outpatient services and features 60 exam room and a 24/7 emergency department.

One Lakewood Place is a mixed-use project in the City's Downtown district. This project is part of the multi-year effort to transition healthcare in the City and reimagine the former Lakewood Hospital site, which is across the street from the new Lakewood Family Health Center. The former hospital is currently undergoing hazardous materials abatement to prepare for demolition and construction. The estimated project value is \$75-100 million, with no TIF or tax abatements proposed. Construction on the 5.7 acres is expected to begin in 2019 and will include office, retail, residential and 0.5-acre public plaza.

St. Peter's Episcopal Church has also made major investments in their buildings. St. Peter's started construction on a \$3.5 million-dollar new addition to their building. St. Edward's High School was also approved in 2018 for a 15,000 square foot addition creating a new entrance, dining hall, and courtyard for their students. Two institutions received historic tax credits for their expansion projects, The Lakewood Historical Society and North Coast College received historic tax credits for expansion projects. The Lakewood Historical Society plans to invest approximately \$300,000 into its building and receive a tax credit of approximately \$20,000. North Coast College plans to invest approximately \$2 million and receive a tax credit of approximately \$250,000.

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

Contacting the City's Finance Department

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

City of Lakewood, Ohio
Statement of Net Position
December 31, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$46,352,807	\$27,654,988	\$74,007,795
Cash and Cash Equivalents:			
In Segregated Accounts	581,378	391,696	973,074
With Fiscal Agents	751,481	91,378	842,859
With Escrow Agents	512,205	0	512,205
Materials and Supplies Inventory	550,080	610,688	1,160,768
Accounts Receivable	725,636	3,904,772	4,630,408
Less: Allowance for Doubtful Accounts	0	(76,041)	(76,041)
Accrued Interest Receivable	142,213	56,909	199,122
Intergovernmental Receivable	2,631,187	103,203	2,734,390
Internal Balances	180,106	(180,106)	0
Prepaid Items	446,505	5,833	452,338
Municipal Income Taxes Receivable	12,925,953	0	12,925,953
Property Taxes Receivable	15,212,215	1,975,611	17,187,826
Special Assessments Receivable	1,712,670	0	1,712,670
Payments in Lieu of Taxes Receivable	953,709	0	953,709
Loans Receivable	1,325,790	0	1,325,790
Assets Held for Resale	3,068,322	0	3,068,322
Notes Receivable	59,596	0	59,596
Net Pension Asset	81,862	20,195	102,057
Nondepreciable Capital Assets	7,620,110	13,284,273	20,904,383
Depreciable Capital Assets	79,734,480	97,185,247	176,919,727
Total Assets	175,568,305	145,028,646	320,596,951
DEFERRED OUTFLOWS OF RESOURCES			
Deferral on Refunding	61,873	274,105	335,978
Pension	9,551,386	863,285	10,414,671
OPEB	4,642,823	188,106	4,830,929
Total Deferred Outflows of Resources	14,256,082	1,325,496	15,581,578
LIABILITIES			
Accounts Payable	2,258,918	1,785,125	4,044,043
Accrued Wages and Benefits	676,376	80,059	756,435
Intergovernmental Payable	594,098	51,630	645,728
Matured Compensated Absences Payable	21,240	615	21,855
Accrued Interest Payable	325,465	444,739	770,204
Retainage Payable	230,288	391,696	621,984
Notes Payable	0	1,000,000	1,000,000
Long-term Liabilities:			
Due within one year	20,024,854	22,082,144	42,106,998
Due in more than one year:			
Net Pension Liability (See Note 16)	52,931,727	3,389,114	56,320,841
Net OPEB Liability (See Note 17)	45,562,431	2,314,075	47,876,506
Other Amounts	34,765,640	29,749,724	64,515,364
Total Liabilities	157,391,037	61,288,921	218,679,958
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	14,695,146	1,908,459	16,603,605
Payments in Lieu of Taxes	920,786	0	920,786
Pension	5,580,420	831,308	6,411,728
OPEB	1,119,422	172,383	1,291,805
Total Deferred Inflows of Resources	22,315,774	2,912,150	25,227,924
NET POSITION			
Net Investment in Capital Assets	43,044,549	58,378,500	101,423,049
Restricted for:			
Capital Projects	7,069,277	0	7,069,277
Debt Service	2,838,874	0	2,838,874
Streets and Highways	1,196,531	0	1,196,531
Community Development	1,764,665	0	1,764,665
Indigent Drivers Alcohol Treatment	155,933	0	155,933
Lakewood Hospital	19,989,045	0	19,989,045
Police and Fire	944,916	0	944,916
Other Purposes	592,294	0	592,294
Unrestricted	(67,478,508)	23,774,571	(43,703,937)
Total Net Position	\$10,117,576	\$82,153,071	\$92,270,647

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

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

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government:				
Governmental activities:				
Security of Persons and Property:				
Police and Others	\$17,242,593	\$56,447	\$60,693	\$0
Fire	13,461,208	1,764,267	6,925	0
Public Health Services	1,939,618	66,635	154,816	0
Leisure Time Activities	2,895,785	0	0	0
Community Environment	6,946,597	460,481	11,435,206	642,806
Basic Utility Services	4,004,891	0	0	0
Transportation	3,828,421	0	1,978,606	597,287
General Government	9,881,664	5,276,026	176,735	0
Interest and Fiscal Charges	1,396,077	0	0	0
Total Governmental activities	61,596,854	7,623,856	13,812,981	1,240,093
Business-type activities:				
Water	8,848,326	10,612,924	0	40,109
Sewer	9,761,987	10,610,832	0	387,224
Parking Facilities	369,619	487,107	0	0
Winterhurst Ice Rink	426,844	297,110	0	0
Total Business-type activities	19,406,776	22,007,973	0	427,333
Total Primary Government	\$81,003,630	\$29,631,829	\$13,812,981	\$1,667,426

General Revenues:

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

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
(\$17,125,453)	\$0	(\$17,125,453)
(11,690,016)	0	(11,690,016)
(1,718,167)	0	(1,718,167)
(2,895,785)	0	(2,895,785)
5,591,896	0	5,591,896
(4,004,891)	0	(4,004,891)
(1,252,528)	0	(1,252,528)
(4,428,903)	0	(4,428,903)
(1,396,077)	0	(1,396,077)
<u>(38,919,924)</u>	<u>0</u>	<u>(38,919,924)</u>
0	1,804,707	1,804,707
0	1,236,069	1,236,069
0	117,488	117,488
0	(129,734)	(129,734)
<u>0</u>	<u>3,028,530</u>	<u>3,028,530</u>
<u>(38,919,924)</u>	<u>3,028,530</u>	<u>(35,891,394)</u>
7,032,787	0	7,032,787
2,821,228	0	2,821,228
2,666,767	0	2,666,767
0	1,626,074	1,626,074
24,888,422	0	24,888,422
941,486	0	941,486
3,662,605	0	3,662,605
1,242,399	170,019	1,412,418
381,525	0	381,525
465,681	116,922	582,603
1,833,460	(1,833,460)	0
<u>45,936,360</u>	<u>79,555</u>	<u>46,015,915</u>
7,016,436	3,108,085	10,124,521
3,101,140	79,044,986	82,146,126
<u>\$10,117,576</u>	<u>\$82,153,071</u>	<u>\$92,270,647</u>

City of Lakewood, Ohio
Balance Sheet
Governmental Funds
December 31, 2018

	General	Police and Fire Pension	Community Development Block Grant	Lakewood Hospital	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:							
Equity in Pooled Cash and Cash Equivalents	\$11,275,045	\$746,941	\$93,766	\$17,815,347	\$3,744,604	\$9,131,439	\$42,807,142
Cash and Cash Equivalents:							
In Segregated Accounts	272,888	0	85,124	105,024	0	118,342	581,378
With Fiscal Agents	751,481	0	0	0	0	0	751,481
With Escrow Agents	0	0	0	512,205	0	0	512,205
Materials and Supplies Inventory	370,272	0	0	0	0	179,808	550,080
Accrued Interest Receivable	134,407	0	0	0	7,786	20	142,213
Accounts Receivable	251,511	0	0	460,382	0	13,743	725,636
Interfund Receivable	423,500	0	0	0	0	0	423,500
Intergovernmental Receivable	1,366,463	169,253	0	0	179,056	916,415	2,631,187
Prepaid Items	373,541	0	1,685	71,279	0	0	446,505
Municipal Income Taxes Receivable	12,925,953	0	0	0	0	0	12,925,953
Property Taxes Receivable	8,544,524	3,240,004	0	0	3,427,687	0	15,212,215
Special Assessments Receivable	21,484	0	0	17,714	1,673,472	0	1,712,670
Notes Receivable	59,596	0	0	0	0	0	59,596
Payments in Lieu of Taxes Receivable	0	0	0	0	0	953,709	953,709
Loans Receivable	0	0	1,325,790	0	0	0	1,325,790
Assets Held for Resale	161,000	0	0	2,293,981	0	613,341	3,068,322
Total Assets	36,931,665	4,156,198	1,506,365	21,275,932	9,032,605	11,926,817	84,829,582
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$876,749	\$0	\$71,077	\$1,026,469	\$0	\$284,623	\$2,258,918
Accrued Wages and Benefits	603,497	0	8,386	19,434	0	45,059	676,376
Intergovernmental Payable	161,946	384,391	5,096	12,054	0	30,611	594,098
Matured Compensated Absences Payable	21,240	0	0	0	0	0	21,240
Retainage Payable	20,000	0	85,124	6,822	0	118,342	230,288
Interfund Payable	501,941	55,000	131,024	13,606	0	172,272	873,843
Total Liabilities	2,185,373	439,391	300,707	1,078,385	0	650,907	4,654,763
Deferred Inflows of Resources:							
Property Taxes and Payments in Lieu of Taxes	8,254,092	3,129,875	0	0	3,311,179	920,786	15,615,932
Unavailable Revenue - Delinquent Property Taxes and Payments in Lieu of Taxes	290,432	110,129	0	0	116,508	32,923	549,992
Unavailable Revenue - Income Taxes	10,301,179	0	0	0	0	0	10,301,179
Unavailable Revenue - Other	1,042,514	169,253	0	17,714	1,852,528	621,446	3,703,455
Total Deferred Inflows of Resources	19,888,217	3,409,257	0	17,714	5,280,215	1,575,155	30,170,558
Fund Balances:							
Nonspendable	1,387,909	0	1,685	0	0	179,808	1,569,402
Restricted	0	307,550	1,203,973	20,179,833	3,752,390	4,565,089	30,008,835
Committed	0	0	0	0	0	5,040,289	5,040,289
Assigned	6,026,716	0	0	0	0	0	6,026,716
Unassigned (Deficit)	7,443,450	0	0	0	0	(84,431)	7,359,019
Total Fund Balances	14,858,075	307,550	1,205,658	20,179,833	3,752,390	9,700,755	50,004,261
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$36,931,665	\$4,156,198	\$1,506,365	\$21,275,932	\$9,032,605	\$11,926,817	\$84,829,582

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

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

Total Governmental Funds Balance \$50,004,261

*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 87,354,590

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

Delinquent property taxes	517,069	
Delinquent payments in lieu of taxes	32,923	
Municipal income taxes	10,301,179	
Special assessments	1,712,670	
Intergovernmental	1,990,785	
Total	14,554,626	14,554,626

In the Statement of Activities, interest is accrued on outstanding
 bonds, whereas in Governmental funds, an interest expenditure
 is reported when due. (325,465)

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

Net position	3,544,250	
Claims payable	631,864	
Total	4,176,114	4,176,114

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

Deferred Outflows - Pension	9,551,386	
Deferred Inflows - Pension	(5,580,420)	
Net Pension Liability	(52,931,727)	
Net Pension Asset	81,862	
Deferred Outflows - OPEB	4,642,823	
Deferred Inflows - OPEB	(1,119,422)	
Net OPEB Liability	(45,562,431)	
Total		(90,917,929)

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

Long-term notes payable	(11,987,000)	
General obligation bonds	(27,771,000)	
Unamortized debt premiums	(1,264,579)	
Deferrals on refunding	61,873	
Capital leases	(6,177,769)	
Claims payable	(631,864)	
Compensated absences	(6,958,282)	
Total		(54,728,621)

Net Position of Governmental Activities \$10,117,576

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

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

	General	Police	Community	Lakewood	Debt	Other	Total
		and Fire	Development			Governmental	Governmental
		Pension	Block	Hospital	Service	Funds	Funds
			Grant				
REVENUES							
Property Taxes	\$7,045,607	\$2,671,629	\$0	\$0	\$2,826,371	\$0	\$12,543,607
Municipal Income Taxes	24,470,492	0	0	0	0	0	24,470,492
Payments in Lieu of Taxes	0	0	0	0	0	920,786	920,786
Intergovernmental	3,053,480	338,505	2,565,734	725	358,111	3,027,027	9,343,582
Interest	1,151,763	0	0	0	89,572	1,064	1,242,399
Fees, Licenses, and Permits	2,107,089	0	0	0	0	0	2,107,089
Fines and Forfeitures	1,539,177	0	0	0	0	174,429	1,713,606
Charges for Services	1,558,619	0	0	2,214,312	0	81,050	3,853,981
Contributions and Donations	0	0	0	7,900,000	0	89,552	7,989,552
Special Assessments	0	0	0	13,731	642,806	9,518	666,055
All Other Revenues	250,621	0	0	1,900	7,444	205,716	465,681
Total Revenues	41,176,848	3,010,134	2,565,734	10,130,668	3,924,304	4,509,142	65,316,830
EXPENDITURES							
Security of Persons and Property:							
Police and Other	12,614,167	1,567,523	0	0	0	116,557	14,298,247
Fire	8,313,279	1,551,576	0	1,315,000	0	0	11,179,855
Public Health Services	472,990	0	0	351,253	0	945,285	1,769,528
Leisure Time Activities	2,293,867	0	0	0	0	0	2,293,867
Community Environment	2,324,829	0	2,515,622	867,861	0	774,618	6,482,930
Basic Utility Services	3,463,882	0	0	0	0	0	3,463,882
Transportation	0	0	0	0	0	2,150,682	2,150,682
General Government	9,820,145	0	0	0	0	407,317	10,227,462
Capital Outlay	1,788,924	0	0	6,822	0	2,755,355	4,551,101
Debt Service:							
Principal Retirement	1,581,444	0	0	141,594	10,935,324	333,308	12,991,670
Interest and Fiscal Charges	136,695	0	0	25,522	1,181,983	72,796	1,416,996
Debt Issuance Costs	0	0	0	0	50,475	0	50,475
Total Expenditures	42,810,222	3,119,099	2,515,622	2,708,052	12,167,782	7,555,918	70,876,695
Excess of Revenues (Under) Expenditures	(1,633,374)	(108,965)	50,112	7,422,616	(8,243,478)	(3,046,776)	(5,559,865)
OTHER FINANCING SOURCES (USES)							
Sale of Capital Assets	154,643	0	0	433,000	0	2,275	589,918
Inception of Capital Lease	1,258,120	0	0	0	0	0	1,258,120
Bond Anticipation Notes Issued	0	0	0	0	8,577,000	3,410,000	11,987,000
Premium on Debt Issuance	0	0	0	0	81,432	0	81,432
Transfers In	1,718,139	0	0	0	2,118,114	862,000	4,698,253
Transfers Out	(1,152,928)	0	0	(900)	(1,990,143)	(18,750)	(3,162,721)
Total Other Financing Sources (Uses)	1,977,974	0	0	432,100	8,786,403	4,255,525	15,452,002
Net Change in Fund Balances	344,600	(108,965)	50,112	7,854,716	542,925	1,208,749	9,892,137
Fund Balances - Beginning of Year	14,513,475	416,515	1,155,546	12,325,117	3,209,465	8,492,006	40,112,124
Fund Balances - End of Year	\$14,858,075	\$307,550	\$1,205,658	\$20,179,833	\$3,752,390	\$9,700,755	\$50,004,261

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

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

Net Change in Fund Balances-Total Governmental Funds \$9,892,137

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

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

Capital Outlay	5,665,266	
Depreciation	(2,843,629)	
Total		2,821,637

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. (208,393)

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

Delinquent property taxes	(22,825)	
Delinquent payments in lieu of taxes	20,700	
Municipal income taxes	417,930	
Special assessments	629,596	
Intergovernmental	36,074	
Total		1,081,475

Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the inception of capital leases and the issuance of Bond Anticipation Notes and the respective premiums issued. (13,326,552)

Repayment of principal on capital leases, bonds, notes, and loans are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 12,991,670

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

Pension		4,734,761
OPEB		91,989

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

Pension		(7,551,458)
OPEB		(3,694,383)

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	(275,869)	
Accrued interest on bonds	(90,103)	
Amortization of bond premiums	172,156	
Amortization of loss on refunding	(10,659)	
Total		(204,475)

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. 388,028

Change in Net Position of Governmental Activities \$7,016,436

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property Taxes	\$6,703,092	\$6,703,092	\$7,045,607	\$342,515
Municipal Income Taxes	22,053,309	22,053,309	23,882,048	1,828,739
Charges for Services	1,546,473	1,546,473	1,571,480	25,007
Licenses, Permits and Fees	2,641,991	2,641,991	2,107,089	(534,902)
Fines and Forfeitures	1,392,454	1,392,454	1,493,065	100,611
Intergovernmental	2,869,255	2,869,255	3,037,493	168,238
Interest	500,000	500,000	1,219,858	719,858
Miscellaneous	557,020	557,020	246,621	(310,399)
<i>Total Revenues</i>	<u>38,263,594</u>	<u>38,263,594</u>	<u>40,603,261</u>	<u>2,339,667</u>
Expenditures				
Current:				
General Government	9,492,168	13,960,398	13,474,098	486,300
Security of Persons and Property	21,535,993	21,198,768	20,942,784	255,984
Public Health Services	548,783	505,865	480,119	25,746
Community Environment	2,683,359	3,750,763	3,532,037	218,726
Basic Utility Services	3,393,373	3,587,236	3,405,415	181,821
Leisure Time Activities	2,467,337	2,327,967	2,262,819	65,148
<i>Total Expenditures</i>	<u>40,121,013</u>	<u>45,330,997</u>	<u>44,097,272</u>	<u>1,233,725</u>
<i>Excess of Revenues Over Expenditures</i>	<u>(1,857,419)</u>	<u>(7,067,403)</u>	<u>(3,494,011)</u>	<u>3,573,392</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	43,332	164,735	154,643	(10,092)
Advance In	650,000	650,000	626,700	(23,300)
Transfers Out	(910,000)	(1,152,930)	(1,152,928)	2
Advance Out	0	(600,000)	(363,500)	236,500
<i>Total Other Financing Sources (Uses)</i>	<u>(216,668)</u>	<u>(938,195)</u>	<u>(735,085)</u>	<u>203,110</u>
<i>Net Change in Fund Balance</i>	(2,074,087)	(8,005,598)	(4,229,096)	3,776,502
<i>Fund Balance Beginning of Year</i>	6,444,506	6,444,506	6,444,506	0
<i>Prior Year Encumbrances Appropriated</i>	4,563,616	4,563,616	4,563,616	0
<i>Fund Balance End of Year</i>	<u>\$8,934,035</u>	<u>\$3,002,524</u>	<u>\$6,779,026</u>	<u>\$3,776,502</u>

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

City of Lakewood, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget (Non-GAAP Basis) and Actual
 Police and Fire Pension Fund
 For the Year Ended December 31, 2018*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property Taxes	\$2,539,117	\$2,539,117	\$2,671,629	\$132,512
Intergovernmental	351,712	351,712	338,505	(13,207)
<i>Total Revenues</i>	<u>2,890,829</u>	<u>2,890,829</u>	<u>3,010,134</u>	<u>119,305</u>
Expenditures				
Current:				
Fringe Benefits Police	1,540,620	1,590,000	1,556,521	33,479
Fringe Benefits Fire	1,670,285	1,560,000	1,543,009	16,991
Security of Persons and Property	3,210,905	3,150,000	3,099,530	50,470
<i>Excess of Revenues Over Expenditures</i>	(320,076)	(259,171)	(89,396)	169,775
Other Financing Sources				
Advance In	0	0	55,000	55,000
<i>Net Change in Fund Balance</i>	(320,076)	(259,171)	(34,396)	224,775
<i>Fund Balance Beginning of Year</i>	<u>781,337</u>	<u>781,337</u>	<u>781,337</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$461,261</u></u>	<u><u>\$522,166</u></u>	<u><u>\$746,941</u></u>	<u><u>\$224,775</u></u>

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

City of Lakewood, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget (Non-GAAP Basis) and Actual
 Community Development Block Grant Fund
 For the Year Ended December 31, 2018*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$1,697,517	\$2,117,517	\$2,727,606	\$610,089
Expenditures				
Current:				
Community Environment	2,465,587	2,704,515	2,605,249	99,266
<i>Excess of Revenues Over (Under) Expenditures</i>	(768,070)	(586,998)	122,357	709,355
Other Financing Sources (Uses)				
Advances In	667,818	667,818	128,000	(539,818)
Advances Out	0	(172,201)	(172,200)	(1)
<i>Total Other Financing Sources (Uses)</i>	667,818	495,617	(44,200)	(539,819)
<i>Net Change in Fund Balance</i>	(100,252)	(91,381)	78,157	169,538
<i>Fund Balance Beginning of Year</i>	100,733	100,733	100,733	0
<i>Fund Balance End of Year</i>	\$481	\$9,352	\$178,890	\$169,538

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

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for Services	\$2,461,818	\$9,666,818	\$9,658,573	(\$8,245)
Special Assessments	12,129	12,129	13,731	1,602
Intergovernmental	2,200	2,200	725	(1,475)
Miscellaneous	7,076,250	1,250	1,900	650
<i>Total Revenues</i>	<u>9,552,397</u>	<u>9,682,397</u>	<u>9,674,929</u>	<u>(7,468)</u>
Expenditures				
Current:				
Security of Persons and Property	1,419,380	1,353,340	1,308,518	44,822
Public Health Services	343,568	364,824	351,773	13,051
Community Environment	295,000	591,259	577,235	14,024
Debt Service:				
Principal Retirement	190,000	157,478	141,594	15,884
Interest and Fiscal Charges	0	25,522	25,522	0
<i>Total Expenditures</i>	<u>2,247,948</u>	<u>2,492,423</u>	<u>2,404,642</u>	<u>87,781</u>
<i>Excess of Revenues Over Expenditures</i>	<u>7,304,449</u>	<u>7,189,974</u>	<u>7,270,287</u>	<u>80,313</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	0	0	433,000	433,000
Transfers Out	(1,200)	(1,200)	(900)	300
<i>Total Other Financing Sources (Uses)</i>	<u>(1,200)</u>	<u>(1,200)</u>	<u>432,100</u>	<u>433,300</u>
<i>Net Change in Fund Balance</i>	7,303,249	7,188,774	7,702,387	513,613
<i>Fund Balance Beginning of Year</i>	<u>10,217,984</u>	<u>10,217,984</u>	<u>10,217,984</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$17,521,233</u>	<u>\$17,406,758</u>	<u>\$17,920,371</u>	<u>\$513,613</u>

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

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

	Business-Type Activities - Enterprise Funds				Governmental
	Water Fund	Sewer Fund	Nonmajor Funds	Total	Activities Internal Service Funds
ASSETS					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$10,640,676	\$16,190,231	\$824,081	\$27,654,988	\$3,545,665
Cash and Cash Equivalents:					
In Segregated Accounts	121,576	270,120	0	391,696	0
With Fiscal Agents	0	91,378	0	91,378	0
Materials and Supplies Inventory	139,780	379,318	91,590	610,688	0
Accrued Interest Receivable	56,909	0	0	56,909	0
Accounts Receivable	1,833,233	1,886,190	185,349	3,904,772	0
Less: Allowance for Doubtful Accounts	(42,694)	(33,347)	0	(76,041)	0
Interfund Receivable	0	0	0	0	630,449
Intergovernmental Receivable	0	103,203	0	103,203	0
Prepaid Items	5,833	0	0	5,833	0
Property Taxes Receivable	0	1,975,611	0	1,975,611	0
Total Current Assets	12,755,313	20,862,704	1,101,020	34,719,037	4,176,114
Noncurrent Assets:					
Net Pension Asset	5,830	13,519	846	20,195	0
Capital Assets:					
Land	0	1,010	77,130	78,140	0
Construction in Progress	7,010,135	6,195,998	0	13,206,133	0
Depreciable Assets, Net of Depreciation	45,587,708	46,618,806	4,978,733	97,185,247	0
Total Noncurrent Assets	52,603,673	52,829,333	5,056,709	110,489,715	0
Total Assets	65,358,986	73,692,037	6,157,729	145,208,752	4,176,114
DEFERRED OUTFLOWS OF RESOURCES					
Deferral on Refunding	77,679	170,420	26,006	274,105	0
Pension	249,230	577,909	36,146	863,285	0
OPEB	54,306	125,924	7,876	188,106	0
Total Deferred Outflows of Resources	381,215	874,253	70,028	1,325,496	0
LIABILITIES					
Current Liabilities:					
Accounts Payable	1,161,493	477,911	145,721	1,785,125	0
Accrued Wages and Benefits	19,842	57,197	3,020	80,059	0
Matured Compensated Absences Payable	0	615	0	615	0
Retainage Payable	121,576	270,120	0	391,696	0
Intergovernmental Payable	13,253	36,296	2,081	51,630	0
Interfund Payable	19,655	54,427	106,024	180,106	0
Compensated Absences Payable	17,004	117,832	0	134,836	0
Accrued Interest Payable	140,179	304,135	425	444,739	0
Claims Payable	0	0	0	0	631,864
General Obligation Bonds Payable	406,530	1,163,895	42,177	1,612,602	0
Notes Payable	5,952,715	14,386,775	0	20,339,490	0
OPWC Loans Payable	384,480	55,906	0	440,386	0
Capital Leases Payable	269,269	285,561	0	554,830	0
Total Current Liabilities	8,505,996	17,210,670	299,448	26,016,114	631,864
Noncurrent Liabilities:					
Compensated Absences Payable	55,208	178,055	7,266	240,529	0
General Obligation Bonds Payable	6,500,428	14,889,672	132,633	21,522,733	0
OPWC Loans Payable	3,602,806	895,933	0	4,498,739	0
Capital Leases Payable	2,556,057	931,666	0	3,487,723	0
Net Pension Liability	978,439	2,268,776	141,899	3,389,114	0
Net OPEB Liability	668,075	1,549,112	96,888	2,314,075	0
Total Noncurrent Liabilities	14,361,013	20,713,214	378,686	35,452,913	0
Total Liabilities	22,867,009	37,923,884	678,134	61,469,027	631,864
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	0	1,908,459	0	1,908,459	0
Pension	239,996	556,506	34,806	831,308	0
OPEB	49,767	115,398	7,218	172,383	0
Total Deferred Inflows of Resources	289,763	2,580,363	42,024	2,912,150	0
NET POSITION					
Net Investment in Capital Assets	33,094,615	20,376,826	4,907,059	58,378,500	0
Unrestricted	9,488,814	13,685,217	600,540	23,774,571	3,544,250
Total Net Position	\$42,583,429	\$34,062,043	\$5,507,599	\$82,153,071	\$3,544,250

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

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

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Nonmajor Funds	Total	Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$10,565,776	\$10,567,624	\$784,217	\$21,917,617	\$6,138,883
Miscellaneous	40,000	21,822	55,100	116,922	941,029
Total Operating Revenues	<u>10,605,776</u>	<u>10,589,446</u>	<u>839,317</u>	<u>22,034,539</u>	<u>7,079,912</u>
OPERATING EXPENSES					
Salaries	1,416,281	3,483,315	195,220	5,094,816	0
Property Taxes	0	0	98,222	98,222	0
Materials and Supplies	126,759	354,723	1,232	482,714	0
Utilities	45,774	240,361	306,550	592,685	0
Contractual Services	146,111	2,630,549	19,534	2,796,194	169,642
Purchased Water	5,514,400	0	0	5,514,400	0
Depreciation	667,132	1,276,952	119,982	2,064,066	0
Claims	0	0	0	0	6,820,170
Other	575,664	1,041,222	48,587	1,665,473	0
Total Operating Expense	<u>8,492,121</u>	<u>9,027,122</u>	<u>789,327</u>	<u>18,308,570</u>	<u>6,989,812</u>
Operating Income	<u>2,113,655</u>	<u>1,562,324</u>	<u>49,990</u>	<u>3,725,969</u>	<u>90,100</u>
NONOPERATING REVENUES (EXPENSES)					
Gain (Loss) on Sale of Capital Assets	0	(6,997)	0	(6,997)	0
Interest	170,019	0	0	170,019	0
Interest and Fiscal Charges	(356,205)	(727,868)	(7,136)	(1,091,209)	0
Property Taxes	0	1,626,074	0	1,626,074	0
Intergovernmental	40,109	387,224	0	427,333	0
Special Assessments	47,148	43,208	0	90,356	0
Total Nonoperating Revenues (Expenses)	<u>(98,929)</u>	<u>1,321,641</u>	<u>(7,136)</u>	<u>1,215,576</u>	<u>0</u>
Transfers In	0	0	100,004	100,004	297,928
Transfers Out	(11,439)	(1,858,650)	(63,375)	(1,933,464)	0
Change in Net Position	<u>2,003,287</u>	<u>1,025,315</u>	<u>79,483</u>	<u>3,108,085</u>	<u>388,028</u>
Net Position - Beginning of Year, Restated	40,580,142	33,036,728	5,428,116	79,044,986	3,156,222
Net Position - End of Year	<u>\$42,583,429</u>	<u>\$34,062,043</u>	<u>\$5,507,599</u>	<u>\$82,153,071</u>	<u>\$3,544,250</u>

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

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

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Nonmajor Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Charges for Services	\$10,555,847	\$10,486,441	\$1,136,495	\$22,178,783	\$6,184,848
Cash Received from Other Operating Sources	40,000	21,822	55,100	116,922	941,029
Cash Payments for Employee Services and Benefits	(1,279,063)	(3,132,912)	(175,214)	(4,587,189)	0
Cash Payments for Goods and Services	(5,920,830)	(3,499,853)	(440,429)	(9,861,112)	(169,642)
Cash Payments for Claims	0	0	0	0	(6,867,740)
Cash Payments for Other Operating Expenses	(575,664)	(1,041,222)	(48,587)	(1,665,473)	0
Net Cash Provided by Operating Activities	<u>2,820,290</u>	<u>2,834,276</u>	<u>527,365</u>	<u>6,181,931</u>	<u>88,495</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental Revenue	40,109	387,398	0	427,507	0
Property Taxes	0	1,629,038	0	1,629,038	0
Special Assessments	61,918	52,600	0	114,518	0
Advances In	0	0	43,000	43,000	0
Advances Out	0	0	(350,000)	(350,000)	0
Transfers In	0	0	100,004	100,004	297,928
Transfers Out	(11,439)	(1,858,650)	(63,375)	(1,933,464)	0
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>90,588</u>	<u>210,386</u>	<u>(270,371)</u>	<u>30,603</u>	<u>297,928</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal Paid on Debt	(4,468,052)	(10,730,470)	(125,897)	(15,324,419)	0
Interest Paid on Debt	(730,674)	(1,418,908)	(6,973)	(2,156,555)	0
Payments for Capital Acquisitions	(2,092,273)	(3,722,611)	0	(5,814,884)	0
Bond Anticipation Notes issued	5,940,000	14,360,000	0	20,300,000	0
OPWC Loan issued	622,205	471,365	0	1,093,570	0
Premium on Debt Issued	55,284	116,414	0	171,698	0
Net Cash (Used in) Capital and Related Financing Activities	<u>(673,510)</u>	<u>(924,210)</u>	<u>(132,870)</u>	<u>(1,730,590)</u>	<u>0</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on Investments	155,541	0	0	155,541	0
Net Cash Provided by Investing Activities	<u>155,541</u>	<u>0</u>	<u>0</u>	<u>155,541</u>	<u>0</u>
Net Increase in Cash and Cash Equivalents	2,392,909	2,120,452	124,124	4,637,485	386,423
Cash and Cash Equivalents - Beginning of Year	8,369,343	14,339,899	699,957	23,409,199	3,159,242
Cash and Cash Equivalents - End of Year	<u>\$10,762,252</u>	<u>\$16,460,351</u>	<u>\$824,081</u>	<u>\$28,046,684</u>	<u>\$3,545,665</u>

(Continued)

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

City of Lakewood, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Nonmajor Funds	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income	\$2,113,655	\$1,562,324	\$49,990	\$3,725,969	\$90,100
Adjustments:					
Depreciation	667,132	1,276,952	119,982	2,064,066	0
(Increase) Decrease in Assets and Deferred Outflows of Resources:					
Accounts Receivable	(9,929)	(81,183)	352,278	261,166	0
Interfund Receivable	0	0	0	0	45,965
Materials and Supplies Inventory	26,692	2,803	(14,217)	15,278	0
Net Pension Asset	(3,813)	(8,840)	(553)	(13,206)	0
Deferred Outflows of Resources - Pension	292,000	678,010	42,526	1,012,536	0
Deferred Outflows of Resources - OPEB	(44,703)	(103,657)	(6,483)	(154,843)	0
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:					
Accounts Payable	(114,478)	(277,023)	(674)	(392,175)	0
Accrued Wages and Benefits	3,974	12,266	226	16,466	0
Compensated Absences Payable	(8,302)	2,606	(503)	(6,199)	0
Interfund Payable	(1,432)	2,520	(220)	868	0
Intergovernmental Payable	451	4,030	126	4,607	0
Claims Payable	0	0	0	0	(47,570)
Net Pension Liability	(416,153)	(967,362)	(60,818)	(1,444,333)	0
Net OPEB Liability	52,287	121,241	7,583	181,111	0
Deferred Inflows of Resources - Pension	213,142	494,191	30,904	738,237	0
Deferred Inflows of Resources - OPEB	49,767	115,398	7,218	172,383	0
Net Cash Provided by Operating Activities	<u>\$2,820,290</u>	<u>\$2,834,276</u>	<u>\$527,365</u>	<u>\$6,181,931</u>	<u>\$88,495</u>
<u>Schedule of Noncash Investing, Capital, and Financing Activities:</u>					
Net Impact of accruals related to capital assets	(\$636,365)	\$288,024	\$0	(\$348,341)	\$0

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

City of Lakewood, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2018

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$3,030,486</u>
Liabilities	
Deposits Held and Due to Others	<u>\$3,030,486</u>

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

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

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and 1) the City is able to significantly influence the programs or services performed or provided by the organization; or 2) the City is legally entitled to or can otherwise access the organization's resources; 3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; 4) or the City is obligated for the debt of the organization. Component units may also include organizations for which the City authorizes the issuance of debt or levying of taxes, or determining the budget. The City has no component units.

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

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

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

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

Note 2 - Summary of Significant Accounting Policies (Continued)

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. As a general rule, the activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses. An exception to this general rule is that interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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

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

B. Fund Accounting

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

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

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

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

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City has two major Enterprise funds.

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

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

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

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

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

Note 2 - Summary of Significant Accounting Policies (Continued)

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

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

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

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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

Deferred Outflows/Inflows of Resources - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, 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 16 and 17.

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. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes (\$517,069) and delinquent payment in lieu of taxes (\$32,923), municipal income taxes (\$10,301,179), intergovernmental grants and entitlements (\$1,990,785), and special assessments (\$1,712,670). These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

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

Note 2 - Summary of Significant Accounting Policies (Continued)

Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 16 and 17)

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

E. Cash and Cash Equivalents

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

Cash held for the City by a bank for the payment of debt principal and interest as they come due and to purchase capital assets from a capital lease is included on the financial statements as "cash and cash equivalents with fiscal agents".

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

The City has entered into an agreement with North Point Realty Inc. to manage the Community Health Center and residential properties associated with the December 15, 2015 Master Agreement between the City and the Cleveland Clinic Foundation. As of December 31, 2018, the cash balance held with the escrow agent is \$512,205.

The City has invested in the State Treasury Asset Reserve of Ohio (STAR Ohio), municipal bond securities, U.S. debt securities, negotiable CDs, and money market mutual funds during 2018. The City's investment in State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The city measures their investment in STAR Ohio as the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2018, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$50 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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

Note 2 - Summary of Significant Accounting Policies (Continued)

Interest earnings are allocated to City funds according to State statutes, City Charter, grant requirements or debt related restrictions. Interest revenue is distributed to the General Fund, Federal Forfeiture Fund, Debt Service Fund, and Water Fund. Interest revenue credited to the General Fund during 2018 amounted to \$1,151,763 that includes \$861,161 assigned from other City funds.

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

F. Restricted Assets

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

G. Inventory

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

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

Inventory consists of expendable supplies held for consumption.

H. Assets Held for Resale

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2018, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

J. Capital Assets

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

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

Note 2 - Summary of Significant Accounting Policies (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

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

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

K. Interfund Balances

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

L. Compensated Absences

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

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

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

Note 2 - Summary of Significant Accounting Policies (Continued)

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

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

M. Accrued Liabilities and Long-term Obligations

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

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

N. 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.

O. Fund Balance

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

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

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

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

Note 2 - Summary of Significant Accounting Policies (Continued)

P. Net Position

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

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

Q. Operating Revenues and Expenses

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

R. Contributions of Capital

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

S. Interfund Activity

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

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

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

Note 2 - Summary of Significant Accounting Policies (Continued)

T. Bond Premium

On the government-wide financial statement, bond premiums are deferred and amortized over the term of the bonds using the straight line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On the governmental fund statements, bond premiums are receipted in the year the bonds are issued.

U. Gain/Loss on Refunding

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

V. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2018.

W. Estimates

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

X. Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2018.

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

Note 2 - Summary of Significant Accounting Policies (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 resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

Note 3 – Changes in Accounting Principles 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.

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 as of December 31, 2017	\$41,537,776	\$81,144,687
Adjustments:		
Net OPEB Liability	(38,642,889)	(2,132,964)
Deferred Outflow - Payments		
Subsequent to Measurement Date	206,253	33,263
Restated Net Position December 31, 2017	\$3,101,140	\$79,044,986

	Water	Sewer	Nonmajor Funds	Total Enterprise
Net Position as of December 31, 2017	\$41,186,327	\$34,442,332	\$5,516,028	\$81,144,687
Adjustments:				
Net Pension Liability	(615,788)	(1,427,871)	(89,305)	(2,132,964)
Deferred Outflow - Payments				
Subsequent to Measurement Date	9,603	22,267	1,393	33,263
Restated Net Position December 31, 2017	\$40,580,142	\$33,036,728	\$5,428,116	\$79,044,986

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

Note 3 – Changes in Accounting Principles and Restatement of Net Position (Continued)

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.

Note 4 – Compliance and Accountability

Accountability

Fund balances at December 31, 2018 included the following individual fund deficits:

	Deficit
Nonmajor Governmental Funds:	
Emergency Shelter Grant	\$36,250
Family to Family Fund	48,181
Total	\$84,431

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

Note 5 – Budgetary Basis of Accounting

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

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

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

Note 5 – Budgetary Basis of Accounting (Continued)

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

	General Fund	Police and Fire Pension Fund	Community Development Block Grant Fund	Lakewood Hospital
GAAP Basis	\$344,600	(\$108,965)	\$50,112	\$7,854,716
Net Adjustment for Revenue Accruals	(3,545,846)	0	161,872	(455,739)
Advances In	626,700	55,000	128,000	0
Net Adjustment for Expenditure Accruals	3,664,409	19,569	(89,627)	303,410
Advances Out	(363,500)	0	(172,200)	0
Excess of Revenues over Expenditures:				
Community Festival Fund	1,025	0	0	0
Outstanding Encumbrances	(4,956,484)	0	0	0
Budget Basis	<u>\$ (4,229,096)</u>	<u>\$ (34,396)</u>	<u>\$ 78,157</u>	<u>\$ 7,702,387</u>

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City of Lakewood, 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:

<u>Fund Balances</u>	<u>General</u>	<u>Police and Fire Pension</u>	<u>Community Development Block Grant</u>	<u>Lakewood Hospital</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<i>Nonspendable</i>							
Prepaid Items	\$373,541	\$0	\$1,685	\$0	\$0	\$0	\$375,226
Materials and Supplies Inventory	370,272	0	0	0	0	179,808	550,080
Interfund Balances	423,500	0	0	0	0	0	423,500
Assets held for Resale	161,000	0	0	0	0	0	161,000
Notes Receivable	59,596	0	0	0	0	0	59,596
<i>Total Nonspendable</i>	<u>1,387,909</u>	<u>0</u>	<u>1,685</u>	<u>0</u>	<u>0</u>	<u>179,808</u>	<u>1,569,402</u>
<i>Restricted for</i>							
Streets and Highway Improvements	0	0	0	0	0	605,543	605,543
Police and Fire Pension	0	307,550	0	0	0	0	307,550
Community Development	0	0	1,203,973	0	0	0	1,203,973
Senior Programs	0	0	0	0	0	3,710	3,710
Law Enforcement	0	0	0	0	0	232,635	232,635
Lakewood Municipal Court	0	0	0	0	0	853,517	853,517
HOME Investment Program	0	0	0	0	0	311,219	311,219
FEMA	0	0	0	0	0	2,781	2,781
Neighborhood Stabilization	0	0	0	0	0	307,467	307,467
Litter Control Projects	0	0	0	0	0	5,709	5,709
Debt Service Payments	0	0	0	0	3,752,390	201,951	3,954,341
Capital Improvements	0	0	0	0	0	2,040,557	2,040,557
Hospital Transition	0	0	0	20,179,833	0	0	20,179,833
<i>Total Restricted</i>	<u>0</u>	<u>307,550</u>	<u>1,203,973</u>	<u>20,179,833</u>	<u>3,752,390</u>	<u>4,565,089</u>	<u>30,008,835</u>
<i>Committed to</i>							
Land Acquisition	0	0	0	0	0	5,000,000	5,000,000
Other Purposes	0	0	0	0	0	40,289	40,289
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,040,289</u>	<u>5,040,289</u>
<i>Assigned to</i>							
Community Festival Projects	1,372	0	0	0	0	0	1,372
Subsequent Appropriations	1,068,860	0	0	0	0	0	1,068,860
Purchases on Order							
General Government	3,852,550	0	0	0	0	0	3,852,550
Community Environment	1,103,934	0	0	0	0	0	1,103,934
<i>Total Assigned</i>	<u>6,026,716</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,026,716</u>
<i>Unassigned (Deficit)</i>	7,443,450	0	0	0	0	(84,431)	7,359,019
Total Fund Balances	<u>\$14,858,075</u>	<u>\$307,550</u>	<u>\$1,205,658</u>	<u>\$20,179,833</u>	<u>\$3,752,390</u>	<u>\$9,700,755</u>	<u>\$50,004,261</u>

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

Note 7 - Deposits and Investments

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

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

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

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

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

1. United States Treasury notes, bills, bonds, or other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any Federal government agency or instrumentality including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All Federal agency securities shall be direct issuances of Federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed 30 days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) and (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasury Asset Reserve of Ohio (STAR Ohio);

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

Note 7 - Deposits and Investments (Continued)

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

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within 5 years from the date of purchase, unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

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

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

Deposits

Custodial Credit Risk: Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year end, \$4,893,167 of the City's bank balance of \$8,414,996 was uninsured but collateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 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. All of the City's financial institution had enrolled in OPCS as of December 31, 2018. One of the City's financial institutions were approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System.

Investments

STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. Fair value is determined by quoted market prices and acceptable other pricing methodologies. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The following identify the City's recurring fair value measurement as of December 31, 2018. As previously discussed Star Ohio is reported at its net asset value. All other investments of the City are valued using quoted market prices (Level 1 and 2 inputs). As of December 31, 2018, the City had investments in STAROhio with a net asset value of \$30,264,188 with a weighted average maturity of 47 days; investments in various municipal bond securities with a total fair value of \$15,791,289 and had maturities of less than four years; investments in various U.S. debt securities with a total fair value of \$15,200,169 and had maturities of less than four years; and investments in negotiable certificates of deposit with a total fair value of \$6,416,495; and had maturities of less than four years and investments in commercial paper with a total fair value of \$3,086,445 and had maturities of less than four years. In addition, investments held in money market mutual funds with fiscal agent had a fair value of \$842,859. The money market mutual fund had an average maturity of less than one year.

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

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

Note 7 - Deposits and Investments (Continued)

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

Custodial Credit Risk: Custodial credit risk for investments is the risk that in the event of bank failure, the City will not be able to recover investments or collateral securities that are in possession of an outside party. At year end, the City's investment in negotiable certificates of deposit of \$6,416,495 was fully covered by the FDIC.

Note 8 - Receivables

Receivables at December 31, 2018, consisted primarily of accounts (billings for user charged services), intergovernmental receivables arising from grants, entitlements and shared revenues, municipal income taxes, property taxes, loans (Community Development Block Grant monies loaned to local businesses), special assessments and interfunds.

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

Allowance for doubtful accounts has been recorded at \$42,694 in the Water Fund and \$33,347 in the Sewer Fund.

Loans receivable to be collected in more than one-year amount to \$1,325,790 in the Community Development Block Grant Fund.

Special assessments expected to be collected in more than one-year amount to \$1,712,670 in the various governmental funds. The amount of delinquent special assessments at December 31, 2018 was \$3,943.

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. The latest update was completed in 2018 with the next reappraisal being scheduled in 2021.

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

Note 8 – Receivables (Continued)

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. 2018 real property taxes are collected in and intended to finance 2019 operations.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2018, was \$17.40 per \$1,000 of assessed value. The assessed values of real property, public utility tangible property upon which 2018 property tax receipts were based, are as follows:

Category	Assessed Value
Real Estate:	
Residential and Agricultural	\$733,342,730
Commercial/Industrial/Public Utility	161,774,040
Public Utility	17,973,670
Total Assessed Value	\$913,090,440

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

B. Income Tax

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

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

Note 8 – Receivables (Continued)

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities:	
Homestead and Rollback	\$794,660
Local Government	900,988
Gasoline Tax	687,352
Federal Grant Reimbursements	10,172
Motor Vehicle License Registration	130,616
State Grant Reimbursements	64,908
Permissive Motor Vehicle License Tax	23,367
Other	19,124
<i>Total Governmental Activities</i>	2,631,187
 Business-Type Activities:	
Homestead and Rollback	103,203
<i>Total Business-Type Activities</i>	103,203
<i>Total Entity-wide</i>	\$2,734,390

D. Payments in Lieu of Taxes

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

Note 9 - Contingencies

A. Grants

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

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

Note 9 – Contingencies (Continued)

B. Litigation

Several claims and lawsuits are pending against the City. The amount of the liability, if any, cannot be reasonably estimated at this time. However, in the opinion of management, any such claims and lawsuits will not have a material adverse effect on the overall financial position of the City at December 31, 2018.

Note 10 - Capital Assets

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

	Balance 12/31/17	Additions	Deletions	Balance 12/31/18
Governmental Activities				
<i>Capital Assets, not being Depreciated:</i>				
Land	\$6,139,702	\$0	\$0	\$6,139,702
Construction in Progress	1,272,319	3,749,894	(3,541,805)	1,480,408
<i>Total Capital Assets, not being Depreciated</i>	<u>7,412,021</u>	<u>3,749,894</u>	<u>(3,541,805)</u>	<u>7,620,110</u>
<i>Capital Assets, being Depreciated:</i>				
Land Improvements	9,334,051	1,924,166	(83,876)	11,174,341
Buildings and Improvements	19,522,146	477,206	0	19,999,352
Furniture and Equipment	5,223,042	367,623	(288,722)	5,301,943
Vehicles	14,057,340	1,547,749	(137,120)	15,467,969
Infrastructure				
Roads	54,617,114	291,246	(202,914)	54,705,446
Traffic Signals	8,113,589	73,000	0	8,186,589
Sidewalks	5,689,779	776,187	(126,239)	6,339,727
Curbing	1,434,304	0	0	1,434,304
<i>Total Capital Assets, being Depreciated</i>	<u>117,991,365</u>	<u>5,457,177</u>	<u>(838,871)</u>	<u>122,609,671</u>
Less Accumulated Depreciation:				
Land Improvements	(3,361,477)	(295,220)	79,126	(3,577,571)
Buildings and Improvements	(6,931,021)	(246,173)	0	(7,177,194)
Furniture and Equipment	(3,035,416)	(183,704)	192,725	(3,026,395)
Vehicles	(6,930,829)	(783,515)	103,461	(7,610,883)
Infrastructure				
Roads	(15,363,700)	(1,081,922)	131,612	(16,314,010)
Traffic Signals	(3,189,147)	(187,793)	0	(3,376,940)
Sidewalks	(1,271,353)	(52,875)	123,554	(1,200,674)
Curbing	(579,097)	(12,427)	0	(591,524)
Total Accumulated Depreciation	<u>(40,662,040)</u>	<u>(2,843,629) *</u>	<u>630,478</u>	<u>(42,875,191)</u>
Total Capital Assets being Depreciated, Net	<u>77,329,325</u>	<u>2,613,548</u>	<u>(208,393)</u>	<u>79,734,480</u>
Governmental Activities Capital Assets, Net	<u>\$84,741,346</u>	<u>\$6,363,442</u>	<u>(\$3,750,198)</u>	<u>\$87,354,590</u>

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

Note 10 - Capital Assets (Continued)

	Balance 12/31/17	Additions	Deletions	Balance 12/31/18
Business-Type Activities				
<i>Capital Assets, not being Depreciated:</i>				
Land	\$78,140	\$0	\$0	\$78,140
Construction in Progress	8,754,525	7,567,063	(3,115,455)	13,206,133
<i>Total Capital Assets, not being Depreciated</i>	8,832,665	7,567,063	(3,115,455)	13,284,273
<i>Capital Assets, being Depreciated:</i>				
Land Improvements	12,371,898	0	0	12,371,898
Buildings and Improvements	17,886,595	1,616,813	0	19,503,408
Furniture and Equipment	10,118,597	188,889	0	10,307,486
Vehicles	3,031,180	33,417	(62,402)	3,002,195
Infrastructure:				
Sidewalks	65,172	0	0	65,172
Water Lines	61,658,061	0	0	61,658,061
Sewer Lines	34,648,756	0	0	34,648,756
<i>Total Capital Assets, being Depreciated</i>	139,780,259	1,839,119	(62,402)	141,556,976
Less Accumulated Depreciation:				
Land Improvements	(1,564,253)	(455,722)	0	(2,019,975)
Buildings and Improvements	(6,705,745)	(228,649)	0	(6,934,394)
Furniture and Equipment	(7,000,726)	(281,662)	0	(7,282,388)
Vehicles	(1,245,718)	(182,851)	55,405	(1,373,164)
Infrastructure				
Sidewalks	(1,356)	(651)	0	(2,007)
Water Lines	(17,091,307)	(586,263)	0	(17,677,570)
Sewer Lines	(8,753,963)	(328,268)	0	(9,082,231)
Total Accumulated Depreciation	(42,363,068)	(2,064,066) *	55,405	(44,371,729)
Total Capital Assets, being Depreciated, Net	97,417,191	(224,947)	(6,997)	97,185,247
Business-Type Activities Assets, Net	\$106,249,856	\$7,342,116	(\$3,122,452)	\$110,469,520

Projects that were originally established with the intention that they would result in capital projects was deleted from construction in progress in 2018 due to the fact that they would no longer result in capital assets.

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

Governmental Activities	Business-Type Activities
Security of Persons and Property - Police	\$139,747
Security of Persons and Property - Fire	290,034
Public Health Services	21,962
Leisure Time Activities	428,249
Community Environment	10,497
Basic Utility Services	265,150
Transportation	1,500,907
General Government	187,083
Total Depreciation Expense	\$2,843,629
	Water Fund
	\$667,132
	Sewer Fund
	1,276,952
	Parking Facilities Fund
	40,012
	Winterhurst Ice Rink Fund
	79,970
	Total Depreciation Expense
	\$2,064,066

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

Note 11 – Conduit Debt Obligations

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

On October 23, 2000, the City issued Educational Facilities Revenue Bonds for the purpose of providing funds to pay costs of acquiring and constructing additional facilities for St. Edward High School. The aggregate principal amount of conduit debt obligations for St. Edward High School was \$10,800,000. As of December 31, 2018, the aggregate principal amount of conduit debt obligation outstanding for St. Edward High School was \$7,405,000. These bonds do not constitute a debt or pledge of the full faith and credit of the City and, therefore, are not reported in the financial statements.

Note 12- Short-Term Obligations

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

	Balance December 31, 2017	Additions	Deletions	Balance December 31, 2018
Notes Payable				
<i>Governmental Activities</i>				
2017 Various Purpose - 2.00 %	\$172,000	\$0	\$172,000	\$0
<i>Business-Type Activities</i>				
2017 Various Purpose - 2.00 %	385,000	0	385,000	0
2018 Various Purpose - 2.50 %	0	1,000,000	0	1,000,000
Total Notes Payable	\$557,000	\$1,000,000	\$557,000	\$1,000,000

On March 29, 2018, the City issued \$32,287,000 in various purpose and refunding bond anticipation notes at 2.50 percent that will mature March 28, 2019. The proceeds were used to retire previously issued notes within the Governmental Activities, Water and Sewer Fund. \$1,000,000 of these notes is considered short-term and the remaining \$31,287,000 is considered long-term.

Note 13- Long-Term Obligations

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

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
<i>Governmental Activities</i>				
<i>Notes</i>				
Various Purpose	2017	2.00%	\$8,577,000	April 2, 2018
Various Purpose	2018	2.50%	11,987,000	March 28, 2019

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

Note 13- Long-Term Obligations (Continued)

	<u>Original Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
General Obligation Bonds				
Various Purpose Refunding-2017	2017	2.50%	\$ 5,745,000	December 1, 2026
Various Purpose Refunding-2011	2011	2.00-5.00%	3,075,268	December 1, 2028
Various Purpose Refunding-2012	2012	2.00-5.00%	3,097,660	December 1, 2023
Various Purpose Refunding and Improvement Bonds Series 2016A-2005 GO Refunding	2016	1.60-5.00%	1,554,760	December 1, 2025
Various Purpose Refunding and Improvement Bonds Series 2016A	2016	1.60-5.00%	12,417,260	December 1, 2036
Tax Increment Financing				
Various Purpose Refunding and Improvement Bonds Series 2016B	2016	2.50-3.00%	2,890,000	July 1, 2024
Various Purpose Refunding and Improvement Bonds Series 2016A-2005 GO Refunding Vedda	2016	1.60-5.00%	221,784	December 1, 2025
OPWC Loan				
Forest and Clifton Road	1999	0%	616,000	December 1, 2019
Business-Type Activities				
Notes				
Water				
Water Main Improvements	2017	2.00%	3,625,000	April 2, 2018
Water Main Improvements	2018	2.50%	5,940,000	March 28, 2019
Sewer				
Various Purpose	2017	2.00%	9,485,000	April 2, 2018
Various Purpose	2018	2.50%	14,360,000	March 28, 2019
General Obligation Bonds				
Water				
Various Purpose Refunding and Improvement Bonds Series 2016A	2016	1.60-5.00%	344,055	December 1, 2025
Various Purpose Refunding and Improvement Bonds Series 2016A	2016	1.60-5.00%	6,690,000	December 1, 2031
Sewer				
Sewer Construction Refunding	2012	2.00%	2,347,340	December 1, 2023
Various Purpose Refunding and Improvement Bonds Series 2016A	2016	1.60-5.00%	2,494,400	December 1, 2025
Various Purpose Refunding and Improvement Bonds Series 2016A	2016	1.60-5.00%	9,325,000	December 1, 2031
Various Purpose Refunding and Improvement Series 2016A	2016	1.60-5.00%	3,522,740	December 1, 2036
OPWC Loans				
Water				
Water Main Replacements	1999	0%	1,248,464	December 1, 2019
Water Main Replaceme+A68:K82nts	2001	0%	1,944,012	December 1, 2021
Water Main Replacements	2003	0%	994,614	July 1, 2023
Water Main Replacements	2003	0%	1,592,840	July 1, 2023
Belle Avenue Improvements	2003	0%	484,637	December 1, 2023
Water Main Replacements	2015	0%	677,004	July 1, 2036
Water Main Replacements	2016	0%	676,500	December 1, 2036
Water Main Replacements	2017	0%	1,320,000	December 1, 2037
Water Main Replacements *	2018	0%	4,000,000	December 1, 2039
Sewer				
West Clifton Storm Sewer Rehab.	2000	0%	115,101	December 1, 2020
Edgewater Drive-Sewer Separation	2002	0%	604,258	December 1, 2022
West End Sewer Separation	2016	0%	428,399	December 1, 2036
Webb Rd. Outfall *	2018	0%	471,365	December 1, 2038

* - New OPWC loans that the City has entered into, however; these loans are not complete and an amortization schedule has not been provided to the City.

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

Note 13- Long-Term Obligations (Continued)

Changes in the long-term obligations of the City during 2018 were as follows:

	Restated Balance December 31, 2017	Additions	Deletions	Balance December 31, 2018	Amount Due in One Year
<i>Governmental Activities</i>					
Notes Payable					
Various Purpose-2018	\$0	\$11,987,000	\$0	\$11,987,000	\$11,987,000
Unamortized Premium	0	81,432	62,703	18,729	0
Various Purpose-2017	8,577,000	0	8,577,000	0	0
Unamortized Premium	18,326	0	18,326	0	0
<i>Total Notes Payable</i>	<u>8,595,326</u>	<u>12,068,432</u>	<u>8,658,029</u>	<u>12,005,729</u>	<u>11,987,000</u>
General Obligation Bonds					
Various Purpose Refunding-2017	4,975,000	0	810,000	4,165,000	845,000
Various Purpose-2011	7,735,000	0	575,000	7,160,000	575,000
Various Purpose Refunding-2012	2,102,085	0	332,807	1,769,278	341,340
Unamortized Premium	49,214	0	8,202	41,012	0
Various Purpose Improvement Bonds and Refunding Series 2016A-2005 GO	1,126,474	0	151,341	975,133	152,900
Unamortized Premium	102,217	0	12,390	89,827	0
Various Purpose Improvement Bonds and Refunding Series 2016A-2005 Vedda	173,487	0	23,308	150,179	23,548
Unamortized Premium	15,743	0	1,908	13,835	0
Various Purpose Improvement Bonds and Refunding Series 2016A	11,973,230	0	451,820	11,521,410	459,610
Unamortized Premium	1,115,337	0	61,114	1,054,223	0
Refunding Bonds Series 2016B	2,340,000	0	310,000	2,030,000	315,000
Unamortized Premium	54,466	0	7,513	46,953	0
<i>Total General Obligation Bonds</i>	<u>31,762,253</u>	<u>0</u>	<u>2,745,403</u>	<u>29,016,850</u>	<u>2,712,398</u>
Other Long-Term Obligations					
OPWC Loan-Forest and Clifton Road-1999	30,800	0	30,800	0	0
Claims Payable	679,434	6,820,270	6,867,840	631,864	631,864
Compensated Absences Payable	6,682,413	3,529,811	3,253,942	6,958,282	3,529,811
Capital Lease Payable	6,649,243	1,258,120	1,729,594	6,177,769	1,163,781
Net Pension Liability					
OPERS	19,590,237	0	5,852,224	13,738,013	0
OP&F	40,026,390	0	832,676	39,193,714	0
Total Net Pension Liability	<u>59,616,627</u>	<u>0</u>	<u>6,684,900</u>	<u>52,931,727</u>	<u>0</u>
Net OPEB Liability					
OPERS	8,646,118	734,148	0	9,380,266	0
OP&F	29,996,771	6,185,394	0	36,182,165	0
Total Net OPEB Liability	<u>38,642,889</u>	<u>6,919,542</u>	<u>0</u>	<u>45,562,431</u>	<u>0</u>
<i>Total Other Long-Term Obligations</i>	<u>112,301,406</u>	<u>18,527,743</u>	<u>18,567,076</u>	<u>112,262,073</u>	<u>5,325,456</u>
<i>Total Governmental Activities</i>	<u>\$152,658,985</u>	<u>\$30,596,175</u>	<u>\$29,970,508</u>	<u>\$153,284,652</u>	<u>\$20,024,854</u>

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

Note 13- Long-Term Obligations (Continued)

	Restated Balance December 31, 2017	Additions	Deletions	Balance December 31, 2018	Amount Due in One Year
<i>Business-Type Activities</i>					
Notes					
<i>Water Fund</i>					
Water Main Improvements-2018	\$0	\$5,940,000	\$0	\$5,940,000	\$5,940,000
Unamortized Premium	0	55,284	42,569	12,715	12,715
Water Main Improvements-2017	3,625,000	0	3,625,000	0	0
Unamortized Premium	6,792	0	6,792	0	0
<i>Total Water Fund</i>	<u>3,631,792</u>	<u>5,995,284</u>	<u>3,674,361</u>	<u>5,952,715</u>	<u>5,952,715</u>
<i>Sewer Fund</i>					
Various Purpose-2018	0	13,360,000	0	13,360,000	13,360,000
Unamortized Premium	0	116,414	89,639	26,775	26,775
Various Purpose-2017	9,485,000	0	9,485,000	0	0
Unamortized Premium	20,061	0	20,061	0	0
<i>Total Sewer Fund</i>	<u>9,505,061</u>	<u>13,476,414</u>	<u>9,594,700</u>	<u>13,386,775</u>	<u>13,386,775</u>
<i>Total Notes Payable</i>	<u>13,136,853</u>	<u>19,471,698</u>	<u>13,269,061</u>	<u>19,339,490</u>	<u>19,339,490</u>
General Obligation Bonds					
<i>Water Fund</i>					
Various Purpose Improvement Bonds and Refunding Series 2016A					
2005 Water Main Improvements	269,131	0	36,157	232,974	36,530
Unamortized Premium	24,421	0	2,960	21,461	0
Various Purpose Improvement Bonds and Refunding Series 2016A					
2006 Water Main Improvements	6,335,000	0	360,000	5,975,000	370,000
Unamortized Premium	732,831	0	55,308	677,523	0
<i>Total Water Fund</i>	<u>7,361,383</u>	<u>0</u>	<u>454,425</u>	<u>6,906,958</u>	<u>406,530</u>
<i>Sewer Fund</i>					
Sewer Construction Refunding					
Bonds- 2012	1,592,915	0	252,194	1,340,721	258,660
Unamortized Premium	37,295	0	6,215	31,080	0
Various Purpose Improvement Bonds and Refunding Series 2016A					
Sewer Construction-2005	1,951,199	0	262,142	1,689,057	264,845
Unamortized Premium	177,053	0	21,461	155,592	0
Various Purpose Improvement Bonds and Refunding Series 2016A					
Sewer Construction-2006	8,830,000	0	505,000	8,325,000	510,000
Unamortized Premium	1,021,546	0	77,098	944,448	0
Various Purpose Improvement Bonds and Refunding Series 2016A					
Unamortized Premium	3,396,770	0	128,180	3,268,590	130,390
Unamortized Premium	316,417	0	17,338	299,079	0
<i>Total Sewer Fund</i>	<u>17,323,195</u>	<u>0</u>	<u>1,269,628</u>	<u>16,053,567</u>	<u>1,163,895</u>
<i>Winterhurst Fund</i>					
Various Purpose Improvement Bonds and Refunding Series 2016A					
Unamortized Premium	89,709	0	12,052	77,657	12,177
Unamortized Premium	8,140	0	987	7,153	0
<i>Total Winterhurst Fund</i>	<u>97,849</u>	<u>0</u>	<u>13,039</u>	<u>84,810</u>	<u>12,177</u>
<i>Parking Fund</i>					
2017 Refunding-Meter Replacement	120,000	0	30,000	90,000	30,000
<i>Total General Obligation Bonds</i>	<u>\$24,902,427</u>	<u>\$0</u>	<u>\$1,767,092</u>	<u>\$23,135,335</u>	<u>\$1,612,602</u>

(Continued)

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

Note 13- Long-Term Obligations (Continued)

	Restated Balance December 31, 2017	Additions	Deletions	Balance December 31, 2018	Amount Due in One Year
OPWC Loans					
<i>Water Fund</i>					
Water Main Replacements-1999	\$62,418	\$0	\$62,418	\$0	-
Water Main Replacements-2001	291,599	0	97,200	194,399	97,200
Water Main Replacements-2003	273,518	0	49,730	223,788	49,730
Water Main Replacements-2003	438,032	0	79,640	358,392	79,642
Belle Avenue Improvements-2003	157,506	0	24,231	133,275	24,232
Water Main Replacements-2015	626,229	0	33,850	592,379	33,850
Water Main Replacements-2016	642,674	0	33,826	608,848	33,826
Water Main Replacements-2017	1,320,000	0	66,000	1,254,000	66,000
Water Main Replacements-2018	0	622,205	0	622,205	-
<i>Total Water Fund</i>	<u>3,811,976</u>	<u>622,205</u>	<u>446,895</u>	<u>3,987,286</u>	<u>384,480</u>
<i>Sewer Fund</i>					
West Clifton Storm Sewer Rehabilitation-2000	8,546	0	4,269	4,277	4,273
West End Sewer Separation-2016	406,979	0	21,420	385,559	21,420
Edgewater Drive-Sewer Separation-2002	120,851	0	30,213	90,638	30,213
Webb Rd. Outfall	0	471,365	0	471,365	-
<i>Total Sewer Fund</i>	<u>536,376</u>	<u>471,365</u>	<u>55,902</u>	<u>951,839</u>	<u>55,906</u>
<i>Total OPWC Loans</i>	<u>4,348,352</u>	<u>1,093,570</u>	<u>502,797</u>	<u>4,939,125</u>	<u>440,386</u>
Other Long-Term Obligations					
Compensated Absences Payable	382,179	134,836	141,650	375,365	134,836
Capital Lease Payable	4,516,901	218,880	693,228	4,042,553	554,830
Net Pension Liability - OPERS	4,833,447	0	1,444,333	3,389,114	-
Net OPEB Liability - OPERS	2,132,964	181,111	0	2,314,075	-
<i>Total Other Long-Term Obligations</i>	<u>11,865,491</u>	<u>534,827</u>	<u>2,279,211</u>	<u>10,121,107</u>	<u>689,666</u>
<i>Total Business-Type Activities</i>	<u>\$54,253,123</u>	<u>\$21,100,095</u>	<u>\$17,818,161</u>	<u>\$57,535,057</u>	<u>22,082,144</u>

Governmental Activities

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

On February 9, 2011, the City issued general obligation bonds, in the amount of \$7,770,000, to pay off the \$7,770,000 2010 various purpose notes. The bond was issued with an interest rate varying from 2 percent to 5 percent. The bond was issued for a seventeen year period with final maturity on December 1, 2028. The bonds will be retired through the Debt Service Fund.

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

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

Note 13 - Long-Term Obligations (Continued)

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

The bonds were sold at a premium of \$4,019,806. Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2004 and 2005 general obligation bonds, Rockport Square Development bonds, Vedda Printing bonds, and the 2005 water and sewer bonds. As a result, \$ 3,090,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. As of December 31, 2018, the amount of defeased debt that is still outstanding but removed from the government-wide financial statements is \$2,235,000.

On June 6, 2017, the City issued general obligation bonds in the amount of \$5,890,000, to refund bonds previously issued in: 2007 for various purposes and meter replacement, in the amounts of \$5,775,000 and \$145,000, respectively. The bonds were issued with an interest rate of 2.5 percent. The bonds were issued for a nine year period with final maturity on December 1, 2026. The bonds will be retired by the City's Debt Service and Parking Funds.

Proceeds were deposited in an irrevocable trust with in escrow agent to provide all future debt payments on the refunded 2007 various purpose and meter replacement bonds. As a result, \$5,820,000 of these bonds were considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. As of December 31, 2018, the amount of defeased debt that is still outstanding but removed from the government-wide financial statements is \$4,170,000.

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

On March 29, 2018, the City issued \$32,287,000 in various purpose and refunding bond anticipation notes at 2.50 percent that will mature March 28, 2019. The proceeds were used to retire previously issued notes within the Governmental Activities, Water and Sewer Fund. \$1,000,000 of these notes is considered short-term and the remaining \$31,287,000 is considered long-term.

On December 14, 2018, the City entered into a loan agreement with the Ohio Water Development Authority (OWDA) for the High Rate Treatment Facility Wastewater project in the amount of \$18,037,667. As of December 31, 2018, there have been no disbursements.

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

Note 13 - Long-Term Obligations (Continued)

On July 1, 2018, the City entered into a loan agreement with the Ohio Public Works Commission (OPWC) for the High Rate Treatment Facility Wastewater project in the amount of \$3,366,425. As of December 31, 2018, there have been no disbursements.

Other Long-Term Obligations Compensated absences will be paid from the General Fund, Streets and Highway, Community Development Block Grant, Office on Aging, and Lakewood Hospital Special Revenue Funds, and the Water, Sewer, and Parking Facilities Enterprise Funds. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the General Fund. For additional information related to the net pension liability and net OPEB liability see Notes 16 and 17.

Business-Type Activities

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

The City has pledged future revenues to repay OPWC loans in the Water Fund. The debt is payable solely from net revenues and is payable through 2036. Annual principal and interest payments on the loans are expected to require less than 14 percent of net revenues and less than 4 percent of total revenues. The total principal and interest remaining to be paid on the loans are \$3,987,286. Principal and interest paid for the current year were \$446,895, total net revenues were \$3,038,063, and total revenues were \$10,863,052.

The City has pledged future revenues to repay the OPWC loans in the Sewer Fund. The debt is payable solely from net revenues and is payable through 2036. Annual principal and interest payments on the debt is expected to require less than 4.00 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$951,839. Principal and interest paid for the current year were \$55,902, total net revenues were \$4,855,782, and total revenues were \$12,645,952.

The City's overall legal debt margin was \$58,112,940 at December 31, 2018.

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

	Governmental Activities	
	General Obligation Bonds	
	<u>Principal</u>	<u>Interest</u>
2019	\$2,712,398	\$1,021,419
2020	2,800,869	946,128
2021	2,823,633	863,678
2022	2,314,833	765,472
2023	2,406,912	697,430
2024-2028	8,585,521	2,297,029
2029-2033	3,614,560	923,544
2034-2036	2,512,276	213,470
	<u>\$27,771,002</u>	<u>\$7,728,170</u>

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

Note 13 - Long-Term Obligations (Continued)

	Business Type Activities				
	General Obligation Bonds		OPWC Loans	Total	
	Principal	Interest	Principal	Principal	Interest
2019	\$1,612,602	\$791,441	\$440,386	\$2,052,988	\$791,441
2020	1,664,130	746,057	436,113	2,100,243	746,057
2021	1,626,367	699,157	338,913	1,965,280	699,157
2022	1,670,167	625,963	308,700	1,978,867	625,963
2023	1,698,087	598,146	244,014	1,942,101	598,146
2024-2028	7,019,482	2,106,296	787,592	7,807,074	2,106,296
2029-2033	4,995,440	624,706	775,476	5,770,916	624,706
2034-2037	712,724	60,561	514,361	1,227,085	60,561
	<u>\$20,998,999</u>	<u>\$6,252,327</u>	<u>\$3,845,555</u>	<u>\$24,844,554</u>	<u>\$6,252,327</u>

At the end of the year, the City had two outstanding projects provided through OPWC loan funding that are not complete and final amortization schedules are not provided as of year-end.

Note 14 – Capital Leases

In 2018, the City entered into a lease for the acquisition of police vehicles, refuse vehicles, street vehicles and an early siren warning system. In prior years, the City entered into leases for the acquisition of police vehicles, fiber optic network, refuse vehicles, street vehicles, fire vehicles, forestry vehicles, sewer vehicles, computer software upgrade, technology equipment, body cameras, computer hardware, copier equipment, building HVAC improvements, sewer flow meters, and water meters. The assets of such agreement are recorded in the Governmental Activities and Business-Type Activities as shown on the Statement of Net Position.

The following is a schedule of the future minimum lease payments for capital leases and the present value of net minimum lease payments as of December 31, 2018:

	Governmental Activities	Business-Type Activities
Building and Improvements	\$2,100,000	\$3,496,028
Equipment Machinery and Furniture	436,186	310,125
Vehicles	9,519,350	1,311,350
Total Capital Leases, being depreciated	<u>12,055,536</u>	<u>5,117,503</u>
Less Accumulated Depreciation		
Building and Improvements	2,100,000	1,780,610
Equipment Machinery and Furniture	330,787	243,492
Vehicles	6,704,892	1,158,266
Total Accumulated Depreciation	<u>9,135,679</u>	<u>3,182,368</u>
Capital Leases, Net	<u>\$2,919,857</u>	<u>\$1,935,135</u>

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

Note 14 – Capital Leases (Continued)

	Governmental Activities	Business-Type Activities
2019	\$1,295,377	\$719,426
2020	1,228,935	719,425
2021	1,032,193	587,485
2022	827,086	461,709
2023	601,892	391,114
2024-2028	1,555,603	1,382,265
2029-2030	155,855	204,790
Total minimum lease payments	6,696,941	4,466,214
Less: amount representing interest	(519,172)	(423,661)
Total	\$6,177,769	\$4,042,553

Note 15 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City's coverage for general liability, bodily injury and property damage to others, with McGowan Governmental Underwriters is limited to \$1,000,000 per occurrence and has a \$2,000,000 aggregate limit per year. In addition, there is excess umbrella coverage of \$10,000,000 per occurrence, which has a \$10,000,000 aggregate limit per year.

Errors and omissions for public officials and police professional liability are \$1,000,000 per occurrence, and have a \$2,000,000 annual aggregate. Vehicles are covered for \$1,000,000 per each occurrence, no aggregate, with a \$5,000 deductible for comprehensive, \$5,000 deductible for collision. The boiler and machinery is covered at \$142,271,196 with a \$10,000 deductible for all property. Coverage for the City's buildings, furniture, fixtures, and contents has a limit of \$142,271,196, with a \$10,000 deductible. Inland marine coverage for all City property that moves has coverage of \$3,445,101 with a \$500 deductible and EDP equipment is covered at \$1,262,146 with a \$500 deductible.

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

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

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

Note 15 - Risk Management (Continued)

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

At December 31, 2018, \$612,151 was accrued for hospitalization and medical claims, representing an estimate of the amount to be paid for claims that have been incurred but not reported based on the requirements of GASB Statement No. 30, which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the balances of claims liabilities during the past two years are as follows:

	2018	2017
Estimated claims payable January 1	\$667,120	\$683,723
Plus: Current year claims	6,506,657	7,058,016
Less: Claim payments	(6,561,626)	(7,074,619)
Estimated claims payable December 31	\$612,151	\$667,120

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

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

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

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

Note 15 - Risk Management (Continued)

At December 31, 2018, \$19,713 has been accrued for workers' compensation claims. The claims represent estimates of amounts to be paid for reported claims and incurred but not reported claims. It is calculated using trends in actual claims experience based on the requirements of GASB Statement No. 30, which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the balance of claims liabilities during the past two years are as follows:

	2018	2017
Estimated claims payable January 1	\$12,314	\$15,347
Plus: Current year claims	265,943	202,000
Less: Claim payments	(258,544)	(205,033)
Estimated claims payable December 31	\$19,713	\$12,314

Note 16 - Defined Benefit Pension Plans

A. Net Pension Liability

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature.

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

Note 16 - Defined Benefit Pension Plans (Continued)

Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

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

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

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

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

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

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

Note 16 - Defined Benefit Pension Plans (Continued)

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:

	State and Local
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2018 Actual Contribution Rates	
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 \$2,122,334 for 2018. Of this amount, \$230,505 is reported as an intergovernmental payable.

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

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code.

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

Note 16 - Defined Benefit Pension Plans (Continued)

OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement. For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

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

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

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

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

	<u>Police</u>	<u>Firefighters</u>
2018 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2018 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
 Employee	12.25 %	12.25 %

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

Note 16 - Defined Benefit Pension Plans (Continued)

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$3,032,395 for 2018. Of this amount, \$334,354 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 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	0.107554%	0.063467%	0.318935%	0.313005%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.109173%	0.074969%	0.322848%	0.315751%	
Change in Proportionate Share	<u>0.001619%</u>	<u>0.011502%</u>	<u>0.003913%</u>	<u>0.002747%</u>	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 17,127,127	\$ (102,057)	\$ 19,814,640	\$ 19,379,074	\$ 56,218,784
Pension Expense	\$ 3,590,567	\$ 15,206	\$ 2,333,321	\$ 2,325,566	\$ 8,264,660

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

Note 16 - Defined Benefit Pension Plans (Continued)

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

	<u>OPERS</u>	<u>OP&F Police</u>	<u>OP&F Fire</u>	<u>Total</u>
Deferred Outflows of Resources				
Differences between expected and actual experience	\$ 17,490	\$ 300,701	\$ 294,092	\$ 612,283
Changes of assumptions	2,055,715	863,429	844,449	3,763,593
Changes in proportion and differences between City contributions and proportionate share of contributions	167,123	209,190	507,753	884,066
City contributions subsequent to the measurement date	<u>2,122,334</u>	<u>1,518,411</u>	<u>1,513,984</u>	<u>5,154,729</u>
Total Deferred Outflows of Resources	<u><u>\$4,362,662</u></u>	<u><u>\$2,891,731</u></u>	<u><u>\$3,160,278</u></u>	<u><u>\$10,414,671</u></u>
Deferred Inflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$3,693,067	\$685,436	\$670,366	\$5,048,869
Differences between expected and actual experience	\$367,921	\$35,844	\$35,056	\$438,821
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>140,066</u>	<u>265,533</u>	<u>518,439</u>	<u>924,038</u>
Total Deferred Inflows of Resources	<u><u>\$4,201,054</u></u>	<u><u>\$986,813</u></u>	<u><u>\$1,223,861</u></u>	<u><u>\$6,411,728</u></u>

\$5,154,729 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&F Police</u>	<u>OP&F Fire</u>	<u>Total</u>
2019	\$1,492,197	\$468,891	\$502,120	\$2,463,208
2020	(288,963)	288,685	325,872	325,594
2021	(1,629,578)	(421,260)	(368,467)	(2,419,305)
2022	(1,520,977)	(269,034)	(328,086)	(2,118,097)
2023	(4,403)	256,536	232,244	484,377
Thereafter	<u>(9,002)</u>	<u>62,689</u>	<u>58,750</u>	<u>112,437</u>
Total	<u><u>(\$1,960,726)</u></u>	<u><u>\$386,507</u></u>	<u><u>\$422,433</u></u>	<u><u>(\$1,151,786)</u></u>

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

Note 16 - Defined Benefit Pension 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 (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. 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 percent 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 percent 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 Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 16 - Defined Benefit Pension Plans (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 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>

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

Note 16 - Defined Benefit Pension Plans (Continued)

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	\$30,413,414	\$ 17,127,127	\$6,050,368
Combined Plan	(\$55,477)	\$ (102,057)	(\$134,195)

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 now known, it has the potential to impact, it has the potential to impact the City's net pension liability.

F. 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. 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.

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

Note 16 - Defined Benefit Pension Plans (Continued)

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 below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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
Real Assets	5.00	6.87
Master Limited Partnerships	<u>8.00</u>	7.36
Total	<u>120.00 %</u>	

Note: Assumptions are geometric

* levered 2x

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

Discount Rate The total pension liability was calculated using the discount rate of 8.00 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 Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 16 - Defined Benefit Pension Plans (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	\$ 54,332,764	\$ 39,193,714	\$ 26,846,432

Note 17 – 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.

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.

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

Note 17 – Defined Benefit OPEB Plans (Continued)

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.

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.

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

Note 17 – Defined Benefit OPEB Plans (Continued)

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 \$24,708 for 2018.

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 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 Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 17 – Defined Benefit OPEB Plans (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 \$72,170 for 2018. Of this amount, \$7,986 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&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Prior Measurement Date	0.106720%	0.631940%	
Proportion of the Net OPEB Liability			
Current Measurement Date	<u>0.107690%</u>	<u>0.638600%</u>	
Change in Proportionate Share	<u>0.000970%</u>	<u>0.006660%</u>	
Proportionate Share of the Net OPEB			
Liability	\$ 11,694,341	\$ 36,182,165	\$ 47,876,506
OPEB Expense	\$ 1,028,604	\$ 2,869,319	\$ 3,897,923

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

Note 17 – Defined Benefit OPEB Plans (Continued)

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&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$9,110	\$0	\$9,110
Changes of assumptions	851,472	3,530,610	4,382,082
Changes in proportion and differences between City contributions and proportionate share of contributions	65,319	277,540	342,859
City contributions subsequent to the measurement date	<u>24,708</u>	<u>72,170</u>	<u>96,878</u>
Total Deferred Outflows of Resources	<u><u>\$950,609</u></u>	<u><u>\$3,880,320</u></u>	<u><u>\$4,830,929</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$182,488	\$182,488
Net difference between projected and actual earnings on OPEB plan investments	<u>871,150</u>	<u>238,167</u>	<u>1,109,317</u>
Total Deferred Inflows of Resources	<u><u>\$871,150</u></u>	<u><u>\$420,655</u></u>	<u><u>\$1,291,805</u></u>

\$96,878 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&F</u>	<u>Total</u>
Year Ending December 31:			
2019	\$224,887	\$470,526	\$695,413
2020	224,887	470,526	695,413
2021	(177,237)	470,526	293,289
2022	(217,786)	470,527	252,741
2023	0	530,068	530,068
Thereafter	<u>0</u>	<u>975,322</u>	<u>975,322</u>
Total	<u><u>\$54,751</u></u>	<u><u>\$3,387,495</u></u>	<u><u>\$3,442,246</u></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.

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

Note 17 – Defined Benefit OPEB Plans (Continued)

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 a five year period ending December 31, 2015.

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.

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

Note 17 – Defined Benefit OPEB Plans (Continued)

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:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
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>

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:

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

Note 17 – Defined Benefit OPEB Plans (Continued)

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$15,536,436	\$11,694,341	\$8,586,124

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.

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	\$11,188,991	\$11,694,341	\$12,216,354

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, 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 Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 17 – Defined Benefit OPEB Plans (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.

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

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

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

Note 17 – Defined Benefit OPEB Plans (Continued)

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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
Real Assets	5.00	6.87
Master Limited Partnerships	8.00	7.36
 Total	 <u>120.00 %</u>	

Note: Assumptions are geometric
* levered 2x

OP&F’s Board of Trustees has incorporated the risk parity concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on 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.

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

Note 17 – Defined Benefit OPEB Plans (Continued)

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	\$ 45,228,142	\$ 36,182,165	\$ 29,221,682

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:

	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
Year					
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.

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability	\$ 28,106,956	\$ 36,182,165	\$ 47,064,813

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

Note 17 – Defined Benefit OPEB Plans (Continued)

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.

Note 18 - Other Employee Benefits

A. Compensated Absences

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

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

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

B. Health and Life Insurance

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

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

Note 19 - Jointly Governed Organization

The West Shore Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board of Directors is comprised of one member from each of the six participating municipalities. The Board of Directors exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the board. Each City's degree of control is limited to its representation on the Board of Directors. In 2018, the City contributed \$102,727.

Note 20 – Construction Contractual and Other Commitments

A. Construction Contractual Commitments

The following were significant contractual commitments outstanding at December 31, 2018.

Project	Contract Amount	Amount Paid	Amount Remaining
Transportation Improvements	\$1,152,075	\$859,165	\$292,910
Lakewood Hospital Demolition	5,465,260	0	5,465,260
Park Improvements	150,000	18,800	131,200
Waterline Improvements	3,275,000	1,935,707	1,339,293
Wastewater Improvements	35,677,682	5,516,820	30,160,862
Totals	<u>\$ 45,720,017</u>	<u>\$ 8,330,492</u>	<u>\$ 37,389,525</u>

During 2018 the City received the following loans in conjunction with the construction of the High Rate Treatment Facility-Waste Water Treatment Plant Improvement Project:

\$3,366,425 from the Ohio Public Works Administration and \$18,037,667 from the Ohio Water Development Authority-Water Pollution Control Loan. This project will begin construction in 2019 and will be completed during 2022.

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:

Major Fund:	<u>Encumbrances Outstanding</u>
General	<u>\$4,956,484</u>

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

Note 21 – Interfund Transfers and Balances

A. Transfers

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

TRANSFERS IN	TRANSFERS OUT							Total
	Governmental activities				Business-Type Activities			
	Major Funds			Other Governmental Funds	Major Funds		Other Enterprise Funds	
	General	Lakewood Hospital	Debt Service		Water	Sewer		
<i>Governmental Activities</i>								
<u>Major Funds:</u>								
General	\$0	\$0	\$1,718,139	\$0	\$0	\$0	\$0	\$1,718,139
Debt Service	165,000	900	0	18,750	11,439	1,858,650	63,375	2,118,114
<u>Nonmajor Funds:</u>								
Office on Aging	690,000	0	0	0	0	0	0	690,000
Permanent Capital Improvement	0	0	172,000	0	0	0	0	172,000
Total Governmental Activities	<u>855,000</u>	<u>900</u>	<u>1,890,139</u>	<u>18,750</u>	<u>11,439</u>	<u>1,858,650</u>	<u>63,375</u>	<u>4,698,253</u>
<i>Business-Type Activities</i>								
<u>Nonmajor Fund:</u>								
Parking	0	0	0	0	0	0	0	0
Winterhurst	0	0	100,004	0	0	0	0	100,004
Total Business-Type Activities	<u>0</u>	<u>0</u>	<u>100,004</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,004</u>
<i>Internal Service Funds</i>								
Hospitalization	285,164	0	0	0	0	0	0	285,164
Workers' Compensation	12,764	0	0	0	0	0	0	12,764
Total	<u>\$1,152,928</u>	<u>\$900</u>	<u>\$1,990,143</u>	<u>\$18,750</u>	<u>\$11,439</u>	<u>\$1,858,650</u>	<u>\$63,375</u>	<u>\$5,096,185</u>

B. Interfund Receivables and Payables

Interfund receivables and payables are due to the timing of the receipt of grant monies by the major and nonmajor funds and short-term advances from the General Fund. It is also to cover those funds that owe the Hospitalization Fund and Workers' Compensation Fund for monthly premiums.

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

Note 21 – Interfund Transfers and Balances (Continued)

All interfund balances will be repaid within one year. Interfund balances at December 31, 2018, consist of the following:

Interfund Payable	Interfund Receivable			Total
	General	Workers' Compensation	Hospitalization	
Governmental Funds				
Major Funds:				
General	\$0	\$15,695	\$486,246	\$501,941
Police and Fire Pension	\$55,000			55,000
Community Development Block Grant	128,000	95	2,929	131,024
Lakewood Hospital	0	425	13,181	13,606
Nonmajor Funds:				
Street and Highway	0	662	20,504	21,166
Office on Aging	0	425	13,181	13,606
Emergency Shelter Grant	11,500	0	0	11,500
Family to Family	126,000	0	0	126,000
Total Governmental Funds	320,500	17,302	536,041	873,843
Proprietary Funds				
Major Funds:				
Water	0	615	19,040	19,655
Sewer	0	1,702	52,725	54,427
Nonmajor Funds:				
Parking Facilities	0	95	2,929	3,024
Winterhurst	103,000	0	0	103,000
Total Proprietary Funds	103,000	2,412	74,694	180,106
Total	\$423,500	\$19,714	\$610,735	\$1,053,949

Note 22 – Tax Abatement Disclosure

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

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

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

For the fiscal year ended December 31, 2018, the City abated residential property taxes totaling \$175,157.

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

Note 23 – Lakewood Hospital

Lakewood City Council voted on December 21, 2015 to approve the master agreement between the City, Lakewood Hospital Association (“LHA”) and the Cleveland Clinic regarding the City-owned Lakewood Hospital. The negotiated master agreement replaces the lease that existed since 1987 between the City and LHA, and the 1996 definitive agreement between LHA and the Cleveland Clinic to operate the hospital as part of the Cleveland Clinic’s health system.

The master agreement outlines the closure of the inpatient hospital and the dissolution of LHA. The assets of LHA were used for the wind down of the hospital by the Cleveland Clinic and control of the hospital-related properties reverted back to the City. The Cleveland Clinic agreed to construct a new outpatient family health center and a full emergency department on parcels purchased from the City across the street from the former hospital property. The parties also agreed to the establishment of a community health foundation using proceeds from LHA assets and supplemental funding from the Cleveland Clinic.

On July 25, 2018 the Cleveland Clinic opened the Lakewood Family Health Center. As a result, the City received \$6,500,000 per the master agreement from the Cleveland Clinic for demolition and redevelopment of the hospital site. In addition, the City received the balance of a note receivable in the amount of \$1,400,000 per the master agreement from the Cleveland Clinic as recognition of early termination of the 1996 lease agreement and loss of future income tax.

Note 24 - Subsequent Events

On March 27, 2019, the City issued \$22,705,000 in various purpose improvement income tax revenue notes, series 2019 at 3.00 percent that will mature March 26, 2020. \$13,625,000 of the proceeds was used to retire outstanding various purposes income tax revenue notes, series 2018.

On March 27, 2019, The City issued \$16,215,000 in various purpose improvement bonds, series 2019 general obligation – limited tax. The bonds were issued to pay off outstanding notes. These bonds were issued at an interest rate of 3.25-5.00 percent.

Required Supplementary Information

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

Traditional Plan	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.109173%	0.107554%	0.110275%	0.111944%	0.111944%
City's Proportionate Share of the Net Pension Liability	\$17,127,127	\$24,423,684	\$19,101,020	\$13,501,698	\$13,196,739
City's Covered Payroll	\$14,440,354	\$13,903,507	\$13,724,833	\$13,769,800	\$13,724,831
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	118.61%	175.67%	139.17%	98.05%	96.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%
Combined Plan	2018	2017	2016	2015	2014
City's Proportion of the Net Pension (Asset)	0.074969%	0.063467%	0.062040%	0.046096%	0.046096%
City's Proportionate Share of the Net Pension (Asset)	(\$102,057)	(\$35,324)	(\$30,190)	(\$17,749)	(\$4,837)
City's Covered Payroll	\$307,038	\$247,050	\$225,775	\$169,775	\$225,769
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	33.24%	14.30%	13.37%	10.45%	2.14%
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 Lakewood, 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)

Police	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.3228480%	0.318935%	0.3243258%	0.3269860%	0.3269860%
City's Proportionate Share of the Net Pension Liability	\$19,814,640	\$20,200,995	\$20,864,107	\$17,356,788	\$15,925,244
City's Covered Payroll	\$7,987,753	\$7,669,200	\$7,416,211	\$7,231,742	\$7,006,764
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	248.06%	263.40%	281.33%	240.01%	227.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	71.71%	73.00%
Fire	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.315751%	0.313005%	0.3272778%	0.3135738%	0.3135738%
City's Proportionate Share of the Net Pension Liability	\$19,379,074	\$19,825,395	\$21,054,007	\$16,644,854	\$15,272,028
City's Covered Payroll	\$6,296,298	\$6,117,945	\$6,007,864	\$5,630,757	\$5,366,792
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	307.79%	324.05%	350.44%	295.61%	284.57%
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 Lakewood, Ohio
Required Supplementary Information
Schedule of 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	2,073,362	1,877,246	1,668,421	1,646,980	1,652,376	1,784,228
Combined Plan	<u>49,072</u>	<u>39,915</u>	<u>29,646</u>	<u>27,093</u>	<u>20,373</u>	<u>29,350</u>
Total Required Contributions	\$2,122,434	\$1,917,161	\$1,698,067	\$1,674,073	\$1,672,749	\$1,813,578
Contributions in Relation to the Contractually Required Contribution	<u>(\$2,122,434)</u>	<u>(\$1,917,161)</u>	<u>(\$1,698,067)</u>	<u>(\$1,674,073)</u>	<u>(\$1,672,749)</u>	<u>(\$1,813,578)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll						
Traditional Plan	\$14,809,729	\$14,440,354	\$13,903,507	\$13,724,833	\$13,769,800	\$13,724,831
Combined Plan	\$350,514	\$307,038	\$247,050	\$225,775	\$169,775	\$225,769
<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 Lakewood, 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	\$1,518,411	\$1,517,673	\$1,457,148	\$1,409,080	\$1,374,031	\$1,102,164	\$896,221	\$921,634	\$877,675	\$862,453
Fire	<u>\$1,513,984</u>	<u>\$1,479,630</u>	<u>\$1,437,717</u>	<u>\$1,411,848</u>	<u>\$1,323,228</u>	<u>\$1,085,702</u>	<u>\$936,402</u>	<u>\$959,008</u>	<u>\$925,438</u>	<u>\$972,154</u>
Total Required Contributions	\$3,032,395	\$2,997,303	\$2,894,865	\$2,820,928	\$2,697,259	\$2,187,866	\$1,832,623	\$1,880,642	\$1,803,113	\$1,834,607
Contributions in Relation to the Contractually Required Contribution	<u>(\$3,032,395)</u>	<u>(\$2,997,303)</u>	<u>(\$2,894,865)</u>	<u>(\$2,820,928)</u>	<u>(\$2,697,259)</u>	<u>(\$2,187,866)</u>	<u>(\$1,832,623)</u>	<u>(\$1,880,642)</u>	<u>(\$1,803,113)</u>	<u>(\$1,834,607)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll										
Police	\$7,991,637	\$7,987,753	\$7,669,200	\$7,416,211	\$7,231,742	\$7,006,764	\$7,029,184	\$7,228,502	\$6,883,725	\$6,764,337
Fire	\$6,442,485	\$6,296,298	\$6,117,945	\$6,007,864	\$5,630,757	\$5,366,792	\$5,428,417	\$5,559,467	\$5,364,858	\$5,635,675
<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 Lakewood, 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)

	2018	2017
City's Proportion of the Net OPEB Liability	0.107690%	0.106720%
City's Proportionate Share of the Net OPEB Liability	\$ 11,694,341	\$ 10,779,082
City's Covered Payroll	\$ 15,253,148	\$ 14,748,015
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	76.67%	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 Lakewood, 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)

	2018	2017
City's Proportion of the Net OPEB Liability	0.638600%	0.631940%
City's Proportionate Share of the Net OPEB Liability	\$ 36,182,165	\$ 29,996,771
City's Covered Payroll	\$ 14,284,051	\$ 13,787,145
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	253.30%	217.57%
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 Lakewood, Ohio
Required Supplementary Information
Schedule of City Contributions - OPEB
Ohio Public Employees Retirement System
Last Four Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 24,708	\$ 168,096	\$ 306,909	\$ 279,011
Contributions in Relation to the Contractually Required Contribution	<u>(24,708)</u>	<u>(168,096)</u>	<u>(306,909)</u>	<u>(279,011)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 15,777,237	\$ 15,253,148	\$ 14,748,015	\$ 14,570,020
Contributions as a Percentage of Covered Payroll	0.16%	1.10%	2.08%	1.91%

(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 Lakewood, Ohio
Required Supplementary Information
Schedule of City Contributions - OPEB
Ohio Public Employees Retirement System
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>
Contractually Required Contribution	\$ 72,170	\$ 71,420	\$ 68,516	\$ 66,487	\$ 64,631	\$ 434,081	\$ 841,297	\$ 863,188	\$ 826,780	\$ 833,913
Contributions in Relation to the Contractually Required Contribution	<u>(72,170)</u>	<u>(71,420)</u>	<u>(68,516)</u>	<u>(66,487)</u>	<u>(64,631)</u>	<u>(434,081)</u>	<u>(841,297)</u>	<u>(863,188)</u>	<u>(826,780)</u>	<u>(833,913)</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	\$ 14,434,122	\$ 14,284,051	\$ 13,787,145	\$ 13,424,075	\$ 12,862,499	\$ 12,373,556	\$ 12,457,601	\$ 12,787,969	\$ 12,248,583	\$ 12,400,012
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 Lakewood, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2018

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 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

Non-Major Special Revenue Funds

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

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

Fund Descriptions – Nonmajor Governmental Funds

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

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Debt Service Fund

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

Tax Increment Financing (TIF) Bond Retirement Fund	To account for and report all restricted tax increment financing activities.
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Non-Major Capital Project Funds

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

Permanent Capital Improvement Fund	To account for and report note proceeds restricted for acquisition of equipment and the construction of general capital assets of the City.
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Land Acquisition Fund	To account for and report transfers received and committed to the acquisition of properties to be developed for recreation, economic or other purposes as deemed appropriate by City Council and Mayor.
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City Park Improvement Fund	To account for and report donations committed to the improvement of the City Park.
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Tax Increment Financing (TIF) Capital Improvement Fund	To account for and report bond proceeds and all payment made to the developers of Rockport and Vedda Printing restricted for TIF activities. This fund did not have any activity or a budget in 2018, therefore, budgetary information is not provided.
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City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$2,370,349	\$293,840	\$6,467,250	\$9,131,439
Cash and Cash Equivalents:				
In Segregated Accounts	0	0	118,342	118,342
Materials and Supplies Inventory	179,808	0	0	179,808
Accrued Interest Receivable	20	0	0	20
Accounts Receivable	13,743	0	0	13,743
Intergovernmental Receivable	916,415	0	0	916,415
Payments in Lieu of Taxes Receivable	0	953,709	0	953,709
Assets Held for Resale	0	0	613,341	613,341
Total Assets	<u>3,480,335</u>	<u>1,247,549</u>	<u>7,198,933</u>	<u>11,926,817</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$181,420	\$91,889	\$11,314	\$284,623
Accrued Wages and Benefits	45,059	0	0	45,059
Intergovernmental Payable	30,611	0	0	30,611
Retainage Payable	0	0	118,342	118,342
Interfund Payable	172,272	0	0	172,272
Total Liabilities	<u>429,362</u>	<u>91,889</u>	<u>129,656</u>	<u>650,907</u>
Deferred Inflows of Resources:				
Payments in Lieu of Taxes	0	920,786	0	920,786
Unavailable Revenue - Delinquent Payments in Lieu of Taxes	0	32,923	0	32,923
Unavailable Revenue - Other	621,446	0	0	621,446
Total Deferred Inflows of Resources	<u>621,446</u>	<u>953,709</u>	<u>0</u>	<u>1,575,155</u>
Fund Balances:				
Nonspendable	179,808	0	0	179,808
Restricted	2,322,581	201,951	2,040,557	4,565,089
Committed	11,569	0	5,028,720	5,040,289
Unassigned (Deficit)	(84,431)	0	0	(84,431)
Total Fund Balance	<u>2,429,527</u>	<u>201,951</u>	<u>7,069,277</u>	<u>9,700,755</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$3,480,335</u>	<u>\$1,247,549</u>	<u>\$7,198,933</u>	<u>\$11,926,817</u>

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Payments in Lieu of Taxes	\$0	\$920,786	\$0	\$920,786
Intergovernmental	2,988,452	38,575	0	3,027,027
Interest	1,064	0	0	1,064
Fines and Forfeitures	174,429	0	0	174,429
Charges for Services	81,050	0	0	81,050
Contributions and Donations	89,552	0	0	89,552
Special Assessments	9,518	0	0	9,518
All Other Revenues	198,777	0	6,939	205,716
Total Revenues	3,542,842	959,361	6,939	4,509,142
EXPENDITURES				
Security of Persons and Property:				
Police and Other	116,557	0	0	116,557
Public Health Services	945,285	0	0	945,285
Community Environment	774,618	0	0	774,618
Transportation	2,150,682	0	0	2,150,682
General Government	139,923	267,394	0	407,317
Capital Outlay	0	0	2,755,355	2,755,355
Debt Service:				
Principal Retirement	0	333,308	0	333,308
Interest and Fiscal Charges	0	72,796	0	72,796
Total Expenditures	4,127,065	673,498	2,755,355	7,555,918
Excess of Revenues Over (Under) Expenditures	(584,223)	285,863	(2,748,416)	(3,046,776)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	2,275	0	0	2,275
Bond Anticipation Notes Issued	0	0	3,410,000	3,410,000
Transfer In	690,000	0	172,000	862,000
Transfer Out	(18,750)	0	0	(18,750)
Total Other Financing Sources (Uses)	673,525	0	3,582,000	4,255,525
Net Change in Fund Balances	89,302	285,863	833,584	1,208,749
Fund Balances - Beginning of Year	2,340,225	(83,912)	6,235,693	8,492,006
Fund Balances - End of Year	\$2,429,527	\$201,951	\$7,069,277	\$9,700,755

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018

	Street and Highway	Litter Control Grant	Law and Drug Enforcement Trust	Federal Forfeiture	Indigent Drivers Alcohol Treatment
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$550,993	\$5,709	\$137,880	\$46,134	\$155,831
Materials and Supplies Inventory	179,808	0	0	0	0
Accrued Interest Receivable	0	0	0	20	0
Accounts Receivable	0	0	435	0	572
Intergovernmental Receivable	841,335	0	0	0	0
Total Assets	\$1,572,136	\$5,709	\$138,315	\$46,154	\$156,403
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$100,306	\$0	\$9,442	\$0	\$470
Accrued Wages and Benefits	25,790	0	0	0	0
Intergovernmental Payable	18,077	0	0	0	0
Interfund Payable	21,166	0	0	0	0
Total Liabilities	165,339	0	9,442	0	470
Deferred Inflows of Resources:					
Unavailable Revenue - Other	621,446	0	0	0	0
Total Deferred Inflows of Resources	621,446	0	0	0	0
Fund Balances:					
Nonspendable	179,808	0	0	0	0
Restricted	605,543	5,709	128,873	46,154	155,933
Committed	0	0	0	0	0
Unassigned (Deficit)	0	0	0	0	0
Total Fund Balances (Deficit)	785,351	5,709	128,873	46,154	155,933
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$1,572,136	\$5,709	\$138,315	\$46,154	\$156,403

(Continued)

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2018

	Enforcement and Education	Political Subdivision	Computer Research and Maintenance	Court Special Projects
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$26,724	\$19,238	\$1,172	\$456,741
Materials and Supplies Inventory	0	0	0	0
Accrued Interest Receivable	0	0	0	0
Accounts Receivable	300	21	1,708	6,622
Intergovernmental Receivable	0	0	0	0
Total Assets	\$27,024	\$19,259	\$2,880	\$463,363
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$0	\$0	\$2,622	\$483
Accrued Wages and Benefits	0	0	0	439
Intergovernmental Payable	0	0	0	357
Interfund Payable	0	0	0	0
Total Liabilities	0	0	2,622	1,279
Deferred Inflows of Resources:				
Unavailable Revenue - Other	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	27,024	19,259	258	462,084
Committed	0	0	0	0
Unassigned (Deficit)	0	0	0	0
Total Fund Balances (Deficit)	27,024	19,259	258	462,084
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$27,024	\$19,259	\$2,880	\$463,363

Court Probation Services	Indigent Drivers Interlock and Alcohol Monitoring	Emergency Shelter Grant	HOME Investment Program	Neighborhood Stabilization	Office on Aging
\$103,253	\$128,935	\$9,944	\$325,696	\$307,467	\$42,534
0	0	0	0	0	0
0	0	0	0	0	0
2,782	1,303	0	0	0	0
0	0	0	0	0	10,172
<u>\$106,035</u>	<u>\$130,238</u>	<u>\$9,944</u>	<u>\$325,696</u>	<u>\$307,467</u>	<u>\$52,706</u>
\$1,031	\$0	\$34,518	\$14,477	\$0	\$14,164
0	0	111	0	0	12,970
0	0	65	0	0	8,256
0	0	11,500	0	0	13,606
<u>1,031</u>	<u>0</u>	<u>46,194</u>	<u>14,477</u>	<u>0</u>	<u>48,996</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
105,004	130,238	0	311,219	307,467	3,710
0	0	0	0	0	0
0	0	(36,250)	0	0	0
<u>105,004</u>	<u>130,238</u>	<u>(36,250)</u>	<u>311,219</u>	<u>307,467</u>	<u>3,710</u>
<u>\$106,035</u>	<u>\$130,238</u>	<u>\$9,944</u>	<u>\$325,696</u>	<u>\$307,467</u>	<u>\$52,706</u>

(Continued)

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2018

	Help-to- Others	Juvenile Diversion	Family to Family	FEMA	Total Nonmajor Special Revenue Funds
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$11,569	\$11,960	\$25,788	\$2,781	\$2,370,349
Materials and Supplies Inventory	0	0	0	0	179,808
Accrued Interest Receivable	0	0	0	0	20
Accounts Receivable	0	0	0	0	13,743
Intergovernmental Receivable	0	0	64,908	0	916,415
Total Assets	<u>\$11,569</u>	<u>\$11,960</u>	<u>\$90,696</u>	<u>\$2,781</u>	<u>\$3,480,335</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$0	\$0	\$3,907	\$0	\$181,420
Accrued Wages and Benefits	0	382	5,367	0	45,059
Intergovernmental Payable	0	253	3,603	0	30,611
Interfund Payable	0	0	126,000	0	172,272
Total Liabilities	<u>0</u>	<u>635</u>	<u>138,877</u>	<u>0</u>	<u>429,362</u>
Deferred Inflows of Resources:					
Unavailable Revenue - Other	0	0	0	0	621,446
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>621,446</u>
Fund Balances:					
Nonspendable	0	0	0	0	179,808
Restricted	0	11,325	0	2,781	2,322,581
Committed	11,569	0	0	0	11,569
Unassigned (Deficit)	0	0	(48,181)	0	(84,431)
Total Fund Balances (Deficit)	<u>11,569</u>	<u>11,325</u>	<u>(48,181)</u>	<u>2,781</u>	<u>2,429,527</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$11,569</u>	<u>\$11,960</u>	<u>\$90,696</u>	<u>\$2,781</u>	<u>\$3,480,335</u>

City of Lakewood, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018

	Street and Highway	Litter Control Grant	Law and Drug Enforcement Trust	Federal Forfeiture	Indigent Drivers Alcohol Treatment
REVENUES					
Intergovernmental	\$1,897,052	\$5,000	\$50,693	\$10,000	\$5,723
Interest	0	0	0	1,064	0
Fines and Forfeitures	0	0	7,235	0	6,972
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Special Assessments	9,518	0	0	0	0
All Other Revenues	162,590	0	33,442	0	0
Total Revenues	2,069,160	5,000	91,370	11,064	12,695
EXPENDITURES					
Security of Persons and Property					
Police and Other	0	0	86,532	25,347	0
Public Health Services	0	0	0	0	0
Community Environment	0	5,000	0	0	0
Transportation	2,150,682	0	0	0	0
General Government	0	0	0	0	17,934
Total Expenditures	2,150,682	5,000	86,532	25,347	17,934
Excess of Revenues Over (Under) Expenditures	(81,522)	0	4,838	(14,283)	(5,239)
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	0	0	2,275	0	0
Transfers In	0	0	0	0	0
Transfers Out	(18,750)	0	0	0	0
Total Other Financing Sources (Uses)	(18,750)	0	2,275	0	0
Net Change in Fund Balances	(100,272)	0	7,113	(14,283)	(5,239)
Fund Balances - Beginning of Year	885,623	5,709	121,760	60,437	161,172
Fund Balances - End of Year	\$785,351	\$5,709	\$128,873	\$46,154	\$155,933

(Continued)

City of Lakewood, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2018

	Enforcement and Education	Political Subdivision	Computer Research and Maintenance	Court Special Projects	Court Probation Services
REVENUES					
Intergovernmental	\$0	\$0	\$0	\$0	\$0
Interest	0	0	0	0	0
Fines and Forfeitures	3,100	607	23,517	93,203	26,938
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Special Assessments	0	0	0	0	0
All Other Revenues	700	0	0	0	0
Total Revenues	3,800	607	23,517	93,203	26,938
EXPENDITURES					
Security of Persons and Property					
Police and Other	4,678	0	0	0	0
Public Health Services	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	0	0	0	0	0
General Government	0	0	65,681	48,332	6,976
Total Expenditures	4,678	0	65,681	48,332	6,976
Excess of Revenues Over (Under) Expenditures	(878)	607	(42,164)	44,871	19,962
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	0	0	0	0	0
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balances	(878)	607	(42,164)	44,871	19,962
Fund Balances - Beginning of Year	27,902	18,652	42,422	417,213	85,042
Fund Balances - End of Year	\$27,024	\$19,259	\$258	\$462,084	\$105,004

Indigent Drivers Interlock and Alcohol Monitoring	Emergency Shelter Grant	HOME Investment Program	Neighborhood Stabilization	Office on Aging
\$0	\$212,074	\$324,383	\$0	\$93,209
0	0	0	0	0
12,857	0	0	0	0
0	0	0	0	66,635
0	0	0	0	65,586
0	0	0	0	0
0	0	0	0	0
<u>12,857</u>	<u>212,074</u>	<u>324,383</u>	<u>0</u>	<u>225,430</u>
0	0	0	0	0
0	0	0	0	945,285
0	216,534	121,631	0	0
0	0	0	0	0
1,000	0	0	0	0
<u>1,000</u>	<u>216,534</u>	<u>121,631</u>	<u>0</u>	<u>945,285</u>
<u>11,857</u>	<u>(4,460)</u>	<u>202,752</u>	<u>0</u>	<u>(719,855)</u>
0	0	0	0	0
0	0	0	0	690,000
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>690,000</u>
<u>11,857</u>	<u>(4,460)</u>	<u>202,752</u>	<u>0</u>	<u>(29,855)</u>
<u>118,381</u>	<u>(31,790)</u>	<u>108,467</u>	<u>307,467</u>	<u>33,565</u>
<u>\$130,238</u>	<u>(\$36,250)</u>	<u>\$311,219</u>	<u>\$307,467</u>	<u>\$3,710</u>

(Continued)

City of Lakewood, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2018

	Help-to- Others	Juvenile Diversion	Family to Family	FEMA	Total Nonmajor Special Revenue Funds
REVENUES					
Intergovernmental	\$0	\$10,800	\$379,518	\$0	\$2,988,452
Interest	0	0	0	0	1,064
Fines and Forfeitures	0	0	0	0	174,429
Charges for Services	14,415	0	0	0	81,050
Contributions and Donations	23,966	0	0	0	89,552
Special Assessments	0	0	0	0	9,518
All Other Revenues	0	2,045	0	0	198,777
Total Revenues	<u>38,381</u>	<u>12,845</u>	<u>379,518</u>	<u>0</u>	<u>3,542,842</u>
EXPENDITURES					
Security of Persons and Property					
Police and Other	0	0	0	0	116,557
Public Health Services	0	0	0	0	945,285
Community Environment	38,381	20,036	373,036	0	774,618
Transportation	0	0	0	0	2,150,682
General Government	0	0	0	0	139,923
Total Expenditures	<u>38,381</u>	<u>20,036</u>	<u>373,036</u>	<u>0</u>	<u>4,127,065</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>(7,191)</u>	<u>6,482</u>	<u>0</u>	<u>(584,223)</u>
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	0	0	0	0	2,275
Transfers In	0	0	0	0	690,000
Transfers Out	0	0	0	0	(18,750)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>673,525</u>
Net Change in Fund Balances	0	(7,191)	6,482	0	89,302
Fund Balances - Beginning of Year	11,569	18,516	(54,663)	2,781	2,340,225
Fund Balances - End of Year	<u>\$11,569</u>	<u>\$11,325</u>	<u>(\$48,181)</u>	<u>\$2,781</u>	<u>\$2,429,527</u>

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2018

	Permanent Capital Improvement	Land Acquisition	City Park Improvement	Total Nonmajor Capital Projects Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$2,051,871	\$4,386,659	\$28,720	\$6,467,250
Cash and Cash Equivalents:				
In Segregated Accounts	118,342	0	0	118,342
Assets Held for Resale	-	613,341	-	613,341
Total Assets	\$2,170,213	\$5,000,000	\$28,720	\$7,198,933
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$11,314	\$0	\$0	\$11,314
Retainage Payable	118,342	0	0	118,342
Total Liabilities	129,656	0	0	129,656
Fund Balances:				
Restricted	2,040,557	0	0	2,040,557
Committed	0	5,000,000	28,720	5,028,720
Total Fund Balances	2,040,557	5,000,000	28,720	7,069,277
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$2,170,213	\$5,000,000	\$28,720	\$7,198,933

City of Lakewood, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2018

	Permanent Capital Improvement	Land Acquisition	City Park Improvement	Total Nonmajor Capital Projects Funds
REVENUES				
All Other Revenues	\$0	\$0	\$6,939	\$6,939
Total Revenues	<u>0</u>	<u>0</u>	<u>6,939</u>	<u>6,939</u>
EXPENDITURES				
Capital Outlay	2,752,915	0	2,440	2,755,355
Total Expenditures	<u>2,752,915</u>	<u>0</u>	<u>2,440</u>	<u>2,755,355</u>
Excess of Revenues (Under) Expenditures	<u>(2,752,915)</u>	<u>0</u>	<u>4,499</u>	<u>(2,748,416)</u>
OTHER FINANCING SOURCES				
Bond Anticipation Notes Issued	3,410,000	0	0	3,410,000
Transfer In	172,000	0	0	172,000
Total Other Financing Sources	<u>3,582,000</u>	<u>0</u>	<u>0</u>	<u>3,582,000</u>
Net Change in Fund Balances	829,085	0	4,499	833,584
Fund Balances - Beginning of Year	1,211,472	5,000,000	24,221	6,235,693
Fund Balances - End of Year	<u>\$2,040,557</u>	<u>\$5,000,000</u>	<u>\$28,720</u>	<u>\$7,069,277</u>

Fund Descriptions – Nonmajor Proprietary Funds

Nonmajor Enterprise Funds

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

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

Internal Service Funds

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

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

City of Lakewood, Ohio
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2018

	Parking Facilities	Winterhurst Ice Rink	Total Nonmajor Enterprise Funds
ASSETS			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$781,445	\$42,636	\$824,081
Materials and Supplies Inventory	91,590	0	91,590
Accounts Receivable	0	185,349	185,349
Total Current Assets	873,035	227,985	1,101,020
Noncurrent Assets:			
Net Pension Asset	846	0	846
Capital Assets:			
Land	77,120	10	77,130
Depreciable Capital Assets, Net of Depreciation	665,344	4,313,389	4,978,733
Total Noncurrent Assets	743,310	4,313,399	5,056,709
Total Assets	1,616,345	4,541,384	6,157,729
DEFERRED OUTFLOWS OF RESOURCES			
Deferral on Refunding	0	26,006	26,006
Pension	36,146	0	36,146
OPEB	7,876	0	7,876
Total Deferred Outflows of Resources	44,022	26,006	70,028
LIABILITIES			
Current Liabilities:			
Accounts Payable	45,945	99,776	145,721
Accrued Wages and Benefits	3,020	0	3,020
Intergovernmental Payable	2,081	0	2,081
Interfund Payable	3,024	103,000	106,024
Accrued Interest Payable	199	226	425
General Obligation Bonds Payable	30,000	12,177	42,177
Total Current Liabilities	84,269	215,179	299,448
Noncurrent Liabilities:			
Compensated Absences Payable	7,266	0	7,266
General Obligation Bonds Payable	60,000	72,633	132,633
Net Pension Liability	141,899	0	141,899
Net OPEB Liability	96,888	0	96,888
Total Noncurrent Liabilities	306,053	72,633	378,686
Total Liabilities	390,322	287,812	678,134
DEFERRED INFLOWS OF RESOURCES			
Pension	34,806	0	34,806
OPEB	7,218	0	7,218
Total Deferred Inflows of Resources	42,024	0	42,024
NET POSITION			
Net Investment in Capital Assets	652,464	4,254,595	4,907,059
Unrestricted	575,557	24,983	600,540
Total Net Position	\$1,228,021	\$4,279,578	\$5,507,599

City of Lakewood, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018

	Parking Facilities	Winterhurst Ice Rink	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for Services	\$487,107	\$297,110	\$784,217
Miscellaneous	100	55,000	55,100
Total Operating Revenues	487,207	352,110	839,317
OPERATING EXPENSES			
Salaries	195,220	0	195,220
Property Taxes	40,857	57,365	98,222
Materials and Supplies	1,232	0	1,232
Utilities	24,440	282,110	306,550
Contractual Services	16,445	3,089	19,534
Depreciation	40,012	79,970	119,982
Other	48,587	0	48,587
Total Operating Expense	366,793	422,534	789,327
Operating Income (Loss)	120,414	(70,424)	49,990
NONOPERATING EXPENSES			
Interest and Fiscal Charges	(2,826)	(4,310)	(7,136)
Total Nonoperating Expenses	(2,826)	(4,310)	(7,136)
Transfers In	0	100,004	100,004
Transfers Out	(3,375)	(60,000)	(63,375)
Change in Net Position	114,213	(34,730)	79,483
Net Position - Beginning of Year	1,113,808	4,314,308	5,428,116
Net Position - End of Year	\$1,228,021	\$4,279,578	\$5,507,599

City of Lakewood, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018

	Parking Facilities	Winterhurst Ice Rink	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Charges for Services	\$487,107	\$649,388	\$1,136,495
Cash Received from Other Operating Sources	100	55,000	55,100
Cash Payments for Employee Services and Benefits	(175,214)	0	(175,214)
Cash Payments for Goods and Services	(103,387)	(337,042)	(440,429)
Cash Payments for Other Operating Expenses	(48,587)	0	(48,587)
Net Cash Provided by (Used in) Operating Activities	<u>160,019</u>	<u>367,346</u>	<u>527,365</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advances In	0	43,000	43,000
Advances Out	0	(350,000)	(350,000)
Transfers In	0	100,004	100,004
Transfers Out	(3,375)	(60,000)	(63,375)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(3,375)</u>	<u>(266,996)</u>	<u>(270,371)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Paid on Debt	(30,000)	(95,897)	(125,897)
Interest Paid on Debt	(2,866)	(4,107)	(6,973)
Net Cash Used in Capital and Related Financing Activities	<u>(32,866)</u>	<u>(100,004)</u>	<u>(132,870)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	123,778	346	124,124
Cash and Cash Equivalents - Beginning of Year	657,667	42,290	699,957
Cash and Cash Equivalents - End of Year	<u><u>\$781,445</u></u>	<u><u>\$42,636</u></u>	<u><u>\$824,081</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED IN) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$120,414	(\$70,424)	\$49,990
Adjustments:			
Depreciation	40,012	79,970	119,982
(Increase) Decrease in Assets and Deferred Outflows of Resources:			
Accounts Receivable	0	352,278	352,278
Materials and Supplies Inventory	(14,217)	0	(14,217)
Net Pension Asset	(553)	0	(553)
Deferred Outflows of Resources - Pension	42,526	0	42,526
Deferred Outflows of Resources - OPEB	(6,483)	0	(6,483)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:			
Accounts Payable	(6,196)	5,522	(674)
Accrued Wages and Benefits	226	0	226
Compensated Absences Payable	(503)	0	(503)
Interfund Payable	(220)	0	(220)
Intergovernmental Payable	126	0	126
Net Pension Liability	(60,818)	0	(60,818)
Net OPEB Liability	7,583	0	7,583
Deferred Inflows of Resources - Pension	30,904	0	30,904
Deferred Inflows of Resources - OPEB	7,218	0	7,218
Net Cash Provided by (Used in) Operating Activities	<u><u>\$160,019</u></u>	<u><u>\$367,346</u></u>	<u><u>\$527,365</u></u>

City of Lakewood, Ohio
Combining Statement of Net Position
Nonmajor Internal Service Funds
December 31, 2018

	<u>Hospitalization</u>	<u>Workers' Compensation</u>	<u>Total Nonmajor Internal Service Funds</u>
ASSETS			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$2,955,434	\$590,231	\$3,545,665
Interfund Receivable	610,736	19,713	630,449
Total Assets	<u>3,566,170</u>	<u>609,944</u>	<u>4,176,114</u>
LIABILITIES			
Current Liabilities:			
Claims Payable	\$612,151	\$19,713	\$631,864
Total Current Liabilities	<u>612,151</u>	<u>19,713</u>	<u>631,864</u>
NET POSITION			
Unrestricted	2,954,019	590,231	3,544,250
Total Net Position	<u>\$2,954,019</u>	<u>\$590,231</u>	<u>\$3,544,250</u>

City of Lakewood, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Internal Service Funds
For the Year Ended December 31, 2018

	Hospitalization	Workers' Compensation	Total Nonmajor Internal Service Funds
OPERATING REVENUES			
Charges for Services	\$5,868,540	\$270,343	\$6,138,883
Miscellaneous	940,926	103	941,029
Total Operating Revenues	6,809,466	270,446	7,079,912
OPERATING EXPENSES			
Contractual Services	76,915	92,727	169,642
Claims	6,561,626	258,544	6,820,170
Total Operating Expense	6,638,541	351,271	6,989,812
Operating (Loss)	170,925	(80,825)	90,100
Transfers In	285,164	12,764	297,928
Change in Net Position	456,089	(68,061)	388,028
Net Position - Beginning of Year	2,497,930	658,292	3,156,222
Net Position - End of Year	\$2,954,019	\$590,231	\$3,544,250

City of Lakewood, Ohio
Combining Statement of Cash Flows
Nonmajor Internal Service Funds
For the Year Ended December 31, 2018

	<u>Hospitalization</u>	<u>Workers' Compensation</u>	<u>Total Nonmajor Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Charges for Services	\$5,921,904	\$262,944	\$6,184,848
Cash Received from Other Operating Sources	940,926	103	941,029
Cash Payments for Goods and Services	(76,915)	(92,727)	(169,642)
Cash Payments for Claims	(6,616,595)	(251,145)	(6,867,740)
Net Cash Provided by (Used in) Operating Activities	<u>169,320</u>	<u>(80,825)</u>	<u>88,495</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	<u>285,164</u>	<u>12,764</u>	<u>297,928</u>
Net Cash Provided by Noncapital Financing Activities	<u>285,164</u>	<u>12,764</u>	<u>297,928</u>
Net Increase in Cash and Cash Equivalents	454,484	(68,061)	386,423
Cash and Cash Equivalents - Beginning of Year	<u>2,500,950</u>	<u>658,292</u>	<u>3,159,242</u>
Cash and Cash Equivalents - End of Year	<u><u>\$2,955,434</u></u>	<u><u>\$590,231</u></u>	<u><u>\$3,545,665</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES			
Operating Income (Loss)	\$170,925	(\$80,825)	\$90,100
Adjustments:			
(Increase) Decrease in Assets:			
Interfund Receivable	53,364	(7,399)	45,965
Increase (Decrease) in Liabilities:			
Claims Payable	(54,969)	7,399	(47,570)
Net Cash Provided by (Used) in Operating Activities	<u><u>\$169,320</u></u>	<u><u>(\$80,825)</u></u>	<u><u>\$88,495</u></u>

Fund Descriptions – Fiduciary Funds

Fiduciary Funds

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

Agency Funds

Deposits

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

City of Lakewood, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2018

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$2,870,717</u>	<u>\$43,506,670</u>	<u>\$43,346,901</u>	<u>\$3,030,486</u>
Liabilities				
Deposits Held and Due to Others	<u>\$2,870,717</u>	<u>\$43,506,670</u>	<u>\$43,346,901</u>	<u>\$3,030,486</u>

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

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$6,703,092	\$7,045,607	\$342,515
Municipal Income Taxes	22,053,309	23,882,048	1,828,739
Charges for Services	1,546,473	1,571,480	25,007
Licenses, Permits and Fees	2,641,991	2,107,089	(534,902)
Fines and Forfeitures	1,392,454	1,493,065	100,611
Intergovernmental	2,869,255	3,037,493	168,238
Interest	500,000	1,219,858	719,858
Miscellaneous	557,020	246,621	(310,399)
<i>Total Revenues</i>	<u>38,263,594</u>	<u>40,603,261</u>	<u>2,339,667</u>
Expenditures			
Current:			
General Government:			
Council			
Salaries	151,200	145,381	5,819
Fringe Benefits	39,702	36,758	2,944
Professional Services	17,000	14,164	2,836
Communications	3,300	2,547	753
Materials and Supplies	1,450	93	1,357
Other	2,325	1,435	890
Total Council	<u>214,977</u>	<u>200,378</u>	<u>14,599</u>
Municipal Court			
Salaries	931,336	917,518	13,818
Fringe Benefits	150,597	140,036	10,561
Travel and Transportation	4,082	3,505	577
Professional Services	56,944	39,104	17,840
Communications	45,099	38,617	6,482
Materials and Supplies	22,050	16,694	5,356
Other	24,985	17,731	7,254
Total Municipal Court	<u>1,235,093</u>	<u>1,173,205</u>	<u>61,888</u>
Civil Service			
Salaries	59,376	58,725	651
Fringe Benefits	24,100	23,914	186
Professional Services	37,700	36,848	852
Communications	590	347	243
Materials and Supplies	150	139	11
Other	50	0	50
Total Civil Service	<u>121,966</u>	<u>119,973</u>	<u>1,993</u>

(continued)

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Mayor's Office			
Salaries	\$205,949	\$205,810	\$139
Fringe Benefits	76,888	76,414	474
Travel and Transportation	9,500	4,703	4,797
Professional Services	15,200	13,416	1,784
Communications	1,610	394	1,216
Materials and Supplies	3,225	1,464	1,761
Other	950	616	334
Total Mayor's Office	<u>313,322</u>	<u>302,817</u>	<u>10,505</u>
Human Resources			
Salaries	187,250	185,415	1,835
Fringe Benefits	75,293	72,947	2,346
Travel and Transportation	600	241	359
Professional Services	19,600	15,325	4,275
Communications	800	530	270
Materials and Supplies	2,155	1,908	247
Other	2,730	1,256	1,474
Total Human Resources	<u>288,428</u>	<u>277,622</u>	<u>10,806</u>
Community Relations			
Salaries	71,000	66,477	4,523
Fringe Benefits	42,694	40,318	2,376
Professional Services	9,000	8,190	810
Communications	20,125	17,719	2,406
Contractual Services	5,000	5,000	0
Materials and Supplies	950	530	420
Other	11,600	7,619	3,981
Total Community Relations	<u>160,369</u>	<u>145,853</u>	<u>14,516</u>
Public Works Administration			
Salaries	58,423	56,927	1,496
Fringe Benefits	53,739	53,482	257
Travel and Transportation	1,350	1,067	283
Professional Services	1,750	856	894
Communications	1,025	430	595
Materials and Supplies	900	564	336
Other	650	543	107
Total Public Works Administration	<u>117,837</u>	<u>113,869</u>	<u>3,968</u>
Buildings and Facilities-Security			
Salaries	106,000	99,312	6,688
Fringe Benefits	17,168	15,344	1,824
Total Buildings and Facilities	<u>123,168</u>	<u>114,656</u>	<u>8,512</u>

(continued)

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fleet Management			
Salaries	\$650,650	\$643,043	\$7,607
Fringe Benefits	218,348	212,305	6,043
Travel and Transportation	0	0	0
Professional Services	7,000	6,045	955
Communications	2,425	899	1,526
Contractual Services	33,000	30,696	2,304
Materials and Supplies	674,200	661,410	12,790
Utilities	5,000	3,373	1,627
Other	1,850	1,414	436
Total Fleet Management	<u>1,592,473</u>	<u>1,559,185</u>	<u>33,288</u>
Engineering			
Salaries	54,930	48,296	6,634
Fringe Benefits	53,523	52,862	661
Travel and Transportation	1,075	769	306
Professional Services	1,650	1,436	214
Communications	3,950	2,713	1,237
Contractual Services	13,000	12,619	381
Materials and Supplies	1,900	980	920
Other	3,050	1,169	1,881
Total Engineering	<u>133,078</u>	<u>120,844</u>	<u>12,234</u>
Finance			
Salaries	418,217	415,049	3,168
Fringe Benefits	175,160	169,804	5,356
Travel and Transportation	1,100	191	909
Professional Services	71,675	68,523	3,152
Communications	7,050	5,186	1,864
Materials and Supplies	3,500	3,169	331
Other	4,700	3,415	1,285
Total Finance	<u>681,402</u>	<u>665,337</u>	<u>16,065</u>

(continued)

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Income Tax			
Salaries	\$400,158	\$392,230	\$7,928
Fringe Benefits	156,050	151,245	4,805
Travel and Transportation	4,300	4,294	6
Professional Services	151,600	145,562	6,038
Communications	101,700	91,668	10,032
Contractual Services	1,800	1,750	50
Materials and Supplies	4,300	2,892	1,408
Refunds	515,000	495,300	19,700
Utilities	3,550	2,854	696
Other	100,450	94,396	6,054
Total Income Tax	<u>1,438,908</u>	<u>1,382,191</u>	<u>56,717</u>
Information Systems			
Salaries	328,250	325,434	2,816
Fringe Benefits	111,747	110,144	1,603
Professional Services	43,100	39,216	3,884
Communications	10,850	7,263	3,587
Contractual Services	13,000	12,540	460
Materials and Supplies	103,150	100,109	3,041
Capital Outlay	1,209,850	1,043,942	165,908
Other	485,125	483,330	1,795
Total Information Systems	<u>2,305,072</u>	<u>2,121,978</u>	<u>183,094</u>
General Administration			
Salaries	94,651	94,650	1
Fringe Benefits	22,587	16,253	6,334
Professional Services	261,500	257,377	4,123
Communications	21,000	18,403	2,597
Contractual Services	5,000	1,981	3,019
Materials and Supplies	18,400	7,222	11,178
Insurance	725,015	724,667	348
Other	3,483,401	3,470,494	12,907
Total General Administration	<u>4,631,554</u>	<u>4,591,047</u>	<u>40,507</u>
Law			
Salaries	396,097	385,619	10,478
Fringe Benefits	121,724	118,964	2,760
Travel and Transportation	925	227	698
Professional Services	66,181	66,115	66
Communications	2,223	1,286	937
Materials and Supplies	13,250	10,742	2,508
Other	2,351	2,190	161
Total Law	<u>602,751</u>	<u>585,143</u>	<u>17,608</u>
Total General Government	<u>13,960,398</u>	<u>13,474,098</u>	<u>486,300</u>

(continued)

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Security of Persons and Property:			
Police			
Salaries	\$8,481,680	\$8,428,010	\$53,670
Fringe Benefits	1,733,751	1,727,842	5,909
Professional Services	40,000	36,967	3,033
Communications	86,325	75,245	11,080
Contractual Services	127,000	124,746	2,254
Materials and Supplies	200,100	183,657	16,443
Capital Outlay	39,500	38,679	821
Other	44,000	28,875	15,125
Total Police	<u>10,752,356</u>	<u>10,644,021</u>	<u>108,335</u>
Police Communications			
Salaries	640,934	633,376	7,558
Fringe Benefits	284,779	281,963	2,816
Professional Services	750	0	750
Other	19,751	18,130	1,621
Total Police Communications	<u>946,214</u>	<u>933,469</u>	<u>12,745</u>
School Guards			
Salaries	160,000	150,874	9,126
Fringe Benefits	29,183	26,348	2,835
Other	3,000	1,906	1,094
Total School Guards	<u>192,183</u>	<u>179,128</u>	<u>13,055</u>
Fire			
Salaries	6,719,628	6,695,748	23,880
Fringe Benefits	1,370,244	1,363,465	6,779
Travel and Transportation	5,100	3,381	1,719
Professional Services	17,000	12,985	4,015
Communications	30,050	22,251	7,799
Contractual Services	14,600	14,069	531
Materials and Supplies	150,310	133,878	16,432
Utilities	76,000	63,566	12,434
Other	48,375	44,443	3,932
Total Fire	<u>8,431,307</u>	<u>8,353,786</u>	<u>77,521</u>
Street Lighting			
Other	<u>645,000</u>	<u>607,353</u>	<u>37,647</u>

(continued)

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Animal Control			
Salaries	\$144,552	\$141,444	\$3,108
Fringe Benefits	68,003	67,941	62
Communications	1,000	734	266
Contractual Services	2,800	2,738	62
Materials and Supplies	4,250	3,278	972
Utilities	10,000	8,526	1,474
Other	1,103	366	737
Total Animal Control	<u>231,708</u>	<u>225,027</u>	<u>6,681</u>
<i>Total Security of Persons and Property</i>	<u>21,198,768</u>	<u>20,942,784</u>	<u>255,984</u>
Public Health Services:			
Support of Prisoners			
Salaries	99,988	92,491	7,497
Fringe Benefits	46,982	45,155	1,827
Professional Services	74,000	72,660	1,340
Contractual Services	29,500	27,117	2,383
Materials and Supplies	37,000	30,630	6,370
Total Support of Prisoners	<u>287,470</u>	<u>268,053</u>	<u>19,417</u>
Human Services Administration			
Salaries	162,368	157,699	4,669
Fringe Benefits	54,126	53,288	838
Professional Services	50	19	31
Communications	275	200	75
Materials and Supplies	951	345	606
Other	625	515	110
Total Human Services Administration	<u>218,395</u>	<u>212,066</u>	<u>6,329</u>
<i>Total Public Health Services</i>	<u>505,865</u>	<u>480,119</u>	<u>25,746</u>
Community Environment:			
Housing and Building			
Salaries	817,650	802,934	14,716
Fringe Benefits	356,713	351,564	5,149
Travel and Transportation	925	901	24
Professional Services	80,508	76,555	3,953
Communications	13,910	10,576	3,334
Contractual Services	71,000	70,750	250
Materials and Supplies	8,100	6,593	1,507
Other	26,000	24,965	1,035
Total Housing and Building	<u>1,374,806</u>	<u>1,344,838</u>	<u>29,968</u>

(continued)

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Forestry			
Salaries	\$245,866	\$238,391	\$7,475
Fringe Benefits	104,544	100,654	3,890
Professional Services	1,600	1,515	85
Communications	500	0	500
Contractual Services	75,000	72,957	2,043
Materials and Supplies	28,700	19,819	8,881
Capital Outlay	118,000	117,391	609
Other	550	1	549
Total Forestry	<u>574,760</u>	<u>550,728</u>	<u>24,032</u>
Child Care			
Salaries	44,000	42,316	1,684
Fringe Benefits	22,032	21,431	601
Travel and Transportation	100	20	80
Professional Services	150	50	100
Communications	225	131	94
Materials and Supplies	900	395	505
Other	900	599	301
Total Child Care	<u>68,307</u>	<u>64,942</u>	<u>3,365</u>
Youth			
Salaries	125,272	111,718	13,554
Fringe Benefits	108,953	108,443	510
Communications	2,950	2,391	559
Materials and Supplies	2,400	1,185	1,215
Utilities	6,000	4,643	1,357
Other	3,575	3,180	395
Total Youth	<u>249,150</u>	<u>231,560</u>	<u>17,590</u>
Planning and Development			
Salaries	197,146	191,771	5,375
Fringe Benefits	94,603	90,119	4,484
Travel and Transportation	375	353	22
Professional Services	9,150	9,045	105
Communications	6,850	3,726	3,124
Materials and Supplies	1,450	741	709
Other	1,174,166	1,044,214	129,952
Total Planning and Development	<u>1,483,740</u>	<u>1,339,969</u>	<u>143,771</u>
<i>Total Community Environment</i>	<u>3,750,763</u>	<u>3,532,037</u>	<u>218,726</u>

(continued)

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Basic Utility Services:			
Refuse and Recycling			
Salaries	\$1,605,448	\$1,587,213	\$18,235
Fringe Benefits	697,812	691,571	6,241
Communications	9,775	7,859	1,916
Contractual Services	995,250	907,753	87,497
Materials and Supplies	190,500	170,918	19,582
Utilities	31,000	22,088	8,912
Other	57,451	18,013	39,438
<i>Total Basic Utility Services</i>	<u>3,587,236</u>	<u>3,405,415</u>	<u>181,821</u>
Leisure Time Activities:			
Parks			
Salaries	1,067,214	1,052,687	14,527
Fringe Benefits	451,808	449,927	1,881
Professional Services	5,500	4,915	585
Communications	5,070	3,627	1,443
Contractual Services	87,000	86,347	653
Materials and Supplies	173,900	157,121	16,779
Utilities	222,000	201,296	20,704
Capital Outlay	142,000	138,365	3,635
Other	93,200	91,140	2,060
<i>Total Parks</i>	<u>2,247,692</u>	<u>2,185,425</u>	<u>62,267</u>
Band Concerts			
Professional Services	11,000	10,950	50
<i>Total Band Concerts</i>	<u>11,000</u>	<u>10,950</u>	<u>50</u>
Museums			
Contractual Services	750	457	293
Utilities	3,100	2,563	537
<i>Total Museums</i>	<u>3,850</u>	<u>3,020</u>	<u>830</u>
July 4th Festival			
Salaries	10,703	10,702	1
Fringe Benefits	1,654	1,652	2
Contractual Services	38,848	38,847	1
Materials and Supplies	2,470	2,467	3
<i>Total July 4th Festival</i>	<u>53,675</u>	<u>53,668</u>	<u>7</u>
Tennis Courts			
Utilities	11,750	9,756	1,994
<i>Total Tennis Courts</i>	<u>11,750</u>	<u>9,756</u>	<u>1,994</u>
<i>Total Leisure Time Activities</i>	<u>2,327,967</u>	<u>2,262,819</u>	<u>65,148</u>
<i>Total Expenditures</i>	<u>45,330,997</u>	<u>44,097,272</u>	<u>1,233,725</u>
<i>Excess of Revenues Over Expenditures</i>	<u>(7,067,403)</u>	<u>(3,494,011)</u>	<u>3,573,392</u>

(continued)

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)			
Sale of Capital Assets	\$164,735	\$154,643	(\$10,092)
Advance In	650,000	626,700	(23,300)
Transfers Out	(1,152,930)	(1,152,928)	2
Advance Out	(600,000)	(363,500)	236,500
<i>Total Other Financing Sources (Uses)</i>	<u>(938,195)</u>	<u>(735,085)</u>	<u>203,110</u>
<i>Net Change in Fund Balance</i>	(8,005,598)	(4,229,096)	3,776,502
<i>Fund Balance Beginning of Year</i>	6,444,506	6,444,506	0
<i>Prior Year Encumbrances Appropriated</i>	<u>4,563,616</u>	<u>4,563,616</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,002,524</u></u>	<u><u>\$6,779,026</u></u>	<u><u>\$3,776,502</u></u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Police and Fire Pension Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$2,539,117	\$2,671,629	\$132,512
Intergovernmental	351,712	338,505	(13,207)
<i>Total Revenues</i>	<u>2,890,829</u>	<u>3,010,134</u>	<u>119,305</u>
Expenditures			
Current:			
Security of Persons and Property:			
Fringe Benefits Police	1,590,000	1,556,521	33,479
Fringe Benefits Fire	1,560,000	1,543,009	16,991
<i>Total Expenditures</i>	<u>3,150,000</u>	<u>3,099,530</u>	<u>50,470</u>
<i>Excess of Revenues Over Expenditures</i>	(259,171)	(89,396)	169,775
Other Financing Uses			
Advance In	0	55,000	55,000
<i>Total Other Financing (Uses)</i>	<u>0</u>	<u>55,000</u>	<u>55,000</u>
<i>Net Change in Fund Balance</i>	(259,171)	(34,396)	224,775
<i>Fund Balance Beginning of Year</i>	<u>781,337</u>	<u>781,337</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$522,166</u></u>	<u><u>\$746,941</u></u>	<u><u>\$224,775</u></u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Community Development Block Grant Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$2,117,517	\$2,727,606	\$610,089
Expenditures			
Current:			
Community Environment:			
Salaries	363,300	351,675	11,625
Fringe Benefits	119,216	114,959	4,257
Travel and Transportation	15	14	1
Professional Services	12,891	11,832	1,059
Communications	2,350	1,592	758
Contractual Services	804,154	801,886	2,268
Materials and Supplies	410	222	188
Capital Outlay	1,349,147	1,270,819	78,328
Other	53,032	52,250	782
<i>Total Expenditures</i>	<u>2,704,515</u>	<u>2,605,249</u>	<u>99,266</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(586,998)	122,357	709,355
Other Financing Sources (Uses)			
Advances In	667,818	128,000	(539,818)
Advances Out	(172,201)	(172,200)	(1)
<i>Total Other Financing Sources (Uses)</i>	<u>495,617</u>	<u>(44,200)</u>	<u>(539,819)</u>
<i>Net Change in Fund Balance</i>	(91,381)	78,157	169,538
<i>Fund Balance Beginning of Year</i>	<u>100,733</u>	<u>100,733</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$9,352</u></u>	<u><u>\$178,890</u></u>	<u><u>\$169,538</u></u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Lakewood Hospital Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$9,666,818	\$9,658,573	(\$8,245)
Special Assessments	12,129	13,731	1,602
Intergovernmental	2,200	725	(1,475)
Miscellaneous	1,250	1,900	650
<i>Total Revenues</i>	<u>9,682,397</u>	<u>9,674,929</u>	<u>(7,468)</u>
Expenditures			
Current:			
Security of Persons and Property:			
Fire:			
Salaries	627,782	614,674	13,108
Fringe Benefits	225,208	222,446	2,762
Travel and Transportation	3,400	412	2,988
Professional Services	75,450	71,000	4,450
Communications	3,050	2,092	958
Contractual Services	8,500	8,232	268
Materials and Supplies	73,450	63,337	10,113
Capital Outlay	309,000	301,799	7,201
Other	27,500	24,526	2,974
<i>Total Security of Persons and Property</i>	<u>1,353,340</u>	<u>1,308,518</u>	<u>44,822</u>
Public Health Services:			
Health:			
Salaries	86,700	78,278	8,422
Fringe Benefits	43,044	42,257	787
Professional Services	5,000	4,915	85
Communications	1,250	932	318
Contractual Services	216,580	216,530	50
Materials and Supplies	3,800	2,661	1,139
Utilities	4,850	3,730	1,120
Other	3,600	2,470	1,130
<i>Total Public Health Services</i>	<u>364,824</u>	<u>351,773</u>	<u>13,051</u>

(continued)

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Lakewood Hospital Fund
 For the Year Ended December 31, 2018
 (Continued)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Environment:			
Planning and Development:			
Professional Services	\$304,000	\$290,726	\$13,274
Contractual Services	230,000	229,251	749
Property Taxes	57,259	57,258	1
<i>Total Community Environment</i>	<u>591,259</u>	<u>577,235</u>	<u>14,024</u>
Debt Service:			
Principal Retirement	157,478	141,594	15,884
Interest and Fiscal Charges	25,522	25,522	0
<i>Total Debt Service</i>	<u>183,000</u>	<u>167,116</u>	<u>15,884</u>
<i>Total Expenditures</i>	<u>2,492,423</u>	<u>2,404,642</u>	<u>87,781</u>
<i>Excess of Revenues Over Expenditures</i>	7,189,974	7,270,287	80,313
Other Financing Uses			
Sale of Fixed Assets	0	433,000	433,000
Transfers Out	(1,200)	(900)	300
<i>Total Other Financing Uses</i>	<u>(1,200)</u>	<u>432,100</u>	<u>433,300</u>
<i>Net Change in Fund Balance</i>	7,188,774	7,702,387	513,613
<i>Fund Balance Beginning of Year</i>	<u>10,217,984</u>	<u>10,217,984</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$17,406,758</u></u>	<u><u>\$17,920,371</u></u>	<u><u>\$513,613</u></u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Debt Service Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$2,688,985	\$2,826,371	\$137,386
Intergovernmental	441,991	358,111	(83,880)
Special Assessments	455,176	642,806	187,630
Interest	30,486	93,498	63,012
Miscellaneous	0	7,444	7,444
<i>Total Revenues</i>	<u>3,616,638</u>	<u>3,928,230</u>	<u>311,592</u>
Expenditures			
Current:			
Debt Service:			
Principal Retirement	12,778,111	12,778,108	3
Interest and Fiscal Charges	1,329,838	1,329,342	496
Bond Issuance Costs	208,222	174,785	33,437
<i>Total Expenditures</i>	<u>14,316,171</u>	<u>14,282,235</u>	<u>33,936</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(10,699,533)</u>	<u>(10,354,005)</u>	<u>345,528</u>
Other Financing Sources			
General Obligation Debt Issued	8,749,000	8,577,000	(172,000)
Premium on General Obligation Debt Issued	0	81,432	81,432
Transfers In	2,204,895	2,118,114	(86,781)
<i>Total Other Financing Sources</i>	<u>10,953,895</u>	<u>10,776,546</u>	<u>(177,349)</u>
<i>Net Change in Fund Balance</i>	254,362	422,541	168,179
<i>Fund Balance Beginning of Year</i>	<u>3,347,657</u>	<u>3,347,657</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,602,019</u></u>	<u><u>\$3,770,198</u></u>	<u><u>\$168,179</u></u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Water Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$10,260,899	\$10,555,847	\$294,948
Intergovernmental	2,341,578	662,314	(1,679,264)
Interest	195,212	198,716	3,504
Special Assessments	64,715	61,918	(2,797)
General Obligation Debt Issued	5,790,500	5,940,000	149,500
Premium on General Obligation Debt Issued	27,169	55,284	28,115
Miscellaneous	0	40,000	40,000
<i>Total Revenues</i>	<u>18,680,073</u>	<u>17,514,079</u>	<u>(1,165,994)</u>
Expenses			
Salaries	963,488	929,257	34,231
Fringe Benefits	355,729	349,806	5,923
Professional Services	384,360	368,768	15,592
Communications	96,700	86,128	10,572
Contractual Services	86,050	82,260	3,790
Materials and Supplies	345,370	311,521	33,849
Capital Outlay	2,158,000	1,641,315	516,685
Purchased Water	5,600,000	5,477,097	122,903
Utilities	61,150	46,014	15,136
Other	600,072	575,664	24,408
Debt Service:			
Principal Retirement	4,802,710	4,787,659	15,051
Interest and Fiscal Charges	400,835	397,058	3,777
Bond Issuance Costs	50,000	0	50,000
<i>Total Expenses</i>	<u>15,904,464</u>	<u>15,052,547</u>	<u>851,917</u>
<i>Excess of Revenues Under Expenses before Transfers</i>	2,775,609	2,461,532	(314,077)
Other Financing Uses			
Transfers Out	(11,440)	(11,439)	(1)
<i>Net Change in Fund Equity</i>	2,764,169	2,450,093	(314,078)
<i>Fund Equity Beginning of Year</i>	8,499,236	8,499,236	0
<i>Fund Equity End of Year</i>	<u>\$11,263,405</u>	<u>\$10,949,329</u>	<u>(\$314,078)</u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Sewer Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$1,549,849	\$1,629,038	\$79,189
Intergovernmental	206,754	858,763	652,009
Charges for Services	9,343,487	10,486,441	1,142,954
Interest	12,408	0	(12,408)
Special Assessments	33,844	52,600	18,756
General Obligation Debt Issued	13,664,000	14,360,000	696,000
Premium on General Obligation Debt Issued	30,639	116,414	85,775
Miscellaneous	384,591	21,822	(362,769)
<i>Total Revenues</i>	<u>25,225,572</u>	<u>27,525,078</u>	<u>2,299,506</u>
Expenses			
Salaries	2,246,271	2,219,148	27,123
Fringe Benefits	918,858	913,764	5,094
Travel and Transportation	3,325	1,329	1,996
Professional Services	987,037	978,564	8,473
Communications	5,850	4,008	1,842
Contractual Services	1,327,975	1,308,982	18,993
Materials and Supplies	409,675	361,876	47,799
Capital Outlay	4,635,279	4,314,728	320,551
Utilities	282,000	252,977	29,023
Other	1,045,360	1,041,222	4,138
Debt Service:			
Principal Retirement	11,371,925	11,266,947	104,978
Interest and Fiscal Charges	851,278	780,800	70,478
<i>Total Expenses</i>	<u>24,084,833</u>	<u>23,444,345</u>	<u>640,488</u>
<i>Excess of Revenues Over Expenses before Transfers</i>	1,140,739	4,080,733	2,939,994
Other Financing Uses			
Transfers Out	(1,858,650)	(1,858,650)	0
<i>Net Change in Fund Equity</i>	(717,911)	2,222,083	2,939,994
<i>Fund Equity Beginning of Year</i>	<u>14,238,268</u>	<u>14,238,268</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$13,520,357</u></u>	<u><u>\$16,460,351</u></u>	<u><u>\$2,939,994</u></u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Street and Highway Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$1,818,040	\$1,975,308	\$157,268
Special Assessments	9,868	9,518	(350)
Miscellaneous	106,663	162,590	55,927
<i>Total Revenues</i>	<u>1,934,571</u>	<u>2,147,416</u>	<u>212,845</u>
Expenditures			
Current:			
Transportation:			
Public Works:			
Salaries	1,105,782	1,104,225	1,557
Fringe Benefits	409,329	409,293	36
Professional Services	53,200	47,644	5,556
Communications	7,100	4,067	3,033
Contractual Services	64,000	62,815	1,185
Materials and Supplies	505,868	469,401	36,467
Utilities	48,500	46,959	1,541
Capital Outlay	36,230	36,230	0
Other	1,025	861	164
<i>Total Expenditures</i>	<u>2,231,034</u>	<u>2,181,495</u>	<u>49,539</u>
<i>Excess of Revenues Under Expenditures</i>	(296,463)	(34,079)	262,384
Other Financing Uses			
Transfers Out	(18,751)	(18,750)	(1)
<i>Net Change in Fund Balance</i>	(315,214)	(52,829)	262,385
<i>Fund Balance Beginning of Year</i>	<u>603,822</u>	<u>603,822</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$288,608</u></u>	<u><u>\$550,993</u></u>	<u><u>\$262,385</u></u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Litter Control Grant Fund
 For the Year Ended December 31, 2018*

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

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Law and Drug Enforcement Trust Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$45,000	\$50,693	\$5,693
Fines and Forfeitures	5,596	7,263	1,667
Miscellaneous	0	33,442	33,442
<i>Total Revenues</i>	<u>50,596</u>	<u>91,398</u>	<u>40,802</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police:			
Fringe Benefits	12,000	10,411	1,589
Travel and Transportation	15,750	9,472	6,278
Professional Services	77,500	67,128	10,372
Contractual Services	500	75	425
Materials and Supplies	11,000	10,509	491
Capital Outlay	5,700	5,612	88
Other	11,500	7,246	4,254
<i>Total Expenditures</i>	<u>133,950</u>	<u>110,453</u>	<u>23,497</u>
<i>Excess of Revenue Under Expenditures</i>	(83,354)	(19,055)	64,299
Other Financing Sources			
Sale of Capital Assets	33,343	2,275	(31,068)
<i>Net Change in Fund Balance</i>	(50,011)	(16,780)	33,231
<i>Fund Balance Beginning of Year</i>	154,660	154,660	0
<i>Fund Balance End of Year</i>	<u><u>\$104,649</u></u>	<u><u>\$137,880</u></u>	<u><u>\$33,231</u></u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Federal Forfeiture Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$27,978	\$10,000	(\$17,978)
Interest	0	791	791
<i>Total Revenues</i>	<u>27,978</u>	<u>10,791</u>	<u>(17,187)</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police:			
Capital Outlay	<u>5,000</u>	<u>25,347</u>	<u>(20,347)</u>
<i>Net Change in Fund Balance</i>	22,978	(14,556)	(37,534)
<i>Fund Balance Beginning of Year</i>	<u>60,755</u>	<u>60,755</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$83,733</u></u>	<u><u>\$46,199</u></u>	<u><u>(\$37,534)</u></u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Indigent Drivers Alcohol Treatment Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$14,708	\$6,977	(\$7,731)
Intergovernmental	0	5,723	5,723
<i>Total Revenues</i>	<u>14,708</u>	<u>12,700</u>	<u>(2,008)</u>
Expenditures			
Current:			
General Government:			
Municipal Court:			
Professional Services	49,200	13,964	35,236
Materials and Supplies	4,400	4,400	0
<i>Total Expenditures</i>	<u>53,600</u>	<u>18,364</u>	<u>35,236</u>
<i>Net Change in Fund Balance</i>	(38,892)	(5,664)	33,228
<i>Fund Balance Beginning of Year</i>	<u>161,495</u>	<u>161,495</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$122,603</u></u>	<u><u>\$155,831</u></u>	<u><u>\$33,228</u></u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Enforcement and Education Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$3,187	\$3,116	(\$71)
Miscellaneous	1,200	700	(500)
<i>Total Revenues</i>	<u>4,387</u>	<u>3,816</u>	<u>(571)</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police:			
Contractual Services	6,000	0	6,000
Materials and Supplies	15,000	4,678	10,322
<i>Total Expenditures</i>	<u>21,000</u>	<u>4,678</u>	<u>16,322</u>
<i>Net Change in Fund Balance</i>	(16,613)	(862)	15,751
<i>Fund Balance Beginning of Year</i>	<u>27,586</u>	<u>27,586</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,973</u></u>	<u><u>\$26,724</u></u>	<u><u>\$15,751</u></u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Political Subdivision Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$366	\$628	\$262
Expenditures			
Current:			
General Government:			
Municipal Court:			
Professional Services	18,000	0	18,000
<i>Net Change in Fund Balance</i>	(17,634)	628	18,262
<i>Fund Balance Beginning of Year</i>	18,610	18,610	0
<i>Fund Balance End of Year</i>	\$976	\$19,238	\$18,262

City of Lakewood, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Computer Research and Maintenance Fund
For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$23,690	\$23,740	\$50
Expenditures			
Current:			
General Government:			
Municipal Court:			
Contractual Services	61,000	60,215	785
Materials and Supplies	5,900	5,705	195
<i>Total Expenditures</i>	66,900	65,920	980
<i>Net Change in Fund Balance</i>	(43,210)	(42,180)	1,030
<i>Fund Balance Beginning of Year</i>	43,352	43,352	0
<i>Fund Balance End of Year</i>	\$142	\$1,172	\$1,030

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Court Special Projects Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$93,366	\$93,950	\$584
Expenditures			
Current:			
General Government:			
Municipal Court:			
Salaries	21,000	20,854	146
Fringe Benefits	3,350	3,222	128
Professional Services	5,000	0	5,000
Contractual Services	22,000	20,544	1,456
Materials and Supplies	5,000	2,934	2,066
<i>Total Expenditures</i>	56,350	47,554	8,796
<i>Net Change in Fund Balance</i>	37,016	46,396	9,380
<i>Fund Balance Beginning of Year</i>	410,345	410,345	0
<i>Fund Balance End of Year</i>	\$447,361	\$456,741	\$9,380

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Court Probation Services Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$26,017	\$25,858	(\$159)
Expenditures			
Current:			
General Government:			
Municipal Court:			
Professional Services	10,000	5,970	4,030
Materials and Supplies	500	444	56
<i>Total Expenditures</i>	10,500	6,414	4,086
<i>Net Change in Fund Balance</i>	15,517	19,444	3,927
<i>Fund Balance Beginning of Year</i>	83,809	83,809	0
<i>Fund Balance End of Year</i>	\$99,326	\$103,253	\$3,927

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Indigent Drivers Interlock and Alcohol Monitoring Fund (IDIAM)
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$13,229	\$12,805	(\$424)
Expenditures			
Current:			
General Government:			
Municipal Court:			
Professional Services	5,000	1,000	4,000
<i>Net Change in Fund Balance</i>	8,229	11,805	3,576
<i>Fund Balance Beginning of Year</i>	117,130	117,130	0
<i>Fund Balance End of Year</i>	\$125,359	\$128,935	\$3,576

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Emergency Shelter Grant Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$108,366	\$212,074	\$103,708
Expenditures			
Current:			
Community Environment:			
Planning and Development:			
Salaries	6,000	4,482	1,518
Fringe Benefits	927	690	237
Contractual Services	207,272	206,903	369
<i>Total Expenditures</i>	214,199	212,075	2,124
<i>Excess of Revenues Over (Under) Expenditures</i>	(105,833)	(1)	105,832
Other Financing Sources (Uses)			
Advances In	111,700	11,500	(100,200)
Advances Out	(11,201)	(11,200)	1
<i>Total Other Financing Sources (Uses)</i>	100,499	300	(100,199)
<i>Net Change in Fund Balance</i>	(5,334)	299	5,633
<i>Fund Balance Beginning of Year</i>	9,645	9,645	0
<i>Fund Balance End of Year</i>	\$4,311	\$9,944	\$5,633

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 HOME Investment Program Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$371,981	\$324,383	(\$47,598)
Expenditures			
Current:			
Community Environment:			
Planning and Development:			
Contractual Services	107,945	107,941	4
<i>Total Expenditures</i>	107,945	107,941	4
<i>Excess of Revenues Over Expenditures</i>	264,036	216,442	(47,594)
Other Financing Uses			
Advances In	92,768	0	(92,768)
<i>Net Change in Fund Balance</i>	356,804	216,442	(140,362)
<i>Fund Balance Beginning of Year</i>	109,254	109,254	0
<i>Fund Balance End of Year</i>	\$466,058	\$325,696	(\$140,362)

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Neighborhood Stabilization Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	307,467	307,467	0
<i>Fund Balance End of Year</i>	\$307,467	\$307,467	\$0

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Office on Aging Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$72,057	\$66,635	(\$5,422)
Intergovernmental	102,862	98,008	(4,854)
Contributions and Donations	145,000	65,586	(79,414)
<i>Total Revenues</i>	<u>319,919</u>	<u>230,229</u>	<u>(89,690)</u>
Expenditures			
Current:			
Public Health Services:			
Office on Aging:			
Salaries	557,550	552,448	5,102
Fringe Benefits	238,291	236,481	1,810
Professional Services	1,000	891	109
Communications	14,030	12,689	1,341
Contractual Services	84,400	84,374	26
Materials and Supplies	31,000	29,519	1,481
Utilities	32,300	30,319	1,981
Other	6,751	5,709	1,042
<i>Total Expenditures</i>	<u>965,322</u>	<u>952,430</u>	<u>12,892</u>
<i>Excess of Revenues Under Expenditures</i>	(645,403)	(722,201)	(76,798)
Other Financing Sources			
Transfers In	690,000	690,000	0
<i>Net Change in Fund Balance</i>	44,597	(32,201)	(76,798)
<i>Fund Balance Beginning of Year</i>	74,735	74,735	0
<i>Fund Balance End of Year</i>	<u>\$119,332</u>	<u>\$42,534</u>	<u>(\$76,798)</u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Help-to-Others Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$15,925	\$14,415	(\$1,510)
Contributions and Donations	23,682	23,966	284
<i>Total Revenues</i>	<u>39,607</u>	<u>38,381</u>	<u>(1,226)</u>
Expenditures			
Current:			
Community Environment:			
Youth:			
Salaries	32,000	31,193	807
Fringe Benefits	4,944	4,819	125
Professional Services	75	0	75
Communications	200	52	148
Materials and Supplies	3,350	2,273	1,077
Other	100	44	56
<i>Total Expenditures</i>	<u>40,669</u>	<u>38,381</u>	<u>2,288</u>
<i>Net Change in Fund Balance</i>	(1,062)	0	1,062
<i>Fund Balance Beginning of Year</i>	<u>11,569</u>	<u>11,569</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,507</u></u>	<u><u>\$11,569</u></u>	<u><u>\$1,062</u></u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Juvenile Diversion Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$6,500	\$10,800	\$4,300
Miscellaneous	2,000	2,045	45
<i>Total Revenues</i>	<u>8,500</u>	<u>12,845</u>	<u>4,345</u>
Expenditures			
Current:			
Community Environment:			
Youth Services:			
Salaries	19,000	17,403	1,597
Fringe Benefits	3,000	2,731	269
<i>Total Expenditures</i>	<u>22,000</u>	<u>20,134</u>	<u>1,866</u>
<i>Net Change in Fund Balance</i>	(13,500)	(7,289)	6,211
<i>Fund Balance Beginning of Year</i>	<u>19,249</u>	<u>19,249</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,749</u></u>	<u><u>\$11,960</u></u>	<u><u>\$6,211</u></u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Family to Family Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$266,822	\$341,328	\$74,506
<i>Total Revenues</i>	<u>266,822</u>	<u>341,328</u>	<u>74,506</u>
Expenditures			
Current:			
Community Environment:			
Child Care:			
Salaries	295,800	291,636	4,164
Fringe Benefits	47,045	45,755	1,290
Travel and Transportation	100	29	71
Professional Services	12,284	12,282	2
Communications	4,200	3,801	399
Materials and Supplies	7,979	7,976	3
Utilities	500	238	262
Other	11,545	11,186	359
<i>Total Expenditures</i>	<u>379,453</u>	<u>372,903</u>	<u>6,550</u>
<i>Excess of Revenues Over Expenditures</i>	(112,631)	(31,575)	81,056
Other Financing Sources (Uses)			
Advance In	184,736	126,000	(58,736)
Advance out	(93,300)	(93,300)	0
<i>Total Other Financing Sources (Uses)</i>	<u>91,436</u>	<u>32,700</u>	<u>(58,736)</u>
<i>Net Change in Fund Balance</i>	(21,195)	1,125	22,320
<i>Fund Balance Beginning of Year</i>	<u>24,663</u>	<u>24,663</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,468</u></u>	<u><u>\$25,788</u></u>	<u><u>\$22,320</u></u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 FEMA Fund
 For the Year Ended December 31, 2018*

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

City of Lakewood, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Community Festival Fund
For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Miscellaneous	\$4,000	\$4,000	\$0
Expenditures			
Current:			
General Government:			
Mayor's Office:			
Salaries	4,353	4,352	1
Fringe Benefits	675	673	2
<i>Total Expenditures</i>	5,028	5,025	3
<i>Net Change in Fund Balance</i>	(1,028)	(1,025)	3
<i>Fund Balance Beginning of Year</i>	2,397	2,397	0
<i>Fund Balance End of Year</i>	\$1,369	\$1,372	\$3

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 TIF Bond Retirement Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Payments in Lieu of Taxes	\$630,535	\$920,786	\$290,251
Intergovernmental	36,554	38,575	2,021
<i>Total Revenues</i>	<u>667,089</u>	<u>959,361</u>	<u>292,272</u>
Expenditures			
Current:			
General Government:			
Other	857,395	857,394	1
Debt Service:			
Principal Retirement	325,912	325,911	1
Interest and Fiscal Charges	71,523	71,522	1
<i>Total Expenditures</i>	<u>1,254,830</u>	<u>1,254,827</u>	<u>3</u>
<i>Net Change in Fund Balance</i>	(587,741)	(295,466)	292,275
<i>Fund Balance Beginning of Year</i>	<u>589,307</u>	<u>589,307</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,566</u></u>	<u><u>\$293,841</u></u>	<u><u>\$292,275</u></u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Permanent Capital Improvement Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Current:			
Transportation			
Capital Outlay	<u>\$2,152,000</u>	<u>\$1,964,599</u>	<u>\$187,401</u>
<i>Total Streets and Highways</i>	<u>2,152,000</u>	<u>1,964,599</u>	<u>187,401</u>
Leisure Time Activities			
Capital Outlay	<u>720,000</u>	<u>719,515</u>	<u>485</u>
<i>Total Culture and Recreation</i>	<u>720,000</u>	<u>719,515</u>	<u>485</u>
<i>Total Expenditures</i>	<u>2,872,000</u>	<u>2,684,114</u>	<u>187,886</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,872,000)</u>	<u>(2,684,114)</u>	<u>187,886</u>
Other Financing Sources			
General Obligation Notes Issued	<u>3,210,000</u>	<u>3,410,000</u>	<u>200,000</u>
<i>Net Change in Fund Balance</i>	<u>338,000</u>	<u>725,886</u>	<u>387,886</u>
<i>Fund Balance Beginning of Year</i>	<u>1,444,327</u>	<u>1,444,327</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,782,327</u></u>	<u><u>\$2,170,213</u></u>	<u><u>\$387,886</u></u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Land Acquisition Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Current:			
Community Environment:			
Capital Outlay	<u>650,000</u>	<u>613,341</u>	<u>36,659</u>
<i>Net Change in Fund Balance</i>	<u>(650,000)</u>	<u>(613,341)</u>	<u>36,659</u>
<i>Fund Balance Beginning of Year</i>	<u>5,000,000</u>	<u>5,000,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,350,000</u></u>	<u><u>\$4,386,659</u></u>	<u><u>\$36,659</u></u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 City Park Improvement Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Miscellaneous	\$5,671	\$6,939	\$1,268
Expenditures			
Current:			
Leisure Time Activities:			
Capital Outlay	3,000	2,440	560
<i>Net Change in Fund Balance</i>	2,671	4,499	1,828
<i>Fund Balance Beginning of Year</i>	24,221	24,221	0
<i>Fund Balance End of Year</i>	<u>\$26,892</u>	<u>\$28,720</u>	<u>\$1,828</u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Parking Facilities Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$440,487	\$487,107	\$46,620
Miscellaneous	1,000	100	(900)
<i>Total Revenues</i>	<u>441,487</u>	<u>487,207</u>	<u>45,720</u>
Expenses			
Salaries	144,060	131,414	12,646
Fringe Benefits	46,058	43,800	2,258
Professional Services	10,000	8,403	1,597
Communications	4,200	2,995	1,205
Contractual Services	7,000	5,423	1,577
Materials and Supplies	19,500	15,144	4,356
Utilities	27,000	24,544	2,456
Property Taxes	50,000	46,878	3,122
Other	48,635	48,587	48
Debt Service:			
Principal Retirement	30,000	30,000	0
Interest and Fiscal Charges	2,867	2,866	1
<i>Total Expenses</i>	<u>389,320</u>	<u>360,054</u>	<u>29,266</u>
<i>Excess of Revenues Over (Under) Expenses before Transfers</i>	52,167	127,153	74,986
Transfers Out	<u>(3,375)</u>	<u>(3,375)</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	48,792	123,778	74,986
<i>Fund Equity Beginning of Year</i>	<u>657,667</u>	<u>657,667</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$706,459</u></u>	<u><u>\$781,445</u></u>	<u><u>\$74,986</u></u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Winterhurst Ice Rink Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$331,982	\$649,388	\$317,406
Miscellaneous	0	55,000	55,000
<i>Total Revenues</i>	<u>331,982</u>	<u>704,388</u>	<u>372,406</u>
Expenses			
Contractual Services	3,090	3,089	1
Property Taxes	58,869	58,869	0
Utilities	287,865	275,084	12,781
<i>Total Expenses</i>	<u>349,824</u>	<u>337,042</u>	<u>12,782</u>
<i>Excess of Revenues Over Expenses before Advances and Transfers</i>	(17,842)	367,346	385,188
Advance In	386,257	43,000	(343,257)
Advance Out	(350,000)	(350,000)	0
Transfer Out	(60,000)	(60,000)	0
<i>Total Other Financing Sources(Uses)</i>	<u>(23,743)</u>	<u>(367,000)</u>	<u>(343,257)</u>
<i>Net Change in Fund Equity</i>	(41,585)	346	41,931
<i>Fund Equity Beginning of Year</i>	42,290	42,290	0
<i>Fund Equity End of Year</i>	<u>\$705</u>	<u>\$42,636</u>	<u>\$41,931</u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Hospitalization Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$5,860,000	\$5,921,904	\$61,904
Miscellaneous	1,035,000	940,926	(94,074)
<i>Total Revenues</i>	<u>6,895,000</u>	<u>6,862,830</u>	<u>(32,170)</u>
Expenses			
Professional Services	78,300	76,915	1,385
Claims	7,125,000	6,616,595	508,405
<i>Total Expenses</i>	<u>7,203,300</u>	<u>6,693,510</u>	<u>509,790</u>
<i>Excess of Revenues Under Expenses before Transfers</i>	(308,300)	169,320	477,620
Transfers In	185,164	285,164	100,000
<i>Net Change in Fund Equity</i>	(123,136)	454,484	577,620
<i>Fund Equity Beginning of Year</i>	<u>2,500,950</u>	<u>2,500,950</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$2,377,814</u></u>	<u><u>\$2,955,434</u></u>	<u><u>\$577,620</u></u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Workers' Compensation Fund
 For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$275,000	\$262,944	(\$12,056)
Miscellaneous	1,500	103	(1,397)
<i>Total Revenues</i>	<u>276,500</u>	<u>263,047</u>	<u>(13,453)</u>
Expenses			
Professional Services	30,250	21,938	8,312
Workers' Compensation Premium	72,000	70,789	1,211
Workers' Compensation Claims	256,000	251,145	4,855
<i>Total Expenses</i>	<u>358,250</u>	<u>343,872</u>	<u>14,378</u>
<i>Excess of Revenues Over (Under) Expenses before Transfers</i>	(81,750)	(80,825)	925
Transfers In	12,761	12,764	3
<i>Net Change in Fund Equity</i>	(68,989)	(68,061)	928
<i>Fund Equity Beginning of Year</i>	658,292	658,292	0
<i>Fund Equity End of Year</i>	<u><u>\$589,303</u></u>	<u><u>\$590,231</u></u>	<u><u>\$928</u></u>

STATISTICAL SECTION

City of Lakewood, Ohio

Statistical Section

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

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

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

City of Lakewood, Ohio

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

	<u>2018</u>	<u>2017 (2)</u>	<u>2016</u>	<u>2015 (1)</u>
Governmental Activities				
Net Investment in Capital Assets	\$43,044,549	\$43,075,007	\$42,035,922	\$41,107,537
Restricted:				
Capital Projects	7,069,277	5,024,221	5,061,630	6,501,371
Debt Service	2,838,874	4,385,292	3,308,652	2,151,445
Other Purposes	24,643,384	16,711,939	16,027,847	14,976,729
Unrestricted	<u>(67,478,508)</u>	<u>(66,095,319)</u>	<u>(20,079,817)</u>	<u>(17,026,229)</u>
<i>Total Governmental Activities Net Position</i>	<u>10,117,576</u>	<u>3,101,140</u>	<u>46,354,234</u>	<u>47,710,853</u>
Business - Type Activities				
Net Investment in Capital Assets	58,378,500	59,258,570	55,855,430	54,036,529
Restricted for Debt Service	0	0	25,330	931,832
Restricted for Replacement and Improvement	0	0	196,078	195,701
Unrestricted	<u>23,774,571</u>	<u>19,786,416</u>	<u>19,261,591</u>	<u>14,815,158</u>
<i>Total Business-Type Activities Net Position</i>	<u>82,153,071</u>	<u>79,044,986</u>	<u>75,338,429</u>	<u>69,979,220</u>
Primary Government				
Net Investment in Capital Assets	101,423,049	102,333,577	97,891,352	95,144,066
Restricted	34,551,535	26,121,452	24,619,537	24,757,078
Unrestricted	<u>(43,703,937)</u>	<u>(46,308,903)</u>	<u>(818,226)</u>	<u>(2,211,071)</u>
<i>Total Primary Government Net Position</i>	<u>\$92,270,647</u>	<u>\$82,146,126</u>	<u>\$121,692,663</u>	<u>\$117,690,073</u>

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

(2) Restated due to the implementation of GASB Statement No. 75

Table 1

<u>2014 (1)</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$39,149,696	\$36,587,631	\$35,009,349	\$32,219,436	\$29,616,097	\$26,631,390
5,307,076	981,966	969,500	737,334	948,539	1,656,877
2,513,589	1,993,423	975,150	194,209	1,038,625	658,864
5,373,867	5,620,042	5,898,631	5,130,754	6,279,579	5,316,658
<u>(17,214,472)</u>	<u>25,657,862</u>	<u>15,752,227</u>	<u>13,594,321</u>	<u>8,184,766</u>	<u>5,461,402</u>
<u>35,129,756</u>	<u>70,840,924</u>	<u>58,604,857</u>	<u>51,876,054</u>	<u>46,067,606</u>	<u>39,725,191</u>
49,186,022	49,781,404	47,805,599	43,819,639	43,114,193	41,950,480
976,525	977,430	976,717	1,090,028	1,328,713	1,214,966
195,650	195,585	195,499	195,493	195,474	193,550
<u>15,589,980</u>	<u>13,290,944</u>	<u>10,729,412</u>	<u>10,716,664</u>	<u>9,163,854</u>	<u>8,486,802</u>
<u>65,948,177</u>	<u>64,245,363</u>	<u>59,707,227</u>	<u>55,821,824</u>	<u>53,802,234</u>	<u>51,845,798</u>
88,335,718	86,369,035	82,814,948	76,039,075	72,730,290	68,581,870
14,366,707	9,768,446	9,015,497	7,347,818	9,790,930	9,040,915
<u>(1,624,492)</u>	<u>38,948,806</u>	<u>26,481,639</u>	<u>24,310,985</u>	<u>17,348,620</u>	<u>13,948,204</u>
<u>\$101,077,933</u>	<u>\$135,086,287</u>	<u>\$118,312,084</u>	<u>\$107,697,878</u>	<u>\$99,869,840</u>	<u>\$91,570,989</u>

City of Lakewood, Ohio

Changes in Net Position Accrual Basis of Accounting Last Ten Years

	2018	2017	2016	2015
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$5,276,026	\$5,691,462	\$5,728,112	\$2,417,220
Security of Persons and Property				
Police and Other	56,447	90,516	538,241	1,705,381
Fire	1,764,267	2,390,092	2,342,043	2,434,467
Public Health Services	66,635	65,289	72,057	72,200
Transportation	0	932	0	48,242
Community Environment	460,481	213,266	15,558	1,194,867
Basic Utility Services	0	0	3,500	39,816
Subtotal - Charges for Services	<u>7,623,856</u>	<u>8,451,557</u>	<u>8,699,511</u>	<u>7,912,193</u>
Operating Grants and Contributions:				
General Government	176,735	73,183	0	15,400
Security of Persons and Property				
Police and Other	60,693	55,347	27,668	28,531
Fire	6,925	2,690	77,243	13,905
Public Health Services	154,816	159,083	123,854	6,902,085
Transportation	1,978,606	2,007,041	2,072,014	2,001,462
Leisure Time Activities	0	0	0	2,669
Community Environment	11,435,206	2,896,145	2,554,869	2,878,700
Subtotal - Operating Grants and Contributions	<u>13,812,981</u>	<u>5,193,489</u>	<u>4,855,648</u>	<u>11,842,752</u>
Capital Grants and Contributions:				
Security of Persons and Property - Fire	0	0	0	0
Public Health Services	0	0	617,438	3,296,758
Community Environment	642,806	592,724	412,057	226,337
Transportation	597,287	598,608	89,082	858,161
	<u>1,240,093</u>	<u>1,191,332</u>	<u>1,118,577</u>	<u>4,381,256</u>
<i>Total Governmental Activities Program Revenues</i>	<u>22,676,930</u>	<u>14,836,378</u>	<u>14,673,736</u>	<u>24,136,201</u>
Business-Type Activities:				
Charges for Services:				
Water	10,612,924	10,427,310	10,449,847	10,786,061
Sewer	10,610,832	9,870,965	9,277,971	8,365,370
Parking Facilities	487,107	468,581	487,715	455,700
Winterhurst Ice Rink	297,110	302,710	323,465	351,858
Congregate Living	0	0	0	0
Subtotal - Charges for Services	<u>22,007,973</u>	<u>21,069,566</u>	<u>20,538,998</u>	<u>19,958,989</u>
Operating Grants and Contributions:				
Water	0	0	0	0
Sewer	0	0	0	0
Subtotal - Operating Grants and Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital Grants and Contributions:				
Water	40,109	1,279,891	0	1,171,927
Sewer	387,224	0	0	0
Winterhurst Ice Rink	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>427,333</u>	<u>1,279,891</u>	<u>0</u>	<u>1,171,927</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>22,435,306</u>	<u>22,349,457</u>	<u>20,538,998</u>	<u>21,130,916</u>
<i>Total Primary Government Program Revenues</i>	<u>\$45,112,236</u>	<u>\$37,185,835</u>	<u>\$35,212,734</u>	<u>\$45,267,117</u>

Table 2

2014	2013	2012	2011	2010	2009
\$2,565,467	\$4,696,630	\$3,933,477	\$3,024,201	\$2,529,470	\$4,187,825
1,681,145	41,793	233,865	257,705	265,127	245,685
2,312,807	2,375,131	2,346,537	2,263,974	2,233,515	2,291,431
73,542	86,254	103,489	293,641	248,489	251,665
85,435	48,369	219,863	4,360	28,395	0
1,355,395	344,561	972,416	1,642,224	1,895,118	11,120
43,038	0	0	0	0	0
8,116,829	7,592,738	7,809,647	7,486,105	7,200,114	6,987,726
17,080	3,312	0	765,886	612,272	495,082
74,584	6,946	30,417	432,224	449,353	449,920
37,612	427,779	0	900	3,350	52,013
97,273	111,763	46,779	217,458	246,649	270,604
1,903,634	1,890,684	1,874,122	1,833,219	2,012,270	1,118,195
17,088	0	99,639	0	0	0
3,312,684	3,660,106	2,824,142	3,081,636	4,718,408	4,421,399
5,459,955	6,100,590	4,875,099	6,331,323	8,042,302	6,807,213
0	0	91,166	0	0	0
64,473	79,548	0	0	0	0
0	23,311	48,690	0	0	0
1,029,913	106,505	75,390	0	0	0
1,094,386	209,364	215,246	0	0	0
14,671,170	13,902,692	12,899,992	13,817,428	15,242,416	13,794,939
11,023,493	11,273,817	11,209,329	10,683,491	10,759,734	9,456,618
8,275,152	7,924,286	7,422,740	6,573,925	6,157,686	5,545,675
464,973	425,848	462,300	456,607	434,510	404,180
440,413	181,272	372,284	343,061	563,499	371,631
0	0	0	0	0	0
20,204,031	19,805,223	19,466,653	18,057,084	17,915,429	15,778,104
0	0	0	0	0	416,013
0	0	0	246,194	283,595	272,358
0	0	0	246,194	283,595	688,371
36,000	84,724	566,385	80,560	0	0
84,628	43,996	0	25,536	0	0
0	0	0	0	0	0
120,628	128,720	566,385	106,096	0	0
20,324,659	19,933,943	20,033,038	18,409,374	18,199,024	16,466,475
\$34,995,829	\$33,836,635	\$32,933,030	\$32,226,802	\$33,441,440	\$30,261,414

City of Lakewood, Ohio

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses				
Governmental Activities:				
General Government	\$9,881,664	\$10,314,519	\$10,038,205	\$9,341,967
Security of Persons and Property				
Police and Other	17,242,593	15,229,304	15,636,103	13,677,739
Fire	13,461,208	13,056,945	12,492,447	10,740,998
Public Health Services	1,939,618	1,964,825	1,895,266	1,824,905
Transportation	3,828,421	3,921,229	4,208,095	3,518,156
Community Environment	6,946,597	6,655,555	5,942,684	5,135,801
Basic Utility Services	4,004,891	3,935,756	3,645,449	3,525,439
Leisure Time Activities	2,895,785	2,944,733	2,827,356	2,474,236
Interest and Fiscal Charges	<u>1,396,077</u>	<u>1,961,698</u>	<u>1,453,699</u>	<u>1,293,602</u>
<i>Total Governmental Activities Expenses</i>	<u>61,596,854</u>	<u>59,984,564</u>	<u>58,139,304</u>	<u>51,532,843</u>
Business-Type Activities				
Water	8,848,326	8,977,286	9,792,697	10,437,438
Sewer	9,761,987	7,133,603	6,658,898	6,448,991
Parking Facilities	369,619	427,010	412,670	355,917
Winterhurst Ice Rink	<u>426,844</u>	<u>401,376</u>	<u>474,323</u>	<u>470,683</u>
<i>Total Business-Type Activities Expenses</i>	<u>19,406,776</u>	<u>16,939,275</u>	<u>17,338,588</u>	<u>17,713,029</u>
<i>Total Primary Government Expenses</i>	<u>81,003,630</u>	<u>76,923,839</u>	<u>75,477,892</u>	<u>69,245,872</u>
Net (Expense)/Revenue				
Governmental Activities	(38,919,924)	(45,148,186)	(43,465,568)	(27,396,642)
Business-Type Activities	<u>3,028,530</u>	<u>5,410,182</u>	<u>3,200,410</u>	<u>3,417,887</u>
<i>Total Primary Government Net Expense</i>	<u>(\$35,891,394)</u>	<u>(\$39,738,004)</u>	<u>(\$40,265,158)</u>	<u>(\$23,978,755)</u>

Table 2

2014	2013	2012	2011	2010	2009
\$9,439,522	\$8,498,246	\$9,204,662	\$7,529,571	\$8,423,969	\$7,675,451
13,662,669	12,670,338	11,844,579	11,617,633	12,272,317	12,754,885
10,238,188	10,099,908	9,936,091	9,426,271	9,526,516	10,131,056
1,867,088	1,866,759	1,940,130	2,136,807	2,383,427	2,505,999
3,199,757	2,605,700	2,536,751	1,948,825	3,092,325	2,866,754
5,954,990	4,910,641	4,773,590	5,804,830	6,819,791	6,474,889
3,561,708	3,383,635	3,274,630	3,393,665	3,472,641	3,998,734
2,527,405	2,121,447	1,786,849	3,222,378	1,831,789	1,839,517
1,453,572	1,481,371	1,632,156	1,835,631	1,788,103	2,127,913
<u>51,904,899</u>	<u>47,638,045</u>	<u>46,929,438</u>	<u>46,915,611</u>	<u>49,610,878</u>	<u>50,375,198</u>
9,852,335	9,059,160	10,283,462	9,652,083	9,665,155	9,038,465
6,182,538	6,061,044	5,674,713	5,896,702	6,012,674	5,751,453
319,581	300,332	392,765	349,501	386,946	253,274
461,923	429,550	525,941	571,530	736,397	552,929
<u>16,816,377</u>	<u>15,850,086</u>	<u>16,876,881</u>	<u>16,469,816</u>	<u>16,801,172</u>	<u>15,596,121</u>
<u>68,721,276</u>	<u>63,488,131</u>	<u>63,806,319</u>	<u>63,385,427</u>	<u>66,412,050</u>	<u>65,971,319</u>
(37,233,729)	(33,735,353)	(34,029,446)	(33,098,183)	(34,368,462)	(36,580,259)
<u>3,508,282</u>	<u>4,083,857</u>	<u>3,156,157</u>	<u>1,939,558</u>	<u>1,397,852</u>	<u>870,354</u>
<u>(\$33,725,447)</u>	<u>(\$29,651,496)</u>	<u>(\$30,873,289)</u>	<u>(\$31,158,625)</u>	<u>(\$32,970,610)</u>	<u>(\$35,709,905)</u>

City of Lakewood, Ohio

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

	2018	2017	2016	2015
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$7,032,787	\$6,951,057	\$6,796,884	\$6,619,558
Police and Fire Pension	2,666,767	2,788,459	2,577,331	2,512,111
Debt Service	2,821,228	2,635,788	2,726,623	2,666,760
Payments in Lieu of Taxes	941,486	521,296	499,544	448,815
Municipal Income Taxes levied for:				
General Purposes	24,888,422	21,338,449	23,236,281	22,563,434
Grants and Entitlements not Restricted to Specific Programs	3,662,605	3,551,342	3,685,616	3,719,128
Investment Income	1,242,399	407,277	192,986	100,437
Gain from Sale of Capital Assets-Gov	381,525	0	0	14,776
Miscellaneous	465,681	424,698	914,982	453,344
<i>Total Governmental Activities</i>	<u>44,102,900</u>	<u>38,618,366</u>	<u>40,630,247</u>	<u>39,098,363</u>
Business-Type Activities				
Property Taxes Levied For:				
Sewer	1,626,074	1,607,149	1,571,541	1,530,516
Grants and Entitlements not Restricted to Specific Programs	0	66,504	1,686,943	643,502
Investment Income	170,019	168,199	52,435	40,366
Miscellaneous	116,922	267,586	326,582	96,122
<i>Total Business-Type Activities</i>	<u>1,913,015</u>	<u>2,109,438</u>	<u>3,637,501</u>	<u>2,310,506</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>46,015,915</u>	<u>40,727,804</u>	<u>44,267,748</u>	<u>41,408,869</u>
Transfers				
Governmental Activities	1,833,460	1,713,362	1,478,702	1,697,350
Business-Type Activities	<u>(1,833,460)</u>	<u>(1,713,362)</u>	<u>(1,478,702)</u>	<u>(1,697,350)</u>
Restatements				
Governmental Activities	0	0	0	(817,974)
Business-Type Activities	0	0	0	0
<i>Total Restatements Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(817,974)</u>
Change in Net Position				
Governmental Activities	7,016,436	(4,816,458)	(1,356,619)	12,581,097
Business-Type Activities	<u>3,068,085</u>	<u>5,806,258</u>	<u>5,359,209</u>	<u>4,031,043</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$10,084,521</u>	<u>\$989,800</u>	<u>\$4,002,590</u>	<u>\$16,612,140</u>

Table 2

2014	2013	2012	2011	2010	2009
\$6,255,782	\$6,560,213	\$6,807,497	\$6,581,357	\$6,857,844	\$7,404,532
2,376,261	2,491,699	2,589,594	2,608,762	2,608,762	2,810,315
2,532,060	2,654,186	2,753,385	2,784,378	2,784,378	2,973,092
494,754	467,984	401,767	355,641	341,399	308,520
21,954,834	21,122,681	20,628,523	19,474,728	19,686,732	19,314,348
3,722,984	10,929,532	5,646,551	5,997,696	6,727,090	6,345,651
49,548	13,857	6,758	8,792	68,060	214,275
17,237	0	130,124	25,308	0	0
387,811	216,560	611,500	713,582	436,670	606,457
37,791,271	44,456,712	39,575,699	38,550,244	39,510,935	39,977,190
1,447,720	1,519,408	1,581,775	1,556,497	1,590,695	1,712,714
218,529	219,013	229,477	0	0	0
18,351	5,055	2,029	2,474	16,338	58,952
260,388	225,511	98,515	162,210	78,032	533,806
1,944,988	1,968,987	1,911,796	1,721,181	1,685,065	2,305,472
39,736,259	46,425,699	41,487,495	40,271,425	41,196,000	42,282,662
1,470,815	1,514,708	1,182,550	1,041,754	1,073,981	2,084,161
(1,470,815)	(1,514,708)	(1,182,550)	(1,041,754)	(1,073,981)	(2,084,161)
(37,739,525)	0	0	(685,367)	125,961	0
(2,279,641)	0	0	(599,395)	(52,500)	0
(40,019,166)	0	0	(1,284,762)	73,461	0
(37,990,809)	12,236,067	6,728,803	5,209,053	6,342,415	5,481,092
1,702,814	4,538,136	3,885,403	2,019,590	1,956,436	1,091,665
(\$36,287,995)	\$16,774,203	\$10,614,206	\$7,228,643	\$8,298,851	\$6,572,757

City of Lakewood, Ohio

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

	2018	2017	2016	2015
General Fund				
Reserved	\$0	\$0	\$0	\$0
Unreserved	0	0	0	0
Nonspendable	1,387,909	1,615,269	1,528,257	1,465,171
Assigned	6,026,716	6,640,100	5,221,363	3,861,300
Unassigned	7,443,450	6,258,106	7,480,460	9,506,549
Total General Fund	<u>14,858,075</u>	<u>14,513,475</u>	<u>14,230,080</u>	<u>14,833,020</u>
All Other Governmental Funds				
Reserved	0	0	0	0
Unreserved, Undesignated (Deficit), Reported in:				
Special Revenue Funds	0	0	0	0
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	0	0
Nonspendable	181,493	94,824	185,420	119,403
Restricted	30,008,835	20,638,400	19,141,481	6,992,095
Committed	5,040,289	5,035,790	5,073,199	15,572,469
Unassigned (Deficit)	(84,431)	(170,365)	(64,133)	(35,159)
Total All Other Governmental Funds	<u>35,146,186</u>	<u>25,598,649</u>	<u>24,335,967</u>	<u>22,648,808</u>
Total Governmental Funds	<u>\$50,004,261</u>	<u>\$40,112,124</u>	<u>\$38,566,047</u>	<u>\$37,481,828</u>

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

Table 3

2014	2013	2012	2011	2010	2009
\$0	\$0	\$0	\$0	\$0	\$1,156,884
0	0	0	0	0	3,642,880
1,203,968	1,177,098	646,379	631,634	647,847	0
5,768,149	3,128,964	1,943,879	1,103,061	950,918	0
8,165,507	13,722,092	7,101,028	7,168,275	4,966,043	0
<u>15,137,624</u>	<u>18,028,154</u>	<u>9,691,286</u>	<u>8,902,970</u>	<u>6,564,808</u>	<u>4,799,764</u>
0	0	0	0	0	2,294,622
0	0	0	0	0	2,957,115
0	0	0	0	0	1,282,628
0	0	0	0	0	1,467,157
58,799	114,906	200,891	170,573	187,494	0
8,439,921	7,521,893	6,115,764	5,865,238	7,043,077	0
6,070,832	968,587	786,167	853,414	663,681	0
<u>(31,552)</u>	<u>(19,268)</u>	<u>(81,533)</u>	<u>(31,316)</u>	<u>(158,907)</u>	<u>0</u>
<u>14,538,000</u>	<u>8,586,118</u>	<u>7,021,289</u>	<u>6,857,909</u>	<u>7,735,345</u>	<u>8,001,522</u>
<u>\$29,675,624</u>	<u>\$26,614,272</u>	<u>\$16,712,575</u>	<u>\$15,760,879</u>	<u>\$14,300,153</u>	<u>\$12,801,286</u>

City of Lakewood, Ohio

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

	2018	2017	2016	2015
Revenues				
Property Taxes	\$12,543,607	\$12,271,930	\$12,203,722	\$11,708,269
Payments in Lieu of Taxes	920,786	580,535	482,858	456,077
Municipal Income Taxes	24,470,492	23,530,264	22,890,653	22,391,110
Charges for Services	3,853,981	4,360,503	4,187,477	3,992,662
Fees, Licenses, and Permits	2,107,089	2,559,886	2,732,469	2,024,622
Fines and Forfeitures	1,713,606	1,602,093	1,645,823	1,917,593
Intergovernmental	9,343,582	8,698,712	8,568,620	9,496,036
Special Assessments	666,055	613,120	395,611	258,041
Interest	1,242,399	407,315	192,986	100,437
Contributions and Miscellaneous	8,455,233	527,221	1,558,842	9,899,156
<i>Total Revenues</i>	<u>65,316,830</u>	<u>55,151,579</u>	<u>54,859,061</u>	<u>62,244,003</u>
Expenditures				
Current:				
General Government	10,227,462	10,993,061	9,067,631	8,781,381
Security of Persons and Property				
Police and Other	14,298,247	14,031,309	13,342,497	12,593,009
Fire	11,179,855	10,810,454	10,892,695	9,663,938
Public Health Services	1,769,528	1,727,408	1,703,110	1,699,832
Transportation	2,150,682	2,045,750	2,120,232	2,091,066
Community Environment	6,482,930	6,130,893	5,770,256	5,078,451
Basic Utilities Services	3,463,882	3,239,444	3,046,025	3,020,504
Leisure Time Activities	2,293,867	2,246,306	2,238,870	1,952,458
Capital Outlay	4,551,101	3,915,901	6,313,597	8,018,007
Debt Service:				
Principal Retirement	12,991,670	8,229,099	17,052,154	14,166,854
Interest and Fiscal Charges	1,416,996	1,260,832	1,456,894	1,348,516
Bond Issuance Costs	50,475	91,568	139,703	21,556
<i>Total Expenditures</i>	<u>70,876,695</u>	<u>64,722,025</u>	<u>73,143,664</u>	<u>68,435,572</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,559,865)</u>	<u>(9,570,446)</u>	<u>(18,284,603)</u>	<u>(6,191,569)</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	0	16,969,120	0
Refunding Bonds Issued	0	5,745,000	0	0
Bond Anticipation Notes	11,987,000	8,577,000	4,099,000	13,535,000
Refunding Bond Anticipation Notes	0	0	0	0
Premium on Debt Issuance	81,432	67,870	1,456,752	109,332
Sale of Capital Assets	589,918	191,967	189,405	14,776
Inception of Capital Lease	1,258,120	1,657,000	1,217,224	1,890,000
Current Refunding	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	(5,843,741)	(4,694,833)	0
Transfers In	4,698,253	4,745,608	4,363,018	5,173,697
Transfers Out	(3,162,721)	(4,024,181)	(4,230,864)	(6,725,032)
<i>Total Other Financing Sources (Uses)</i>	<u>15,452,002</u>	<u>11,116,523</u>	<u>19,368,822</u>	<u>13,997,773</u>
<i>Restatements</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$9,892,137</u>	<u>\$1,546,077</u>	<u>\$1,084,219</u>	<u>\$7,806,204</u>
Debt Service as a Percentage of Noncapital Expenditures	22.1%	16.0%	27.5%	25.8%

Table 4

2014	2013	2012	2011	2010	2009
\$11,379,654	\$11,650,884	\$12,041,251	\$12,041,503	\$12,301,006	\$13,194,723
489,379	483,679	379,614	328,790	341,399	308,520
21,158,365	20,119,636	19,542,235	18,766,179	17,850,439	18,355,581
3,937,040	3,831,150	3,396,958	4,036,644	3,578,550	3,598,946
2,203,740	1,962,750	2,351,660	1,630,554	1,886,868	1,823,254
1,913,424	1,695,082	1,811,478	1,814,547	1,690,587	1,592,897
11,422,657	15,904,055	10,383,636	11,984,530	14,727,449	13,197,654
73,672	31,511	75,390	4,360	47,459	24,642
49,548	13,857	6,758	8,792	68,060	214,275
575,734	901,706	936,797	824,613	544,005	724,928
<u>53,203,213</u>	<u>56,594,310</u>	<u>50,925,777</u>	<u>51,440,512</u>	<u>53,035,822</u>	<u>53,035,420</u>
8,838,958	8,029,518	9,147,337	7,691,955	8,149,714	7,875,387
12,339,318	11,955,911	12,000,737	12,223,002	12,069,033	12,220,039
9,480,970	9,355,592	9,299,325	9,197,428	9,282,338	9,662,410
1,742,634	1,755,943	1,914,502	2,268,579	2,281,603	2,428,498
1,915,695	1,880,557	1,768,040	2,151,849	1,867,759	1,704,157
5,797,278	4,829,707	4,559,327	6,084,834	6,727,225	6,250,805
3,068,909	2,966,538	3,012,214	3,331,914	3,150,020	3,699,636
2,141,599	1,768,169	1,510,669	1,732,556	1,542,088	1,513,654
5,501,475	2,446,578	3,870,084	3,022,809	760,521	6,842,067
9,855,339	7,457,812	11,002,721	11,686,748	11,949,421	4,087,490
1,414,906	1,487,391	1,536,273	1,734,982	1,830,823	2,085,801
40,184	18,201	81,512	114,820	0	0
<u>62,137,265</u>	<u>53,951,917</u>	<u>59,702,741</u>	<u>61,241,476</u>	<u>59,610,545</u>	<u>58,369,944</u>
<u>(8,934,052)</u>	<u>2,642,393</u>	<u>(8,776,964)</u>	<u>(9,800,964)</u>	<u>(6,574,723)</u>	<u>(5,334,524)</u>
0	0	0	10,845,268	0	0
0	0	3,097,661	0	0	0
10,187,000	6,202,000	5,896,000	1,948,000	7,771,000	7,771,000
0	0	3,427,889	0	0	0
78,314	41,474	137,491	62,105	0	0
17,237	11,656	130,124	25,308	0	0
1,881,855	1,044,967	974,285	1,487,326	0	2,175,159
0	0	0	0	0	(7,771,000)
0	0	(3,497,340)	(3,048,069)	0	0
9,021,394	4,573,048	4,286,718	2,777,968	4,000,770	13,561,547
<u>(9,190,396)</u>	<u>(4,613,841)</u>	<u>(4,724,168)</u>	<u>(2,836,216)</u>	<u>(4,118,272)</u>	<u>(11,696,386)</u>
<u>11,995,404</u>	<u>7,259,304</u>	<u>9,728,660</u>	<u>11,261,690</u>	<u>7,653,498</u>	<u>4,040,320</u>
0	0	0	0	0	0
<u>\$3,061,352</u>	<u>\$9,901,697</u>	<u>\$951,696</u>	<u>\$1,460,726</u>	<u>\$1,078,775</u>	<u>(\$1,294,204)</u>
20.0%	17.4%	22.6%	23.9%	23.1%	11.7%

City of Lakewood, Ohio

Assessed Valuations and Estimated Actual Values of Taxable Property

Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value			Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
2018	\$733,342,730	\$161,774,040	\$2,557,476,486	\$17,973,670	\$20,424,625
2017	732,178,570	152,339,630	2,527,194,857	16,851,640	19,149,591
2016	731,662,600	147,852,940	2,512,901,543	15,963,540	18,140,386
2015	680,844,680	157,134,520	2,394,226,286	15,756,170	17,904,739
2014	682,865,970	154,516,560	2,392,521,514	15,184,670	17,255,307
2013	685,183,640	154,358,840	2,398,692,800	13,754,200	15,629,773
2012	721,599,290	163,222,160	2,528,061,286	12,758,240	14,498,000
2011	727,775,410	166,733,970	2,555,741,086	12,400,630	14,091,625
2010	728,076,240	167,461,630	2,558,679,629	12,391,260	14,080,977
2009	779,592,560	179,148,740	2,739,260,857	10,241,580	11,638,159

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.50 for 2007, 6.25 percent for 2008 zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local interexchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010). During 2011, the City did not include an assessed value for general business tangible personal property.

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

Source: Cuyahoga County, Ohio; Fiscal Officer

Table 5

Tangible Personal Property		Total		Ratio	Tax Rate per \$1,000 of Assessed Value
General Business					
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$0	\$0	\$913,090,440	\$2,577,901,111	35.42 %	\$17.40
0	0	901,369,840	2,546,344,448	35.40	17.40
0	0	895,479,080	2,531,041,929	35.38	17.40
0	0	853,735,370	2,412,131,025	35.39	17.40
0	0	852,567,200	2,409,776,821	35.38	17.40
0	0	853,296,680	2,414,322,573	35.34	17.40
0	0	897,579,690	2,542,559,286	35.30	17.40
0	0	906,910,010	2,569,832,711	35.29	17.40
0	0	907,929,130	2,572,760,606	35.29	17.40
3,507,600	28,060,800	972,490,480	2,778,959,816	34.99	17.40

City of Lakewood, Ohio

Property Tax Rates – Direct and Overlapping Governments

(Per \$1,000 of Assessed Valuation)

Last Ten Years

	2018	2017	2016	2015
Charter Millage				
Sinking Fund	\$3.4700	\$3.4700	\$3.4700	\$3.4700
1976 Charter/Current Expenses	8.6500	8.6500	8.6500	8.6500
1976 Charter/Fire	1.6800	1.6800	1.6800	1.6800
1976 Charter/Police	1.6000	1.6000	1.6000	1.6000
1976 Charter/Sewer	2.0000	2.0000	2.0000	2.0000
Total Charter Millage	\$17.4000	\$17.4000	\$17.4000	\$17.4000
Overlapping Rates by Taxing District				
Lakewood City School District				
Residential/Agricultural Real	\$62.9457	\$62.8527	\$62.8665	\$62.8665
Commercial/Industrial and Public Utility Real	82.8867	83.6793	83.6381	83.6381
General Business and Public Utility Personal	122.7300	122.7300	122.7300	122.7300
Cuyahoga County Council (1)				
Residential/Agricultural Real	18.4840	17.9391	17.9255	17.9255
Commercial/Industrial and Public Utility Real	18.6092	18.1176	18.1676	18.1676
General Business and Public Utility Personal	18.6800	18.1800	18.1800	18.1800
Special Taxing Districts (2)				
Residential/Agricultural Real	9.0668	5.0597	5.0611	5.0611
Commercial/Industrial and Public Utility Real	9.1573	5.7281	5.7342	5.7342
General Business and Public Utility Personal	9.5500	6.2500	6.2500	6.2500

Source: Cuyahoga County, Ohio; Fiscal Officer

Note:

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

Charter millage is consistently applied to all types of property as opposed to the voted levies of the overlapping taxing districts.

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

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

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

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

Table 6

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$3.4700	\$3.4700	\$3.4700	\$3.4700	\$3.4700	\$3.4700
8.6500	8.6500	8.6500	8.6500	8.6500	8.6500
1.6800	1.6800	1.6800	1.6800	1.6800	1.6800
1.6000	1.6000	1.6000	1.6000	1.6000	1.6000
2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
<u>\$17.4000</u>	<u>\$17.4000</u>	<u>\$17.4000</u>	<u>\$17.4000</u>	<u>\$17.4000</u>	<u>\$17.4000</u>

\$66.6502	\$66.5450	\$58.5508	\$56.6894	\$56.4019	\$48.8809
80.8677	80.9159	72.8585	70.3761	69.8953	62.3184
123.2300	123.2300	115.4000	115.4000	115.4000	107.9000

18.1643	17.2639	16.4335	16.3035	16.3660	15.8789
18.1228	17.1291	16.1672	15.9138	15.9620	15.5327
18.1800	17.2800	16.4500	16.4500	16.5500	16.2500

4.6000	4.6000	4.3544	4.1938	4.1657	4.1608
5.5100	5.5100	4.5847	4.3906	4.3529	4.3492
6.2500	6.2500	5.3500	5.3500	5.3500	5.3500

City of Lakewood, Ohio

Property Tax Levies and Collections (1)

Last Ten Years

Table 7

Collection Year	Current Tax Levy (2)	Current Tax Collections (2)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes (3)	Percentage of Delinquent Taxes To Total Tax Levy
2018	\$16,576,973	\$16,304,937	98.36 %	\$584,221	\$16,889,158	101.88 %	\$1,110,376	6.70 %
2017	16,266,129	15,634,829	96.12	610,010	16,244,839	99.87	1,022,772	6.29
2016	16,213,190	15,626,283	96.38	493,211	16,119,494	99.42	979,496	6.04
2015	15,471,979	14,809,313	95.72	609,457	15,418,770	99.66	956,527	6.18
2014	15,384,597	14,499,281	94.25	507,587	15,006,868	97.54	1,006,208	6.54
2013	15,366,857	14,631,052	95.21	751,131	15,382,183	100.10	998,640	6.50
2012	16,076,676	15,291,655	95.12	688,402	15,980,057	99.40	1,224,804	7.62
2011	16,135,708	15,259,060	94.57	565,338	15,824,398	98.07	1,244,407	7.71
2010	16,154,477	15,383,763	95.23	641,045	16,024,808	99.20	1,214,467	7.52
2009	17,211,840	16,061,636	93.32	697,562	16,759,198	97.37	1,285,160	7.47

Source: Cuyahoga County, Ohio; Fiscal Officer

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

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

City of Lakewood, Ohio

Principal Taxpayers – Real Estate Tax

2018 and 2009

Table 8

Taxpayer	2018	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Company	\$12,980,350	1.45 %
Lakewood Senior Campus	2,933,050	0.33
American Transmission System	2,972,550	0.33
Castlewood Association	2,055,350	0.23
Marine Towers	1,974,070	0.22
12000 Edgewater Drive Ltd.	1,924,200	0.21
East Ohio Gas Co	1,973,840	0.22
Imperial House Apartments LLC	1,910,520	0.21
Shoreham Apartments	1,796,800	0.20
LRC-G Lakewood, LLC	1,767,090	0.20
Total	\$32,287,820	3.61 %
Total Real Property Assessed Valuation	\$895,116,770	
Taxpayer	2009	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Company	\$10,204,800	1.06 %
14600 Detroit Avenue	5,057,510	0.53
Lakewood Senior Campus	3,437,960	0.36
Lakewood Senior Citizens, Inc.	2,262,440	0.24
Wildcat II, LLC	2,026,630	0.21
Marine Towers West	2,011,980	0.21
12000 Edgewater Ltd.	1,901,930	0.20
Lakewood Health Care	1,863,930	0.19
Castlewood Association	1,820,010	0.19
Lakewood Association L.P.	1,780,700	0.19
Total	\$32,367,890	3.38 %
Total Real Property Assessed Valuation	\$958,741,300	

Source: Cuyahoga County, Ohio; Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2018 and 2009 collections were based.

City of Lakewood, Ohio

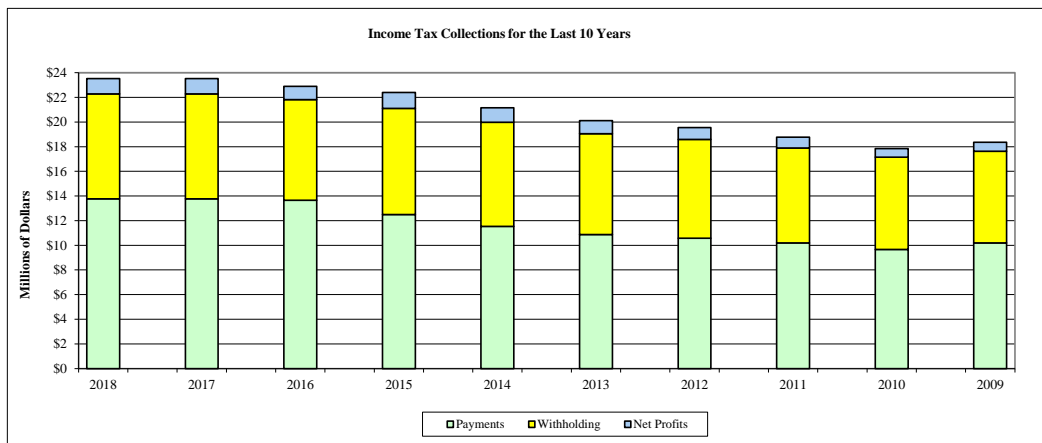
Income Tax Revenue Base and Collections (Cash Basis)

Last Ten Years

Table 9

Tax Year	Tax Rate	Total Tax Collected (1)	Taxes From Individual Payments	Percentage of Taxes From Individual Payments	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits	Percentage of Taxes From Net Profits
2018	1.50%	\$24,470,492	\$13,901,687	56.81%	\$9,169,093	37.47%	\$1,399,712	5.72%
2017	1.50	23,530,405	13,769,110	58.52	8,516,073	36.19	1,245,222	5.29
2016	1.50	22,890,653	13,647,407	59.62	8,169,674	35.69	1,073,572	4.69
2015	1.50	22,391,110	12,489,761	55.78	8,613,860	38.47	1,287,489	5.75
2014	1.50	21,158,365	11,535,541	54.52	8,452,767	39.95	1,170,057	5.53
2013	1.50	20,119,636	10,877,178	54.06	8,175,944	40.64	1,066,514	5.30
2012	1.50	19,542,235	10,574,337	54.11	8,008,136	40.98	959,762	4.91
2011	1.50	18,766,179	10,191,507	54.31	7,696,981	41.02	877,691	4.67
2010	1.50	17,850,439	9,656,284	54.10	7,484,885	41.93	709,270	3.97
2009	1.50	18,355,581	10,199,250	55.56	7,422,370	40.44	733,961	4.00

- (1) Modified Accrual Basis
- (2) The City is statutorily prohibited from presenting individual taxpayer information.
- (3) The City's basic income tax rate may only be increased by a majority vote of City residents.



City of Lakewood, Ohio

Ratio of Outstanding Debt by Type

Last Ten Years

Table 10

Year	Governmental Activities	Business Activities	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt	Net General Bonded Debt as a Percentage of Estimated Taxable Value of Property (1)	Net General Bonded Debt Per Capita (2)	Other Governmental Activities Debt			
	General Obligation Bonds (4)	General Obligation Bonds (4)					Special Assessment Bonds	OPWC Loans	Capital Leases	Long-term Bond Anticipation Notes (5)
2018	\$29,016,850	\$23,135,335	(\$2,838,874)	\$49,313,311	1.91 %	\$945.95	\$0	\$0	\$6,177,769	\$12,005,729
2017	31,762,253	24,902,427	(4,385,292)	52,279,388	2.07	1,002.85	0	30,800	6,649,243	8,595,326
2016	34,201,316	26,749,900	(3,333,982)	57,617,234	2.28	1,105.24	0	61,600	6,740,329	4,105,445
2015	22,422,104	5,286,175	(3,083,277)	24,625,002	1.02	472.37	0	92,400	7,124,505	13,563,426
2014	25,000,846	5,955,404	(3,490,114)	27,466,136	1.14	526.87	0	123,200	6,632,198	10,209,711
2013	27,071,563	6,503,575	(2,970,853)	30,604,285	1.27	587.06	0	154,000	5,943,223	6,442,028
2012	29,444,981	7,153,314	(1,951,867)	34,646,428	1.36	664.60	0	184,800	6,015,960	3,956,143
2011	32,266,849	8,224,427	(1,284,237)	39,207,039	1.53	752.09	0	215,600	6,122,214	1,948,000
2010	27,304,917	9,222,488	(2,367,338)	34,160,067	1.33	655.27	0	246,400	5,574,518	7,771,000
2009	30,278,657	10,268,175	(1,873,830)	38,673,002	1.39	741.84	0	277,200	6,445,401	7,771,000

Business-Type Activities								
Year	General Obligation Bonds (4)	Revenue Bonds	Bond Anticipation Notes (5)	Capital Leases	OPWC/OWDA Loans	Total Debt (3)	Percentage of Personal Income (2)	Per Capita (2)
2018	\$23,135,335	\$0	\$20,339,490	\$4,042,553	\$4,939,125	\$99,656,851	6.96 %	\$1,911.66
2017	24,902,427	0	13,521,853	4,516,901	4,348,352	94,327,155	6.59	1,809.43
2016	26,749,900	865,000	6,495,052	5,261,051	3,453,861	87,933,554	6.14	1,686.78
2015	5,286,175	19,597,866	3,845,140	5,574,807	2,047,894	79,554,317	5.56	1,526.05
2014	5,881,316	20,587,776	1,844,918	4,337,104	2,395,609	77,012,678	5.38	1,477.29
2013	6,503,575	21,535,898	0	2,922,079	2,743,324	73,315,690	5.12	1,406.37
2012	7,153,314	22,443,126	0	2,541,600	3,107,421	74,847,345	5.23	1,435.76
2011	8,224,427	23,304,460	0	2,879,636	3,486,862	78,448,048	5.48	1,504.83
2010	9,222,488	24,610,322	0	1,224,164	3,864,982	79,818,791	5.58	1,409.08
2009	10,268,175	25,865,737	0	1,382,897	4,241,837	86,530,904	6.37	1,527.57

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

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

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

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

(4) General obligation bonds are net of unamortized premiums

(5) Bond Anticipation Notes are net of unamortized premiums

City of Lakewood, Ohio

Legal Debt Margin

Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Overall Legal Debt Limit (10.5% of Assessed Valuation)	\$95,874,496	\$94,643,833	\$94,025,303	\$89,642,214
Net Debt Applicable to Debt Limit	<u>37,761,556</u>	<u>37,273,479</u>	<u>34,019,736</u>	<u>33,445,675</u>
Overall Legal Debt Margin (10.5% of Assessed Valuation)	<u>\$58,112,940</u>	<u>\$57,370,354</u>	<u>\$60,005,567</u>	<u>\$56,196,539</u>
Legal Debt Margin as a Percentage of Debt Limit	<u>60.61%</u>	<u>60.62%</u>	<u>63.82%</u>	<u>62.69%</u>
Unvoted Legal Debt Limit (5.5% of Assessed Valuation)	\$95,874,496	\$50,219,974	\$49,251,349	\$46,955,445
Net Debt Applicable to Debt Limit	<u>37,761,556</u>	<u>37,273,479</u>	<u>34,019,736</u>	<u>33,445,675</u>
Unvoted Legal Debt Margin (5.5% of Assessed Valuation)	<u>\$58,112,940</u>	<u>\$12,946,495</u>	<u>\$15,231,613</u>	<u>\$13,509,770</u>
Legal Debt Margin as a Percentage of Debt Limit	<u>60.61%</u>	<u>25.78%</u>	<u>30.93%</u>	<u>28.77%</u>

Legal Debt Margin Calculation for the Year Ended December 31, 2018

	<u>Overall Margin Within 10.5%</u>	<u>Unvoted Margin Within 5.5%</u>
Assessed property value	<u>\$913,090,440</u>	<u>\$913,090,440</u>
Debt Limitation (percentage of assessed property value)	\$95,874,496	\$50,219,974
Gross Indebtedness:	84,993,124	84,993,124
Less: General Obligation Bonds	(2,180,179)	(2,180,179)
General Obligation Bonds - Enterprise Funds	(20,998,999)	(20,998,999)
Enterprise Notes Payable	(20,300,000)	(20,300,000)
Debt Service Fund	<u>(3,752,390)</u>	<u>(3,752,390)</u>
Net Debt Applicable to Debt Limit	<u>37,761,556</u>	<u>37,761,556</u>
Legal Debt Margin Within Limitations	<u>\$58,112,940</u>	<u>\$12,458,418</u>

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

Table 11

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$89,488,056	\$89,596,151	\$94,245,867	\$95,225,551	\$95,332,559	\$102,111,500
<u>32,642,122</u>	<u>31,554,491</u>	<u>32,392,911</u>	<u>33,491,466</u>	<u>34,466,401</u>	<u>37,460,332</u>
<u>\$56,845,934</u>	<u>\$58,041,660</u>	<u>\$61,852,956</u>	<u>\$61,734,085</u>	<u>\$60,866,158</u>	<u>\$64,651,168</u>
<u>63.52%</u>	<u>64.78%</u>	<u>65.63%</u>	<u>64.83%</u>	<u>63.85%</u>	<u>63.31%</u>
\$46,874,696	\$46,931,317	\$49,366,883	\$49,880,051	\$49,936,102	\$53,486,976
<u>32,642,122</u>	<u>31,554,491</u>	<u>32,392,911</u>	<u>33,491,466</u>	<u>34,466,401</u>	<u>34,466,401</u>
<u>\$14,232,574</u>	<u>\$15,376,826</u>	<u>\$16,973,972</u>	<u>\$16,388,585</u>	<u>\$15,469,701</u>	<u>\$19,020,575</u>
<u>30.36%</u>	<u>32.76%</u>	<u>34.38%</u>	<u>32.86%</u>	<u>30.98%</u>	<u>35.56%</u>

City of Lakewood, Ohio

Computation of Direct and Overlapping Debt Attributable to Governmental Activities

December 31, 2018

Table 12

	Debt Attributable to Governmental Activities	Overlapping Percentage Applicable to Lakewood (1)	Amount of Direct and Overlapping Debt
<u>Direct:</u>			
City of Lakewood			
General Obligation Bonds (2)	\$29,016,850	100.00 %	\$29,016,850
Notes Payable - Long-term (3)	12,005,729	100.00	12,005,729
Capital Leases	<u>6,177,769</u>	100.00	<u>6,177,769</u>
Total Direct Debt	<u>47,200,348</u>		<u>47,200,348</u>
<u>Overlapping Debt:</u>			
Cuyahoga County	188,010,000	3.96	7,439,482
Cuyahoga Community College	212,260,000	3.96	8,399,045
Lakewood City School District	<u>135,746,803</u>	100.00	<u>135,746,803</u>
Total Overlapping Debt	<u>536,016,803</u>		<u>151,585,330</u>
Total	<u>\$583,217,151</u>		<u>\$198,785,678</u>

Source: Cuyahoga County, Ohio; County Fiscal Officer

- (1) Overlapping percentages were calculated by dividing each overlapping government located within the boundaries of the City by the subdivision's total assessed valuation of the government. The valuations were for the 2018 collection year.
- (2) General Obligation bonds are net of unamortized premiums
- (3) Notes Payable - Long-term are net of unamortized premiums



City of Lakewood, Ohio

Pledged Revenue Coverage

Water

Last Ten Years

	2018	2017	2016	2015
Net Available Revenue:				
Gross Revenues (1)	\$10,863,052	\$10,602,226	\$10,471,468	\$10,842,642
Less: Operating Expenses (2)	7,824,989	7,838,515	8,548,106	9,292,198
Net Available Revenue	<u>\$3,038,063</u>	<u>\$2,763,711</u>	<u>\$1,923,362</u>	<u>\$1,550,444</u>
Debt Service OPWC Loans:				
Principal	\$446,895	\$380,904	\$330,153	\$313,229
OPWC Coverage	<u>6.80</u>	<u>7.26</u>	<u>5.83</u>	<u>4.95</u>
Debt Service - Revenue Bonds:				
Principal	0	865,000	18,500	534,039
Interest	0	113,327	61,425	433,008
Revenue Bond Coverage	<u>0.00</u>	<u>2.82</u>	<u>24.06</u>	<u>1.60</u>
Total Debt Service:				
Principal	446,895	1,245,904	515,153	847,268
Interest	0	113,327	61,425	433,008
Total Coverage	<u>6.80</u>	<u>2.03</u>	<u>3.34</u>	<u>1.21</u>

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

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

Table 13

2014	2013	2012	2011	2010	2009
\$11,074,606	\$11,306,665	\$11,214,618	\$10,774,944	\$10,777,249	\$10,385,783
8,717,099	7,975,571	9,190,160	8,128,431	8,468,811	7,812,615
<u>\$2,357,507</u>	<u>\$3,331,094</u>	<u>\$2,024,458</u>	<u>\$2,646,513</u>	<u>\$2,308,438</u>	<u>\$2,573,168</u>
\$313,229	\$332,903	\$313,229	\$313,229	\$313,229	\$313,229
<u>7.53</u>	<u>10.01</u>	<u>6.46</u>	<u>8.45</u>	<u>7.37</u>	<u>8.21</u>
512,252	486,359	465,465	954,572	919,125	868,232
456,823	479,013	500,187	538,959	575,314	608,689
<u>2.43</u>	<u>3.45</u>	<u>2.10</u>	<u>1.77</u>	<u>1.54</u>	<u>1.74</u>
825,481	819,262	778,694	1,267,801	1,232,354	1,181,461
456,823	479,013	500,187	538,959	575,314	608,689
<u>1.84</u>	<u>2.57</u>	<u>1.58</u>	<u>1.46</u>	<u>1.28</u>	<u>1.44</u>

City of Lakewood, Ohio

Pledged Revenue Coverage

Sewer

Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Available Revenue:				
Gross Revenues (1)	\$11,019,878	\$10,114,761	\$12,812,351	\$9,009,122
Less: Operating Expenses (2)	<u>7,750,170</u>	<u>5,503,206</u>	<u>4,842,071</u>	<u>4,902,343</u>
Net Available Revenue	<u><u>\$3,269,708</u></u>	<u><u>\$4,611,555</u></u>	<u><u>\$7,970,280</u></u>	<u><u>\$4,106,779</u></u>
Debt Service OWDA Loans:				
Principal	\$0	\$0	\$0	\$0
Interest	0	0	0	0
OWDA Coverage	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Debt Service - OPWC Loans:				
Principal	55,902	55,902	34,486	34,486
OPWC Coverage	<u>58.49</u>	<u>82.49</u>	<u>231.12</u>	<u>119.09</u>
Debt Service - Revenue Bonds:				
Principal	0	0	0	465,000
Interest	0	0	0	480,613
Revenue Bond Coverage	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4.34</u>
Total Debt Service:				
Principal	55,902	55,902	34,486	499,486
Interest	0	0	0	480,613
Total Coverage	<u>58.49</u>	<u>82.49</u>	<u>231.12</u>	<u>4.19</u>

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

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

Table 14

2014	2013	2012	2011	2010	2009
\$8,643,807	\$8,263,735	\$7,653,452	\$6,849,662	\$6,443,136	\$5,821,972
4,572,164	4,471,397	3,976,850	3,757,052	4,207,534	4,264,238
<u>\$4,071,643</u>	<u>\$3,792,338</u>	<u>\$3,676,602</u>	<u>\$3,092,610</u>	<u>\$2,235,602</u>	<u>\$1,557,734</u>
\$0	\$16,382	\$31,726	\$30,405	\$29,138	\$27,925
0	346	1,731	3,053	4,861	5,333
<u>0.00</u>	<u>226.71</u>	<u>109.89</u>	<u>92.43</u>	<u>65.75</u>	<u>46.84</u>
34,486	34,486	34,486	34,486	34,485	34,485
<u>118.07</u>	<u>109.97</u>	<u>106.61</u>	<u>89.68</u>	<u>64.83</u>	<u>45.17</u>
445,000	430,000	405,000	390,000	375,000	360,000
498,413	515,613	535,863	551,463	566,463	580,863
<u>4.32</u>	<u>4.01</u>	<u>3.91</u>	<u>3.28</u>	<u>2.37</u>	<u>1.66</u>
479,486	480,868	471,212	454,891	438,623	422,410
498,413	515,959	537,594	554,516	571,324	586,196
<u>4.16</u>	<u>3.80</u>	<u>3.64</u>	<u>3.06</u>	<u>2.21</u>	<u>1.54</u>

City of Lakewood, Ohio

Demographic and Economic Statistics

Last Ten Years

Table 15

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Total Assessed Property Value (4)
2018	52,131	\$1,431,100,212	\$27,452	\$43,154	34.9	38.9%	4,947	5.0%	\$913,090,440
2017	52,131	1,431,100,212	27,452	43,154	34.9	38.9	4,886	4.9	901,369,840
2016	52,131	1,431,100,212	27,452	43,154	34.9	38.9	5,026	5.4	895,479,080
2015	52,131	1,431,100,212	27,452	43,154	34.9	38.9	5,308	4.6	853,735,370
2014	52,131	1,431,100,212	27,452	43,154	34.9	38.9	5,192	6.0	852,567,200
2013	52,131	1,431,100,212	27,452	43,154	34.9	38.9	5,833	7.2	853,296,680
2012	52,131	1,431,100,212	27,452	43,154	34.9	38.9	5,870	6.6	897,579,690
2011	52,131	1,431,100,212	27,452	43,154	34.9	38.9	5,667	7.1	906,910,010
2010	52,131	1,431,100,212	27,452	44,268	35.4	38.9	5,664	8.6	907,929,130
2009	56,646	1,357,351,452	23,962	40,527	34.2	35.9	5,665	9.0	972,490,480

(1) Source: U. S. Census

(2) Source: Lakewood City School District

(3) Ohio Department of Job and Family Services

(4) Source: Cuyahoga County Fiscal Officer

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

City of Lakewood, Ohio

Principal Employers – Based on Income Tax Dollars Withheld

Current and Nine Years Ago

Table 16

2018			
Employer	Nature of Activity	Employees *	Percentage of Total City Employment
Lakewood Board of Education	School District	1,137	9.69%
Cleveland Clinic Foundation	Health Care	650	5.54
City of Lakewood	Municipality	558	4.75
St. Edward High School	Private School	314	2.68
Riser Foods Company	Grocer	313	2.67
First Mutual Holding Company	Financial Institution	285	2.43
Ohio Bell Telephone Company	Public Utility	158	1.35
Advance Energy Tech, Inc.	Manufacturing	130	1.11
Ferry Cap & Set Screw Co.	Manufacturing	104	0.89
Onix Networking Group	Technology	97	0.83
Total		<u>3,746</u>	<u>31.92%</u>
Total Employment within the City		<u>11,736</u>	

2009			
Employer	Nature of Activity	Employees **	
Lakewood Hospital	Health Care	1,401	
Lakewood Board of Education	School District	1,050	
City of Lakewood	Municipality	452	
New York Life Insurance, Incorporated	Insurance Company	240	
Lakewood Senior Health Campus	Health Care	222	
AT&T	Public Utility	160	
First Federal Savings and Loan Assn. of Lakewood	Financial Institution	152	
Galaxy Ballons	Manufacturing	131	
Advance Energy Tech, Inc.	Manufacturing	120	
United States Post Office	Government	95	
Total		<u>4,023</u>	
Total Employment within the City		<u>n/a</u>	

Source: City of Lakewood; Department of Taxation

* Number of w-2's filed with the City

** Based on actual number of employees

n/a - not available

City of Lakewood, Ohio

Full-Time City Employees by Function/Program

Last Ten Years

Table 17

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Council	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Court	15.00	13.00	13.00	14.00	15.00	15.00	16.00	20.00	20.00	20.00
Civil Service	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Mayor's Office	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Community Relations	1.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	7.00	7.00	7.00	7.00	7.00	6.00	7.00	7.00	6.00	7.00
Income Tax	6.00	6.00	6.00	6.00	6.00	6.00	4.00	4.00	4.00	3.00
Information System	4.00	4.00	4.00	4.00	4.00	3.00	4.00	4.00	4.00	4.00
Utility Billing	3.00	3.00	3.00	3.00	2.00	2.00	2.00	3.00	2.00	2.00
Health/Vital Stats	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Law	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00
Planning and Development	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00
Community Development	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Security of Persons and Property										
Police	98.00	99.00	99.00	98.00	97.00	95.00	95.00	97.00	100.00	99.00
Police - Communications	10.00	11.00	11.00	11.00	10.00	11.00	11.00	10.00	10.00	11.00
Support of Prisoners	2.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	5.00	4.00
Fire	80.00	80.00	75.00	79.00	77.00	76.00	76.00	76.00	75.00	76.00
Emergency Medical Services	8.00	8.00	9.00	9.00	9.00	12.00	12.00	12.00	13.00	13.00
Housing and Building	14.00	15.00	14.00	14.00	15.00	13.00	12.00	13.00	15.00	16.00
Parking	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Animal Control	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Works										
Public Works Administration	3.00	3.00	2.00	2.00	1.00	1.00	2.00	2.00	2.00	2.00
Parks	18.00	18.00	18.00	18.00	17.00	18.00	12.00	13.00	13.00	11.00
Buildings and Facilities	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	2.00	2.00
Construction	0.00	0.00	0.00	0.00	0.00	0.00	3.00	4.00	4.00	4.00
Streets	14.00	13.00	14.00	14.00	14.00	14.00	14.00	14.00	15.00	12.00
Forestry	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00
Traffic Signs	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Refuse	27.00	27.00	25.00	28.00	29.00	30.00	30.00	32.00	35.00	35.00
Fleet	9.00	10.00	10.00	10.00	10.00	10.00	10.00	11.00	11.00	11.00
Communications	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Water Distributions	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	7.00
Water Metering	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00
Wastewater Collections	13.00	11.00	11.00	11.00	12.00	11.00	12.00	11.00	12.00	13.00
Wastewater Treatment	23.00	21.00	21.00	21.00	22.00	23.00	23.00	22.00	23.00	22.00
Engineering	3.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	4.00	4.00
Winterhurst	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Human Services										
Human Services Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Office on Aging IIIB	9.00	10.00	11.00	11.00	11.00	11.00	12.00	16.00	18.00	18.00
Office on Aging IIIC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Early Childhood	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Youth	6.00	6.00	6.00	6.00	6.00	6.00	6.00	8.00	8.00	10.00
Totals:	<u>417.00</u>	<u>417.00</u>	<u>412.00</u>	<u>419.00</u>	<u>416.00</u>	<u>415.00</u>	<u>417.00</u>	<u>432.00</u>	<u>452.00</u>	<u>452.00</u>

Source: City of Lakewood, Finance Department

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



City of Lakewood, Ohio

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2018	2017	2016
General Government			
<i>Clerk of Council</i>			
Number of ordinances passed	65	58	61
Number of resolutions passed	77	60	63
<i>Civil Service</i>			
Number of police and fire entry application processed	101	97	150
<i>Finance Department</i>			
Number of checks/ vouchers issued	384	4,763	5,245
Interest earnings for fiscal year (cash basis)	\$1,512,827	\$755,994	\$387,280
<i>Income Tax</i>			
Number of Annual withholding forms processed	30,080	33,461	32,800
Number of Business net profit forms processed	1,998	2,481	2,460
Public Works			
<i>Engineering</i>			
Dollar amount of Construction overseen by Engineer	\$56,300,000	\$15,895,682	\$25,000,000
<i>Forestry</i>			
Number of trees planted	422	451	415
<i>Parking Enforcement</i>			
Number of parking tickets	12,145	12,177	13,968
<i>Refuse</i>			
Collection of resident and business garbage in tons	16,907	15,525	16,358
<i>Water</i>			
Average (MCF) of water billed monthly (in thousands)	160,189	165,275	181,664
<i>Wastewater Collection</i>			
Average (MCF) of sewer billed monthly (in thousands)	160,189	165,275	181,664
<i>Wastewater Treatment</i>			
Influent flow in millions of gallons per year	2,599	2,216	2,379
Bio-solids wet tons per year	4,975	4,735	4,787

Table 18

2015	2014	2013	2012	2011	2010	2009
51	59	50	86	66	107	94
59	94	70	79	70	76	62
0	0	67	169	0	0	0
5,494	5,577	6,477	7,232	8,705	8,924	9,291
\$136,405	\$107,466	\$15,300	\$8,787	\$11,232	\$103,993	\$292,662
28,794	26,696	26,645	25,456	24,275	22,794	22,142
2,493	2,451	2,397	2,399	2,378	2,224	2,271
\$10,525,600	\$4,958,463	\$4,548,953	\$3,642,342	\$3,687,241	\$3,925,960	\$3,501,473
415	378	275	65	6	272	259
13,791	13,155	4,568	4,743	3,542	12,118	11,178
16,075	14,774	15,606	16,049	16,369	16,296	17,010
182,139	172,472	185,803	190,425	186,536	194,311	203,999
182,139	172,472	185,803	190,425	186,536	194,311	203,999
2,607	2,730	2,741	2,577	3,793	2,520	2,771
5,030	4,737	5,303	4,750	5,240	5,580	5,002

City of Lakewood, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Function/Program	2018	2017	2016
Security of Persons and Property			
<i>Police</i>			
Total calls for services	44,933	52,666	57,074
Number of citations issued	5,279	6,002	6,528
<i>Fire</i>			
Total calls for services-Fire	2,109	2,187	2,319
Total calls for services-EMS	5,475	5,338	5,383
Community Environment			
<i>Building Department</i>			
Estimated value of construction	\$37,800,000	\$76,525,044	\$33,001,286
Number of permits issued (all types)	2,945	2,988	2,864
Leisure Time Activities			
<i>Parks</i>			
Recreation Men's and Women's Leagues receipts	\$6,850	\$6,783	\$6,295
Recreation Youth Activities receipts	\$86,015	\$85,495	\$81,500

Table 18

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
59,833	54,430	42,601	54,480	57,570	64,064	55,802
7,859	9,476	7,543	8,411	8,353	16,710	16,262
2,043	1,406	1,828	1,585	1,387	1,256	1,411
5,354	5,301	5,328	5,653	5,399	5,208	5,251
\$108,813,914	\$29,889,659	\$28,056,591	\$30,828,918	\$21,012,297	\$25,472,201	\$18,660,849
2,574	2,449	2,469	2,573	2,473	2,552	2,216
\$5,975	\$5,798	\$5,675	\$5,405	\$5,307	\$5,125	\$5,025
\$78,900	\$78,569	\$79,841	\$80,522	\$80,351	\$79,205	\$78,700

City of Lakewood, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Function/Program	2018	2017	2016	2015	2014
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	53	47	51	51	49
Fire					
Stations	3	3	3	3	3
Vehicles	23	21	18	18	15
Leisure Time Activities					
Parks					
Number of Parks	15	15	15	15	15
Number of Ice Rinks	2	2	2	2	2
Number of Skateboarding Areas	1	1	1	1	1
Number of Baseball Diamonds	5	5	5	5	5
Number of Soccer Fields	1	1	1	1	1
Transportation					
Service					
Streets (miles)	93	93	93	93	93
Street Lights	1,488	1,488	1,488	1,488	1,488
Water and Sewer					
Water Lines (miles)	112	112	112	112	112
Sanitary Sewers (miles)	75	75	75	75	75
Storm Sewers (miles)	66	66	66	66	66
Combined Sewers (miles)	25	25	25	25	25

Source: City of Lakewood

Table 19

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
1	1	1	1	1
49	45	44	44	47
3	3	3	3	3
15	19	17	17	17
15	15	15	15	15
2	2	2	2	2
1	1	1	1	1
5	5	5	5	5
1	1	1	1	1
93	93	93	93	93
1,488	1,488	1,488	1,488	1,488
112	112	112	112	112
75	75	75	75	75
66	66	66	66	66
25	25	25	25	25



OHIO AUDITOR OF STATE KEITH FABER



CITY OF LAKEWOOD

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 11, 2019**