

**CITY OF EUCLID
CUYAHOGA COUNTY, OHIO**

AUDIT REPORT

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

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



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Euclid, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

September 9, 2016

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

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

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

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

The Honorable Dave Yost
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Cuyahoga County, Ohio, (City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 17, 2016, wherein we noted that the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, and restated its net position at December 31, 2014 for governmental and business-type activities.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Euclid, Ohio'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 of Euclid, Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Euclid, Ohio'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 of Euclid, Ohio'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 of Euclid, Ohio'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 *Governmental 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 of Euclid, Ohio'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 of Euclid, Ohio's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

June 17, 2016

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

Certified Public Accountants

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Garfield Hts., Ohio 44125

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133**

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

The Honorable David Yost
Auditor of State
State of Ohio

Report on Compliance for Each Major Federal Program

We have audited the City of Euclid, Cuyahoga County, Ohio's (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 of Euclid, Ohio's major federal program for the year ended December 31, 2015. The City of Euclid, Ohio'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 program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City of Euclid, Ohio'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 of Euclid, Ohio'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 its major federal program. However, our audit does not provide a legal determination of the City of Euclid, Ohio's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Euclid, Ohio, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2015.

Report on Internal Control Over Compliance

Management of the City of Euclid, Ohio, 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 of Euclid, Ohio's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the 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 of Euclid, Ohio's internal control over compliance.

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

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Ohio, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City of Euclid, Ohio's basic financial statements. We issued our report thereon dated June 17, 2016, which contained unmodified opinions on those financial statements. Our opinion also explained that the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, and restated its net position of the governmental activities and business-type activities at December 31, 2014. 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 purposes 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 17, 2016

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

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	Federal CFDA Number	Grant Number/ Pass-Through Entity Identifying Number	Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
<i>Direct Award</i>			
Community Development Block Grants/Entitlement Grants:			
Entitlement Grants	14.218	B-14MC-39-0006	\$ 250,813
Entitlement Grants	14.218	B-15MC-39-0006	491,175
<i>Total CFDA #14.218</i>			<u>741,988</u>
Neighborhood Stabilization Program (NSP)	14.256	B-08-MN-39-0008	210,738
Neighborhood Stabilization Program (NSP)	14.256	B-11-MN-39-0008	8,533
<i>Total CFDA #14.256</i>			<u>219,271</u>
<i>Pass-Through Cuyahoga County</i>			
Home Investment Partnership Program	14.239	N/A	10,983
Home Funds - Home Rehab	14.239	BC2014-158CE1400102	117,514
<i>Total Pass-Through Cuyahoga County</i>			<u>128,497</u>
Total U.S. Department of Housing and Urban Development			<u>1,089,756</u>
<u>U.S. Department of Homeland Security</u>			
<i>Direct Award</i>			
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	97.083	EMW-2014-FO-05042	58,237
Total U.S. Department of Homeland Security			<u>58,237</u>
<u>U.S. Department of Justice</u>			
<i>Direct Award</i>			
Bulletproof Vest Partnership Program	16.607	2015BUBX15077144	22,497
Justice Assistance Grant	16.738	N/A	9,334
Total U.S. Department of Justice			<u>31,831</u>
<u>U.S. Department of Transportation</u>			
<i>Pass-Through Ohio Department of Transportation</i>			
Downtown Euclid	20.205	E100(218)	7,892
Highway Safety Cluster:			
High Visibility Enforcement Overtime Grant	20.600	HVEO-2014-18-00-00-00347-00	45,387
OVI Task Force Grant	20.600	OVITF-2016-18-00-00-00397-00	11,327
Total Highway Safety Cluster			<u>56,714</u>
Total U.S. Department of Transportation			<u>64,606</u>
<u>U.S. Department of Environmental Protection Agency</u>			
<i>Direct Award</i>			
Great Lakes Program - Green Infrastructure - Parking Lot	66.469	00E01416	12,200
Great Lakes Program - Green Infrastructure - Sims Park	66.469	00E01415	28,259
Total U.S. Department of Environmental Protection Agency			<u>40,459</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,284,889</u>

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

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

NOTE 1: **SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards of the City of Euclid, Ohio summarizes the activity of the City's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**CITY OF EUCLID
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2015**

1. SUMMARY OF AUDITOR’S RESULTS

2015(i)	Type of Financial Statement Opinion	Unmodified
2015(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2015(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2015(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2015(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2015(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2015(v)	Type of Major Programs’ Compliance Opinions	Unmodified
2015(vi)	Are there any reportable findings under .510?	No
2015(vii)	Major Programs (list): Community Development Block Grants Entitlement Grants-CFDA #14.218	
2015(viii)	Dollar Threshold: A/B Programs	Type A: \$750,000 Type B: All Others
2015(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain.
2014-001	Briardale Golf Course	No	Partially Corrected and Communicated with City

Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

City of Euclid

2015

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ending December 31, 2015



2015

Euclid, Ohio

CITY OF EUCLID, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2015

Issued by The Finance Department

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City of Euclid, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2015
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Comprehensive Annual Financial Report
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585 East 222nd Street, Euclid, OH 44123-2099

www.cityofeuclid.com

June 17, 2016

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

We are pleased to submit to you the City of Euclid's Comprehensive Annual Financial Report (CAFR). This CAFR represents the official report of the City of Euclid's operations and financial position for the fiscal year ended December 31, 2015, and has been developed to accurately detail the status of the City's finances to Euclid residents and elected officials, investment institutions and underwriters, rating agencies and other interested parties. This report is done in compliance with GASB Statement No. 34, *Basic Financial Statements-and Management Discussion and Analysis-for State and Local Governments*.

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

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

PROFILE OF THE GOVERNMENT

The City

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

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

City Government

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

City Services

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

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

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

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

Reporting Entity

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

In 2015, the City of Euclid experienced a continuation of the steady economic growth that has occurred in the community since the end of the last U.S. Recession. Major development projects were completed in nearly every commercial and industrial district of the city. Based on this recent trend of growth and investment by both the public and private sectors, economic activity is expected to continue to increase in the coming years.

Economic growth and investment was perhaps most visible last year at Bluestone Business Park, an 80 acre commercial/industrial park developed in 2009 by private developer Ray Fogg Building Methods. By the end of 2014, the first building to be constructed and the park was fully leased to two companies that collectively employed over 200 individuals. That success and an optimistic outlook on the local economy prompted Fogg to build a second building, which was completed in late 2015. At 127,000 square feet, Bluestone Business Center 2 represents an immediate opportunity to attract new business to the City of Euclid. An additional 62 acres of shovel-ready land remains at the park for future development.

The Lincoln Electric Company, the largest employer in the City, announced the selection of Euclid as the location for the company's new Welding Technology and Training Center. The \$30M center will attract visitors from around the world to Lincoln's headquarters campus in Euclid to learn the latest techniques in the field of welding. The project will create at least 40 new jobs in the City and helps to secure Euclid as the focal point of Lincoln's growth and advancement.

Elsewhere in Euclid, new manufacturing and distribution companies are helping to reduce vacancies at existing commercial and industrial buildings. Locally based Mechanical Dynamics and Analysis (MD&A) leased approximately 100,000 square feet of long-vacant office and industrial space on East 222nd Street in the City in 2015. MD&A is a leading manufacturer in the refurbishing of components for the electric-generating turbine industry. The company's move to Euclid brought 48 new employees to the City. Significant development also occurred in Downtown Euclid where an estimated \$16M in public and private funds have been invested since 2009.

The downtown commercial district is anchored by local and national retail tenants such as Dave's Supermarket, Aldi and CVS Pharmacy. The area, however, is becoming increasingly popular as a destination for dining and entertainment. In 2015, Great Scott Tavern opened in a former post office building on Lakeshore Boulevard. The new restaurant builds on the success of existing dining favorites including the Beach Club Bistro and Paragon Wine Bar. Plans were also approved in 2015 for a new brewery to locate in Downtown Euclid. Expected to open in 2016, the Euclid Brewing Company will continue the momentum of growth in the Downtown district. Progress could also be seen along the Euclid Avenue commercial corridor, where the HELP Foundation completed the construction of a new administrative and training facility. The project was made possible through the sale of four acres of city-owned land at the Century Corner Business Park. By the end of 2015, the non-profit provider of services to mentally handicapped individuals had brought 25 new employees to the site.

In 2015, the City of Euclid took steps to remove blight and advance economic development through the acquisition and clearance of the former Lakeshore Chevy facility on East 185th Street. Demolition of the abandoned auto sales and service buildings was funded through a grant from Cuyahoga County. The 1.3 acre commercial site now represents an opportunity for the City to accommodate new development along the up-and-coming East 185th Street commercial corridor.

The City's housing sector also strengthened in 2015. While values remain significantly below pre-recession levels, the average home sales figure rose in 2015 for the third straight year. In another sign of continued improvement, the number of annual foreclosure filings and vacancies declined to their lowest levels in recent years. The City has supported the gains in the housing sector through investments in home-ownership and renovation programs. The City also undertakes selective demolition when necessary, which resulted in the removal of eleven blighted houses in 2015.

In an effort to continue to attract and retain residents to Euclid, the City has made a major commitment to improve its waterfront. Adopted in 2009, the City's Waterfront Improvement Plan calls for the restoration of the historic beaches and the addition of new amenities along a one mile stretch of the Lake Erie shoreline. The City took a major step to implementing the plan through the reconstruction of the Joseph Farrell Memorial Fishing Pier at Sims Park in 2013. The roughly \$2M property nearly doubled the length of the pier and added modern lighting and a shade canopy.

Following the reconstruction of the pier, the City turned its attention to Phase II of the improvement plan, which includes the stabilization of the shoreline and construction of a multi-purpose path along the waterfront. In 2015, the City engaged SmithGroup JJR to conduct preliminary design and engineering work on the project. The City's fundraising efforts also got a major boost during the year when Cuyahoga County authorized a partially forgivable loan in the amount of \$4M towards the roughly \$11M project. Permits for the project are expected to be submitted in Summer 2016 with construction set to begin the following year.

Long-Term Financial Planning

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

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

FINANCIAL INFORMATION

Summary of Accounting Policies and Budgetary Control

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

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

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

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

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

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

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

In accordance with State law, all funds, with the exception of agency funds, are legally required to be budgeted and appropriated. Council controls appropriations at the personal services and other expenditures object level within each department for all funds. Modifications or amendments to control levels in the Appropriation Ordinance require Council approval; internal City financial policies permit fund transfers within control levels with approval by the Mayor and Finance Director. The County Fiscal Officer through the statutory authority of the County Budget Commission must certify that the City's Annual Appropriation does not exceed the amounts set forth in the Budget Commission's Certificate of Estimated Resources.

The City employs an encumbrance system documenting purchase commitment amounts prior to generation and release of official City purchase orders. Purchasing practices within the City require departmental review and authorization of all purchase requisitions. Where applicable, proposed purchases in excess of administrative approval limits are subject to competitive bid requirements of Council and are awarded subsequent to approved legislation authorizing the procurement of goods or services. The Finance Director certifies all purchase orders for availability of funds and the estimated expenditure is encumbered against the appropriate departmental or fund appropriation. On the government fund financial statements, these encumbrances are reported as a component of fund balance at December 31, 2015. Unencumbered appropriations lapse at year-end and become available for future appropriations.

Internal Accounting and Reporting Control

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

OTHER INFORMATION

Independent Audit

In accordance with Ohio law, an annual independent audit is required to be performed on all financial operations of the City. The Auditor of the State of Ohio has authorized the audit for 2015 to be performed by the independent public accounting firm of James G. Zupka, CPA, Inc. The independent accountants' unmodified opinion has been included in this report. The administration plans to continue this audit procedure as required by law as part of the preparation of a Comprehensive Annual Financial Report. The annual audit and management letter submitted by James G. Zupka, CPA, Inc. provides information to the City to enable it to maintain and strengthen the City's accounting and budgeting controls.

The City receives federal financial assistance through various federal grant programs. An audit in accordance with the Single Audit Act of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and Non-Profit Organizations and Government Auditing Standards, issued by the Comptroller General of the United States, has been performed for the fiscal year ended December 31, 2015. The required reports on supplementary information, compliance, and internal controls, along with various supplementary schedules, are included in a separate report.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



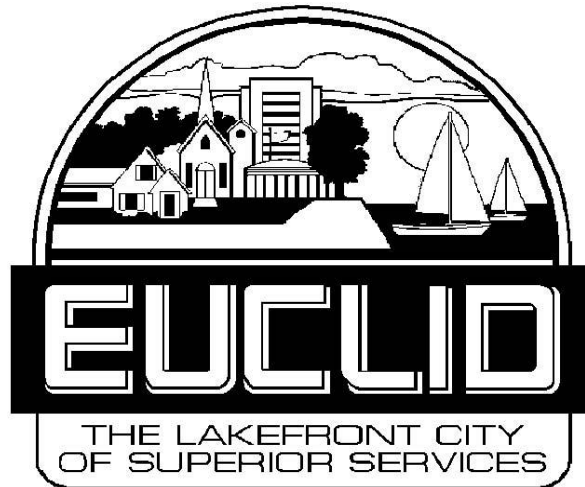
Kirsten Holzheimer Gail
Mayor

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CITY OF EUCLID, OHIO

“A City of Superior Services”

BILL CERVENIK -Mayor
KIRSTEN HOLZHEIMER GAIL – Mayor (Effective January, 2016)



Directors & Chiefs

CHRIS FREY – *Law*

LEE BOCK - *Public Service*

NANCY FISHER – *Finance **

CHIEF CHRIS HADDOCK - *Fire*

JONATHAN HOLODY – *Economic Development*

CHIEF TOM BRICKMAN – *Police*

LETITIA LINKER – *Administrative Director*

MAC STEPHENS – *Recreation*

** Effective April 2016, James Smith is the City's Finance Director*

Municipal Court

DEBORAH LEBARRON –*Judge*

Euclid City Council

KIRSTEN HOLZHEIMER GAIL- *President of Council*

STEPHANA C. CAVINESS – *Ward I*

PATRICK McLAUGHLIN- *Ward V*

MADLINE SCARNIENCH – *Ward II*

PATRICK M. DELANEY – *Ward VI*

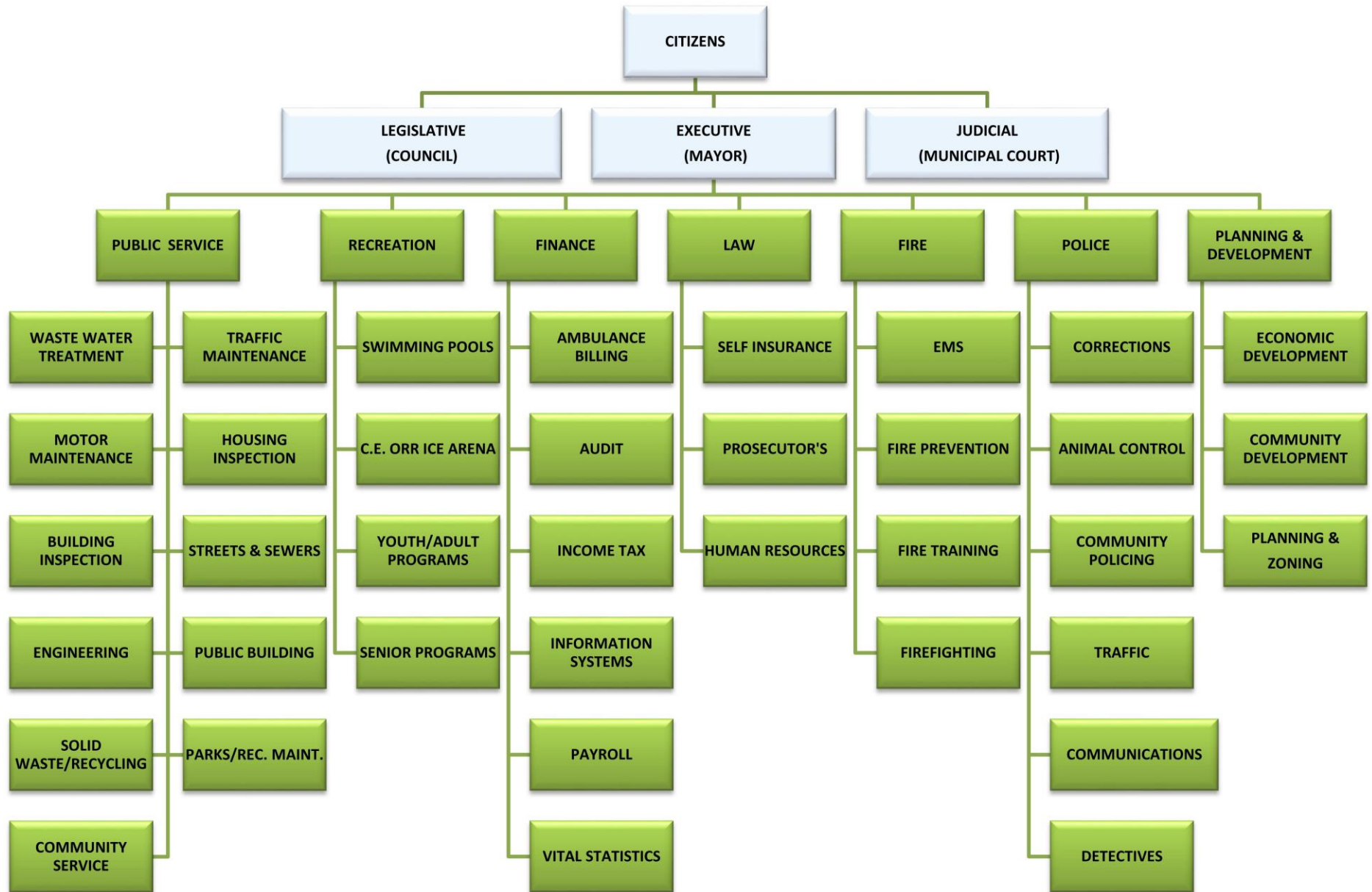
KANDACE JONES – *Ward III*

DARYL K. LANGMAN – *Ward VII*

KRISTIAN D. JAROSZ – *Ward IV*

LAURA J. GORSHE – *Ward VIII*

City of Euclid, Ohio
Organizational Chart
 December 31, 2015





Government Finance Officers Association

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

Presented to

**City of Euclid
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

FINANCIAL SECTION

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

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

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

The Honorable Dave Yost
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Cuyahoga County, Ohio, (City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Cuyahoga County, Ohio, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 3 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, and restated its net position at December 31, 2014 for governmental and business-type activities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Euclid, Ohio'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 17, 2016, on our consideration of the City of Euclid, Ohio'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 of Euclid, Ohio's internal control over financial reporting and compliance.



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

June 17, 2016

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

The discussion and analysis of the City of Euclid's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2015. 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 2015 are as follows:

- Total assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources at the close of 2015 by \$54,774,214 compared to \$50,476,661 at the end of 2014, an increase of \$4,297,553 or 8.51 percent.
- Total assets increased by \$20,833,033 with governmental activities decreasing by \$3,443,280 and business-type activities increasing by \$24,281,313. The governmental activities decrease is reflected primarily in capital assets. The business-type activities increase is reflected primarily in capital assets.
- Municipal income tax revenue for 2015 was \$24,435,672 versus \$22,555,188 in 2014, an increase of \$1,880,484 or 8.34 percent.
- Property and other local taxes for governmental activities slightly decreased by \$59,551, or 1.25 percent, to \$4,687,118.
- Together, municipal income taxes and property and other local taxes accounted for \$29,122,790 in revenue, or 63.42 percent, of all revenues in governmental activities.
- Grants and entitlements not restricted to specific programs decreased by \$243,409, or 9.45 percent, to \$2,332,890.
- Charges for services in business-type activities decreased by \$981,947, or 5.41 percent, from \$18,146,313 in 2014 to \$17,164,366 in 2015. Operating grants and contributions in business-type activities decreased by \$1,306,405, or 63.97 percent. This decrease was from reimbursements received in 2014 from the City of Cleveland for the City of Euclid's waterline projects. Capital grants and contributions increased by \$3,942,701 in business-type activities due to the addition of OWDA projects.
- The City's governmental long-term debt obligations increased by \$1,285,213, or 1.80 percent, to \$72,498,475.

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

Overview of the Financial Statements

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

Government-wide Financial Statements. The government-wide financial statements, which begin on page 21, are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, increases or decreases in the City's net position are one indicator of whether the City's financial health is improving or deteriorating. In 2015, Governmental Activities unrestricted net position increased by \$493,342 or 1.86 percent. In Business-Type Activities, unrestricted net position increased by \$2,133,508 or 50.95 percent. There were a number of sewer system improvement construction projects that were partially funded by the Wastewater Treatment Fund. The City has continued negotiations with the EPA to define the necessary steps in the implementation of a Long Term Storm Water Runoff Control Plan.

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

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

For 2015, Business-Type Activities' expenses increased by \$3,253,470 or 25.05 percent. This increase was due to additional contractual services related to significant waste water and waterline projects.

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

Revenues in Business-Type Activities increased by \$1,654,622 or 7.25 percent. This reflects a decrease in Charges for Services revenue collected by the Waste Water Treatment Fund and a decrease in operating grants and contributions, due to the majority of a project done in 2014 coupled with increases in operating and capital grants and contributions from the City of Cleveland and from the Ohio Public Works Commission (OPWC).

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

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

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

The City maintains 26 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the General Obligation Bond Retirement Fund, which are considered to be major funds. Data from the other 24 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

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

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

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

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

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

Government-Wide Financial Analysis

Information regarding the government-wide net position of the City is presented in the following table for 2015 and 2014.

Table 1 - Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014*	2015	2014 *	2015	2014 *
ASSETS						
Current and other assets	\$ 28,679,868	\$ 28,159,684	\$ 22,821,116	\$ 19,552,743	\$ 51,500,984	\$ 47,712,427
Capital assets, net	51,677,653	55,641,117	68,516,675	47,503,735	120,194,328	103,144,852
Total Assets	80,357,521	83,800,801	91,337,791	67,056,478	171,695,312	150,857,279
DEFERRED OUTFLOWS OF RESOURCES						
Deferral on Refundings	336,942	436,691	106,580	133,531	443,522	570,222
Pension	5,387,688	3,677,963	535,746	409,750	5,923,434	4,087,713
Total Deferred Inflows of Resources	5,724,630	4,114,654	642,326	543,281	6,366,956	4,657,935
LIABILITIES						
Current and other liabilities	3,035,357	2,521,861	1,846,178	563,569	4,881,535	3,085,430
Long-term liabilities:						
Due within one year	3,184,567	8,230,839	2,042,865	1,663,718	5,227,432	9,894,557
Due in more than one year						
Net Pension Liability	40,941,096	38,776,252	3,250,011	3,176,605	44,191,107	41,952,857
Other Amounts	28,372,812	24,206,171	35,683,790	21,467,016	64,056,602	45,673,187
Total Liabilities	75,533,832	73,735,123	42,822,844	26,870,908	118,356,676	100,606,031
DEFERRED INFLOWS OF RESOURCES						
Property taxes	4,224,529	3,929,900	-	-	4,224,529	3,929,900
Payments in lieu of taxes	308,772	301,122	-	-	308,772	301,122
Sale of future revenues	195,500	201,500	-	-	195,500	201,500
Pension	142,290	-	60,287	-	202,577	-
Total Deferred Inflows of Resources	4,871,091	4,432,522	60,287	-	4,931,378	4,432,522
NET POSITION						
Net investment in capital assets	27,228,440	30,734,068	42,710,192	36,541,168	69,938,632	67,275,236
Restricted	4,514,553	5,572,849	-	-	4,514,553	5,572,849
Unrestricted	(26,065,765)	(26,559,107)	6,386,794	4,187,683	(19,678,971)	(22,371,424)
Total Net Position	\$ 5,677,228	\$ 9,747,810	\$ 49,096,986	\$ 40,728,851	\$ 54,774,214	\$ 50,476,661

* - Restated

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

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

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

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

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

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

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

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014 from \$44,839,375 to \$9,747,810 for governmental activities and from \$43,492,856 to \$40,728,851 for business type activities.

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$54,774,214 at the close of the most recent fiscal year.

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

A portion of the City's net position, \$4,514,553, represents resources that are subject to external restrictions on how they may be used. The remaining portion is unrestricted net position which may be used to meet the City's ongoing obligations to citizens and creditors.

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

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Table 2 - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
REVENUES						
Program Revenues:						
Charges for services	\$ 9,576,765	\$ 9,338,817	\$ 17,164,366	\$ 18,146,313	\$ 26,741,131	\$ 27,485,130
Operating grants and contributions	3,957,057	3,008,129	735,805	2,042,210	4,692,862	5,050,339
Capital grants and contributions	1,985	191,784	6,581,689	2,638,988	6,583,674	2,830,772
Total Program Revenues	13,535,807	12,538,730	24,481,860	22,827,511	38,017,667	35,366,241
General Revenues:						
Property and other local taxes	4,687,118	4,746,669	-	-	4,687,118	4,746,669
Municipal income taxes	24,435,672	22,555,188	-	-	24,435,672	22,555,188
Payments in lieu of taxes	330,248	259,991	-	-	330,248	259,991
Grants and entitlements	2,332,890	2,576,299	-	-	2,332,890	2,576,299
Investment income	168,425	64,882	127	21	168,552	64,903
Gain on Sale of Capital Assets	48,163	192,874	-	-	48,163	192,874
All other revenues	380,129	746,440	167	-	380,296	746,440
Total General Revenues	32,382,645	31,142,343	294	21	32,382,939	31,142,364
Total Revenues	45,918,452	43,681,073	24,482,154	22,827,532	70,400,606	66,508,605
EXPENSES						
Program Expenses:						
Security of persons and property	21,344,311	20,975,180	-	-	21,344,311	20,975,180
Public health	294,862	279,500	-	-	294,862	279,500
Leisure time activities	1,930,889	1,987,341	-	-	1,930,889	1,987,341
Community and economic development	3,108,042	2,606,619	-	-	3,108,042	2,606,619
Sanitation	2,292,854	2,274,374	-	-	2,292,854	2,274,374
Transportation	6,476,034	5,930,036	-	-	6,476,034	5,930,036
General government	13,569,848	13,851,860	-	-	13,569,848	13,851,860
Interest and fiscal charges	846,847	830,823	-	-	846,847	830,823
Waste Water Treatment	-	-	11,958,134	10,053,697	11,958,134	10,053,697
Water Line Improvement	-	-	3,409,410	2,125,851	3,409,410	2,125,851
Briardale Greens Golf Course	-	-	871,822	806,348	871,822	806,348
Total Expenses	49,863,687	48,735,733	16,239,366	12,985,896	66,103,053	61,721,629
Change in Net Position before Special Items	(3,945,235)	(5,054,660)	8,242,788	9,841,636	4,297,553	4,786,976
Transfers	(125,347)	-	125,347	-	-	-
Special Item	-	-	-	(26,263,065)	-	(26,263,065)
Change in Net Position	(4,070,582)	(5,054,660)	8,368,135	(16,421,429)	4,297,553	(21,476,089)
Net Position - Beginning of Year, as Restated	9,747,810	N/A	40,728,851	N/A	50,476,661	N/A
Net Position - End of Year	\$ 5,677,228	\$ 9,747,810	\$ 49,096,986	\$ 40,728,851	\$ 54,774,214	\$ 50,476,661

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$4,087,713 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$4,484,214. Consequently, in order to compare 2015 program expenses to 2014, the following adjustments are needed:

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	Governmental Activities	Business-Type Activities	Total
Total 2015 program expenses under GASB 68	49,863,687	16,239,366	66,103,053
Pension expense under GASB 68	(4,122,428)	(361,786)	(4,484,214)
2015 contractually required contribution	3,542,972	361,697	3,904,669
Adjusted 2015 program expenses	49,284,231	16,239,277	65,523,508
Total 2014 program expenses under GASB 27	48,735,733	12,985,896	61,721,629
Increase in program expenses not related to pension	548,498	3,253,381	3,801,879

Governmental Activities

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

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

Table 3 - Governmental Activities

	Total Cost of Services 2015	Net Cost of Services 2015
Security of persons and property	\$ 21,344,311	\$ 17,274,993
Public health	294,862	152,114
Leisure time activities	1,930,889	1,558,560
Community and economic development	3,108,042	(320,829)
Sanitation	2,292,854	443,188
Transportation	6,476,034	4,702,597
General government	13,569,848	11,670,410
Interest and fiscal charges	846,847	846,847
Total cost of service	<u>\$ 49,863,687</u>	<u>\$ 36,327,880</u>

Security of Persons and Property expenses totaled \$21,344,311, or 42.81 percent of the total 2015 expenses. A significant portion of these expenses can be attributed to salaries, wages, and employee benefits for police officers and firefighters. As of December 31, 2015, the City employed 94 full time police officers and 81 full time firefighters. General Government expenses totaled \$13,569,848 or 27.21 percent, of total 2015 expenses. General Government is comprised of the following departments: Legislative, Municipal Court, Mayor, Finance, Law, and Administrative. A significant portion of these expenses are related to salaries, wages, and employee benefits.

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Business-type Activities

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

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

Water Line Improvement Fund: The Water Line Improvement Fund accounts for distribution of treated water to individual and commercial users in various parts of the City. During 2015, operating and nonoperating revenues decreased by \$1,511,386 or 37.36 percent as a result of the majority of reimbursements for the City of Cleveland related to 2014 waterline projects in the City. In 2015, the operating expenses in the fund increased by \$1,387,406, or 76.41 percent. This increase in expenses is mainly attributed to additional contractual services related to significant waterline projects commencing in 2015.

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

Financial Analysis of the Government's Funds

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

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

As of December 31, 2015, the City's governmental funds reported an ending combined fund balance of \$9,268,638, a decrease of \$531,482 in comparison with the prior year. \$5,080,847 of the ending fund balance for 2015 constitutes assigned and unassigned fund balance combined, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted, or committed to indicate that it is not available for new spending because it is not in spendable form or it has already been restricted by an external constraint or committed by internal constraints.

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All governmental funds had total revenues of \$45,711,533 and expenditures of \$53,155,028 (not including other financing sources and uses) with expenditures exceeding revenues by \$7,443,495. Revenues increased slightly from the previous year primarily due to an increase in municipal income taxes. Expenditures increases due mainly to the principal retirement of debt.

The General Fund is the chief operating fund of the City. At the beginning of the current year, total fund balance for the General Fund was \$5,885,837. General Fund expenditures (not including other financing uses) for the current year were \$36,758,697, with revenues (not including other financing sources) of \$37,598,573, leaving a total fund balance of \$6,686,947, of which \$4,664,182 is unassigned fund balance.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (not including other financing uses). The General Fund's unassigned fund balance represents 12.69 percent of total General Fund expenditures while total fund balance represents 18.19 percent of that same amount.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund. During the course of 2015, the City amended its General Fund budget on various occasions. On a cash basis, projected final budgetary fund balance in the General Fund, for year ending 2015 was about \$1.6 million.

For the General Fund, original budgeted revenues (including other financing sources) were \$39,260,036. The final budgeted revenue amount (including other financing sources) was \$37,455,311. This decrease was primarily due to decrease in income taxes and charges for services. The actual revenues (including other financing sources) were higher by \$484,035, mainly due to the increase income tax revenue.

Original General Fund budgeted expenditures (including other financing uses) were \$37,903,108. The final budgeted expenditure amount (including other financing uses) was \$38,171,058. The increase was primarily due to the Security of Persons and Property and General Government. The actual expenditures (including other financing uses) were lower by \$1,141,316, mainly due the increase in Security Persons and Property and General Government expenses.

Actual budgetary fund balance increased by \$985,900 (which includes prior year encumbrances appropriated) taking the actual budgetary fund balance from \$2,261,898 to \$3,247,798.

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Analysis of General Fund Revenues

Municipal Income Taxes

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

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

The 2.85 percent income tax is levied upon the net income of corporations and other business entities and on the wages, salaries, and compensation of both individuals working in the City and residents of the City. Residents do receive a tax credit equal up to 2.85 percent of the income tax they pay other municipalities.

2015 income tax revenues were up, by \$163,787 or 0.67 percent from 2014. This increase is mainly due to the continued strengthening of the local economy, the policies and programs of the City's Planning and Development Department in the areas of job creation, expansion and retention, and the concentration on compliance and collection of delinquent accounts by the Tax Department.

Property Taxes

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

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

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

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

Purpose	2015	2014	2013
General Fund	\$ 6.72	\$ 6.72	\$ 6.72
Recreation Operating	1.30	1.30	1.30
Bond Retirement	3.88	3.88	3.88
Capital Improvements	1.70	1.70	1.70
Total	<u>13.60</u>	<u>13.60</u>	<u>13.60</u>
Assessed Valuation	<u>\$ 580,765,910</u>	<u>\$ 586,839,480</u>	<u>\$ 587,254,750</u>

Property tax collections have dropped significantly when compared to 2012 and prior periods. This change is mainly contributed to a decline in the City's assessed valuation, in spite of a charter provision that applies HB 920 reduction factors to charter millage as if they were voted levies. The charter amendment takes its name and acts the same as HB 920 which was enacted by the state in the mid 1970's to freeze the amount of money a voted levy generates over the life of the levy. As property values increase/decrease, property taxes do not change as a result. HB 920, was designed to hold homeowners harmless from the increasing value of their homes and protect them from inflation. At the core of HB 920 is the assumption that home prices will remain stable or, even more likely, increase in value as time passes. In a perverse twist, when the housing bubble burst and there was a universal decrease in the market value of homes—and consequently the assessed valuation of homes—HB 920 served to increase many homeowners' property tax bills even as the value of their homes decreased. Property tax collections have dropped significantly when compared to 2012 and prior periods. This change is mainly contributed to a decline in the City's assessed valuation, in spite of a charter provision that applies HB 920 reduction factors to charter millage as if they were voted levies. The charter amendment takes its name and acts the same as HB 920 which was enacted by the state in the mid 1970's to freeze the amount of money a voted levy generates over the life of the levy. As property values increase/decrease, property taxes do not change as a result. HB 920, was designed to hold homeowners harmless from the increasing value of their homes and protect them from inflation. At the core of HB 920 is the assumption that home prices will remain stable or, even more likely, increase in value as time passes. In a perverse twist, when the housing bubble burst and there was a universal decrease in the market value of homes—and consequently the assessed valuation of homes—HB 920 served to increase many homeowners' property tax bills even as the value of their homes decreased.

State Local Government Funds and Other Shared Revenues

The State of Ohio shares various tax revenues with the City and other political subdivisions primarily through the State's Local Government Fund (LGF). As part of a new funding mechanism, the State removed the freeze on LGF payments and replaced it with a percentage of certain state revenues; in addition, the Local Government Revenue Assistance Fund (LGRAF) was discontinued. The combination of these programs is the City's largest source of non-tax General Fund revenue. In 2015, the City received \$1,452,651 from the State's LGF.

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

In order to meet its own budget needs, the State has elected to dramatically cut LGF revenues to all cities.

Analysis of the General Obligation Bond Retirement Fund

The City's General Obligation Bond Retirement Fund experienced a slight decrease in fund balance of \$192,919, which decreased the fund balance to \$768,924.

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

Capital Assets and Debt Administration

Capital Assets The City's investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounts to \$120,194,328. This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, infrastructure, and furniture, fixtures, and equipment. A summary of the City's capital assets at December 31, 2015, is reflected in the table which follows.

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 10,775,705	\$ 10,775,705	\$ 8,336,966	\$ 8,336,966	\$ 19,112,671	\$ 19,112,671
Construction in progress	600,123	590,258	21,918,660	8,159,661	22,518,783	8,749,919
Total Non-Depreciable	11,375,828	11,365,963	30,255,626	16,496,627	41,631,454	27,862,590
Land improvements	3,198,446	3,422,949	381,628	433,887	3,580,074	3,856,836
Buildings and Improvements	8,614,533	8,959,645	6,855,327	7,158,091	15,469,860	16,117,736
Furniture, Fixtures, and Equipment	4,089,854	4,197,752	1,372,110	841,800	5,461,964	5,039,552
Infrastructure:						
Streets	24,398,992	27,694,808	-	-	24,398,992	27,694,808
Sanitary Sewers	-	-	22,660,936	15,343,765	22,660,936	15,343,765
Storm Sewers	-	-	6,991,048	7,229,565	6,991,048	7,229,565
Water Lines	-	-	-	-	-	-
Total Depreciable, Net of Depreciation	40,301,825	44,275,154	38,261,049	31,007,108	78,562,874	75,282,262
Total Capital Assets, Net of Depreciation	\$ 51,677,653	\$ 55,641,117	\$ 68,516,675	\$ 47,503,735	\$ 120,194,328	\$ 103,144,852

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

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

Governmental Activities

Lakeshore/East 222nd/Babbitt Improvements	\$ 506,372
Euclid Corridor	93,750
Total Governmental Activities	\$ 600,122

Business-Type Activities

Wastewater Treatment Plant	\$ 572,874
E. 194th Street SSO Elimination	1,164,224
Headworks & Equalization Basin - Part B	283,833
E. 222nd Relief Sewer	1,594,353
Edgecliff SSO Elimination	3,988,550
Crystal/E. 220th/Bruce Storm & Sanitary	3,264,054
Equalization Basin	1,729,467
MBR	1,764,901
Headworks	7,556,404
Total Business-Type Activities	\$ 21,918,660

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

Debt The City's outstanding General Obligation Debt was downgraded to an "Aa2" from an "Aa3" long-term bond rating with Moody's Investor Service in March 2013. This investment grade rating is attributed to the City's improved financial practices and policies that have resulted in improved liquidity, moderately growing tax base with a slowly recovering economy, and a manageable debt profile. Maintaining its credit rating enables the City to obtain short term and long term financing at the lowest possible interest rates. As of December 31, 2015, the City's General Obligation Bonded Debt totaled \$24,978,346.

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A summary of outstanding debt at December 31, 2015 follows.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds, net	\$ 15,658,029	\$ 17,464,865	\$ 9,320,317	\$ 10,217,473	\$ 24,978,346	\$ 27,682,338
Special Assessment Bonds, net	398,863	457,089	-	-	398,863	457,089
Notes Payable	-	5,276,848	-	-	-	5,276,848
Special Obligation Bond	6,999,000	-	-	-	6,999,000	-
Industrial Revenue Bond, net	185,000	286,000	-	-	185,000	286,000
OWDA Loans	-	-	18,253,817	4,726,790	18,253,817	4,726,790
OPWC Loans	1,169,261	1,252,780	8,515,622	7,171,677	9,684,883	8,424,457
Capital Leases	461,253	681,136	546,182	86,012	1,007,435	767,148
Total Outstanding Debt	<u>\$ 24,871,406</u>	<u>\$ 25,418,718</u>	<u>\$ 36,635,938</u>	<u>\$ 22,201,952</u>	<u>\$ 61,507,344</u>	<u>\$ 47,620,670</u>

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

Debt Capacity: The City is within the statutory limitations for both voted and unvoted debt. The computation of the legal debt margins at December 31, 2015, is included in the Statistical Section of this report under the heading "Legal Debt Margin", along with other related computations and ratios relevant to the City's notes and bonded debt.

The City's 2015 overall legal debt limit established by statutory limitations was \$60,980,421. The City's legal debt margin of \$38,223,643 is within the overall legal debt limit. The City's 2015 unvoted legal debt limit established by statutory limitations was of \$31,942,125. The City's unvoted legal debt margin of \$9,185,347 is within the unvoted legal debt limit.

The ratio of net general bonded debt to assessed valuation and the amount of net bonded debt per capita provide useful information concerning the level of the City's debt to management and investors. The information as of December 31, 2015 for the City is as follows:

	Amount	Bonded Debt to Assessed Value	Debt Per Capita
Net General Obligation Debt (Bonded)	\$ 20,457,885	1.26%	\$ 418

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Unaudited

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

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

The City of Euclid experienced a 20.3 percent reduction in the assessed tax value of residential property as a result of the Cuyahoga County sexennial reassessment. This reduction in value caused the City's existing outstanding debt to be in excess of the 10 Mill statutory limitation on debt issuance. Issuance of future General Obligation Debt is restricted until the outstanding debt is reduced below the statutory limitation. This was accomplished by the refinancing of \$5,265,000 of outstanding notes with the issuance of Various Purpose Income Tax Revenue Bond Anticipation Notes.

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

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

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

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

In conclusion, the implementation of GASB Statement No. 68 requires the reader to perform additional calculations to determine the City's Total Net Position at December 31, 2015 without the implementation of GASB Statement No. 68. This is an important exercise, as the State Pension Systems (OPERS & OP&F) collect, hold and distributes pensions to our employees, not the City of Euclid. These calculations are as follows:

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

Governmental Activities	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Total Net Position at December 31, 2015 (with GASB 68)	\$ 5,677,228	\$ 49,096,986	\$ 54,774,214
GASB 68 Calculations:			
Add: Deferred Inflows related to Pension	142,290	60,287	202,577
Net Pension Liability	40,941,096	3,250,011	44,191,107
Less: Deferred Outflows related to Pension	(5,387,688)	(535,746)	(5,923,434)
Net Pension Asset	<u>(24,677)</u>	<u>(10,458)</u>	<u>(35,135)</u>
Total Net Position at December 31, 2015 (without GASB 68)	<u>\$ 41,348,249</u>	<u>\$ 51,861,080</u>	<u>\$ 93,209,329</u>

Contacting the City's Finance Department

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

City of Euclid, Ohio
Statement of Net Position
December 31, 2015

	Governmental Activities	Business-Type Activities	Total	Euclid Development Corporation
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 6,526,704	\$ 17,104,711	\$ 23,631,415	\$ 612,888
Cash and Cash Equivalents:				
In Segregated Accounts	20,903	13,787	34,690	-
With Fiscal Agents	50,132	-	50,132	-
Materials and Supplies Inventory	209,988	84,062	294,050	-
Accounts Receivable	735,453	4,299,903	5,035,356	-
Accrued Interest Receivable	46,500	-	46,500	-
Intergovernmental Receivable	2,136,203	1,227,465	3,363,668	-
Prepaid Items	99,696	15,127	114,823	-
Municipal Income Taxes Receivable	7,557,950	-	7,557,950	-
Property Taxes Receivable	5,173,372	-	5,173,372	-
Payments in Lieu of Taxes Receivable	308,772	-	308,772	-
Notes Receivable	800,940	-	800,940	-
Loans Receivable	-	-	-	2,142,109
Special Assessments Receivable	4,772,518	-	4,772,518	-
Assets held for Resale	216,060	-	216,060	-
Capital Leases Receivable	-	65,603	65,603	-
Nondepreciable Capital Assets	11,375,828	30,255,626	41,631,454	-
Depreciable Capital Assets	40,301,825	38,261,049	78,562,874	-
Net Pension Assets	24,677	10,458	35,135	-
Total Assets	80,357,521	91,337,791	171,695,312	2,754,997
DEFERRED OUTFLOWS OF RESOURCES				
Deferral on Refunding	336,942	106,580	443,522	-
Pension	5,387,688	535,746	5,923,434	-
Total Deferred Outflows of Resources	5,724,630	642,326	6,366,956	-
LIABILITIES				
Accounts Payable	1,052,970	1,496,101	2,549,071	560
Accrued Wages and Benefits	1,020,809	176,688	1,197,497	1,675
Intergovernmental Payable	591,585	115,818	707,403	-
Matured Compensated Absences Payable	113,512	-	113,512	-
Accrued Interest Payable	57,206	41,840	99,046	-
Retainage Payable	4,966	-	4,966	-
Claims Payable	194,309	-	194,309	-
Customer Deposits	-	15,731	15,731	-
Long-term Liabilities:				
Due within one year	3,184,567	2,042,865	5,227,432	-
Due in more than one year:				
Net Pension Liability (See Note 14)	40,941,096	3,250,011	44,191,107	-
Other amounts due in more than one year	28,372,812	35,683,790	64,056,602	-
Total Liabilities	75,533,832	42,822,844	118,356,676	2,235
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	4,224,529	-	4,224,529	-
Payments in Lieu of Taxes	308,772	-	308,772	-
Sale of Future Revenues	195,500	-	195,500	-
Pension	142,290	60,287	202,577	-
Total Deferred Inflows of Resources	4,871,091	60,287	4,931,378	-
NET POSITION				
Net Investment in Capital Assets	27,228,440	42,710,192	69,938,632	-
Restricted for:				
Debt Service	1,107,840	-	1,107,840	-
Capital Projects	1,605,621	-	1,605,621	-
Transportation	227,168	-	227,168	-
Community Development	782,473	-	782,473	-
Other Purposes	791,451	-	791,451	-
Unrestricted	(26,065,765)	6,386,794	(19,678,971)	2,752,762
Total Net Position	\$ 5,677,228	\$ 49,096,986	\$ 54,774,214	\$ 2,752,762

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

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

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
Security of Persons and Property	\$ 21,344,311	\$ 3,520,400	\$ 548,918	\$ -
Public Health	294,862	102,102	40,646	-
Leisure Time Activities	1,930,889	371,949	380	-
Community and Economic Development	3,108,042	1,833,210	1,593,676	1,985
Sanitation	2,292,854	1,849,666	-	-
Transportation	6,476,034	-	1,773,437	-
General Government	13,569,848	1,899,438	-	-
Interest and Fiscal Charges	846,847	-	-	-
<i>Total Governmental activities</i>	<u>49,863,687</u>	<u>9,576,765</u>	<u>3,957,057</u>	<u>1,985</u>
Business-type activities:				
Waste Water Treatment	11,958,134	14,618,099	-	6,555,091
Water Line Improvement	3,409,410	1,785,669	735,805	-
Briardale Greens Golf Course	871,822	760,598	-	26,598
<i>Total Business-type activities</i>	<u>16,239,366</u>	<u>17,164,366</u>	<u>735,805</u>	<u>6,581,689</u>
<i>Total Primary Government</i>	<u>\$ 66,103,053</u>	<u>\$ 26,741,131</u>	<u>\$ 4,692,862</u>	<u>\$ 6,583,674</u>
Component Unit:				
Euclid Development Corporation	432,686	193,171	-	-
<i>Total Component Unit</i>	<u>\$ 432,686</u>	<u>\$ 193,171</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Property Taxes levied for:

General Purposes

Debt Service Purpose

Capital Outlay

Other Purposes

Municipal Income Taxes levied for:

General Purposes

Other Local Taxes

Payments in Lieu of Taxes

Grants & Entitlements not restricted to specific programs

Investment Income

Gain on Sale of Capital Assets

All Other Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year, as Restated

Net Position - End of Year

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

Net (Expense) Revenue and Changes in Net Position			Component
Governmental	Business-type	Total	Unit
Activities	Activities		Euclid
			Development
			Corporation
\$ (17,274,993)	\$ -	\$ (17,274,993)	\$ -
(152,114)	-	(152,114)	-
(1,558,560)	-	(1,558,560)	-
320,829	-	320,829	-
(443,188)	-	(443,188)	-
(4,702,597)	-	(4,702,597)	-
(11,670,410)	-	(11,670,410)	-
(846,847)	-	(846,847)	-
<u>(36,327,880)</u>	<u>-</u>	<u>(36,327,880)</u>	<u>-</u>
-	9,215,056	9,215,056	-
-	(887,936)	(887,936)	-
<u>-</u>	<u>(84,626)</u>	<u>(84,626)</u>	<u>-</u>
<u>-</u>	<u>8,242,494</u>	<u>8,242,494</u>	<u>-</u>
<u>(36,327,880)</u>	<u>8,242,494</u>	<u>(28,085,386)</u>	<u>-</u>
-	-	-	(239,515)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(239,515)</u>
1,501,748	-	1,501,748	-
1,838,451	-	1,838,451	-
379,912	-	379,912	-
290,521	-	290,521	-
24,435,672	-	24,435,672	-
676,486	-	676,486	-
330,248	-	330,248	-
2,332,890	-	2,332,890	-
168,425	127	168,552	513
48,163	-	48,163	-
380,129	167	380,296	4,260
(125,347)	125,347	-	-
32,257,298	125,641	32,382,939	4,773
(4,070,582)	8,368,135	4,297,553	(234,742)
9,747,810	40,728,851	50,476,661	2,987,504
<u>\$ 5,677,228</u>	<u>\$ 49,096,986</u>	<u>\$ 54,774,214</u>	<u>\$ 2,752,762</u>

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

City of Euclid, Ohio
Balance Sheet
Governmental Funds
December 31, 2015

	General Fund	General Obligation Bond Retirement	Other Governmental Funds	Total Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 3,433,024	\$ 412,155	\$ 2,542,016	\$ 6,387,195
Cash and Cash Equivalents:				
In Segregated Accounts	20,903	-	-	20,903
With Fiscal Agents	50,132	-	-	50,132
Materials and Supplies Inventory	123,213	-	86,775	209,988
Accrued Interest Receivable	46,500	-	-	46,500
Accounts Receivable	676,098	-	59,355	735,453
Interfund Receivable	-	358,313	-	358,313
Intergovernmental Receivable	841,985	119,064	1,175,154	2,136,203
Prepaid Items	93,289	-	6,407	99,696
Municipal Income Taxes Receivable	7,557,950	-	-	7,557,950
Property Taxes Receivable	1,947,247	2,356,819	869,306	5,173,372
Special Assessments Receivable	4,424,439	348,079	-	4,772,518
Notes Receivable	800,940	-	-	800,940
Payments in Lieu of Taxes Receivable	-	-	308,772	308,772
Assets held for Resale	-	-	216,060	216,060
Total Assets	\$ 20,015,720	\$ 3,594,430	\$ 5,263,845	\$ 28,873,995
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 283,782	\$ -	\$ 769,188	\$ 1,052,970
Accrued Wages and Benefits	924,869	555	95,385	1,020,809
Intergovernmental Payable	533,256	610	57,719	591,585
Matured Compensated Absences Payable	113,512	-	-	113,512
Retainage Payable	-	-	4,966	4,966
Interfund Payable	-	-	358,313	358,313
Claims Payable	179,060	379	14,870	194,309
Total Liabilities	2,034,479	1,544	1,300,441	3,336,464
Deferred Inflows of Resources:				
Property Taxes and Payments in Lieu of Taxes	1,590,104	1,924,557	1,018,640	4,533,301
Sale of Future Revenues	-	-	195,500	195,500
Unavailable Revenue - Delinquent Property Taxes	357,143	432,262	159,438	948,843
Unavailable Revenue - Municipal Income Taxes	4,106,493	-	-	4,106,493
Unavailable Revenue - Other	5,240,554	467,143	777,059	6,484,756
Total Deferred Inflows of Resources	11,294,294	2,823,962	2,150,637	16,268,893
Fund Balances:				
Nonspendable	1,059,658	-	93,182	1,152,840
Restricted	-	768,924	2,116,037	2,884,961
Committed	127,031	-	22,959	149,990
Assigned	836,076	-	-	836,076
Unassigned (Deficit)	4,664,182	-	(419,411)	4,244,771
Total Fund Balances	6,686,947	768,924	1,812,767	9,268,638
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 20,015,720	\$ 3,594,430	\$ 5,263,845	\$ 28,873,995

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

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

Total Governmental Funds Balance \$ 9,268,638

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 51,677,653

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

Delinquent property taxes	\$	948,843	
Municipal income taxes		4,106,493	
Special assessments		4,772,518	
Intergovernmental		1,466,091	
Charges for services		246,147	
Total		11,540,092	11,540,092

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due. (57,206)

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. 9,509

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

Deferred Outflows - Pension	5,387,688		
Deferred Inflows - Pension	(142,290)		
Net Pension Asset	24,677		
Net Pension Liability	(40,941,096)		
Total		(35,671,021)	(35,671,021)

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

General obligation bonds	(15,597,357)		
Income tax special obligation bonds	(6,999,000)		
Special assessment bonds	(395,000)		
Industrial development revenue bonds	(185,000)		
Unamortized premiums on bonds	(164,284)		
Deferral on refundings	336,942		
Compensated absences	(6,369,774)		
Claims payable	(86,450)		
Capital leases	(461,253)		
OPWC loans	(1,169,261)		
Total		(31,090,437)	(31,090,437)

Net Position of Governmental Activities \$ 5,677,228

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

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

	General Fund	General Obligation Bond Retirement	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 1,495,161	\$ 1,845,748	\$ 667,493	\$ 4,008,402
Municipal Income Taxes	24,671,958	-	-	24,671,958
Other Local Taxes	676,486	-	-	676,486
Payments in Lieu of Taxes	-	-	330,248	330,248
Intergovernmental	1,750,984	592,976	3,640,474	5,984,434
Interest	156,534	11,704	187	168,425
Fees, Licenses, and Permits	462,830	-	-	462,830
Fines and Forfeitures	1,681,229	-	250,362	1,931,591
Rentals	54,197	-	-	54,197
Charges for Services	5,706,375	11,576	395,401	6,113,352
Contributions and Donations	3,879	-	11,824	15,703
Special Assessments	801,026	117,803	-	918,829
All Other Revenues	137,914	10,867	226,297	375,078
Total Revenues	<u>37,598,573</u>	<u>2,590,674</u>	<u>5,522,286</u>	<u>45,711,533</u>
EXPENDITURES				
Current:				
Security of Persons and Property	19,729,081	-	443,866	20,172,947
Public Health	293,531	-	-	293,531
Leisure Time Activities	836,160	-	851,097	1,687,257
Community and Economic Development	1,318,702	-	1,173,286	2,491,988
Sanitation	2,163,084	-	-	2,163,084
Transportation	-	-	2,140,656	2,140,656
General Government	12,227,479	92,601	1,069,026	13,389,106
Capital Outlay	-	-	2,159,371	2,159,371
Debt Service:				
Principal Retirement	175,000	7,446,669	219,883	7,841,552
Interest and Fiscal Charges	15,660	701,679	23,703	741,042
Debt Issuance Costs	-	74,494	-	74,494
Total Expenditures	<u>36,758,697</u>	<u>8,315,443</u>	<u>8,080,888</u>	<u>53,155,028</u>
Excess of Revenues (Under) Expenditures	<u>839,876</u>	<u>(5,724,769)</u>	<u>(2,558,602)</u>	<u>(7,443,495)</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	1,234	-	46,929	48,163
Special Obligation Bonds Issued	-	5,517,000	1,482,000	6,999,000
Transfers In	230,000	14,850	120,000	364,850
Transfers Out	(270,000)	-	(230,000)	(500,000)
Total Other Financing Sources (Uses)	<u>(38,766)</u>	<u>5,531,850</u>	<u>1,418,929</u>	<u>6,912,013</u>
Net Change in Fund Balances	801,110	(192,919)	(1,139,673)	(531,482)
Fund Balances - Beginning of Year	5,885,837	961,843	2,952,440	9,800,120
Fund Balances - End of Year	<u>\$ 6,686,947</u>	<u>\$ 768,924</u>	<u>\$ 1,812,767</u>	<u>\$ 9,268,638</u>

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

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

Net Change in Fund Balances-Total Governmental Funds \$ (531,482)

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

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

Capital Outlay	\$	744,784	
Depreciation		(4,514,429)	
Total			(3,769,645)

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. (193,819)

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

Delinquent property taxes		2,230	
Municipal income taxes		(236,286)	
Special assessments		23,247	
Intergovernmental		215,719	
Charges for services		153,846	
Total			158,756

Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the issuance of debt. (6,999,000)

Repayment of City bond principal, notes, OPWC loan, and capital leases are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 7,841,552

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows 3,542,972

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (4,122,428)

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		1,487	
Claims		(41,110)	
Accrued interest on bonds		26,736	
Amortization of bond premiums		41,702	
Amortization of loss on refunding		(99,749)	
Total			(70,934)

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. 73,446

Change in Net Position of Governmental Activities \$ (4,070,582)

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

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 1,607,051	\$ 1,532,938	\$ 1,495,161	\$ (37,777)
Income Taxes	25,684,509	24,500,000	24,954,644	454,644
Other Local Taxes	676,184	645,000	667,421	22,421
Intergovernmental	1,679,622	1,602,162	1,769,515	167,353
Interest	89,110	85,000	127,865	42,865
Licenses and Permits	527,382	503,060	462,830	(40,230)
Fines and Forfeitures	1,850,647	1,765,300	1,715,002	(50,298)
Rentals	56,611	54,000	54,197	197
Charges for Services	6,024,634	5,746,792	5,678,088	(68,704)
Contributions and Donations	29,406	28,050	5,053	(22,997)
Special Assessments	859,645	820,000	801,026	(18,974)
All Other Revenues	109,835	107,609	142,310	34,701
Total Revenues	39,194,636	37,389,911	37,873,112	483,201
Expenditures:				
Current:				
Security of Persons and Property	19,938,853	20,023,153	19,723,340	299,813
Public Health	290,980	306,980	293,448	13,532
Leisure Time Activities	630,586	630,586	601,775	28,811
Community and Economic Development	1,233,931	1,245,531	1,163,269	82,262
Sanitation	2,305,100	2,305,100	2,293,504	11,596
General Government	12,960,998	13,117,048	12,411,746	705,302
Debt Service:				
Principal	175,000	175,000	175,000	-
Interest & Fiscal Charges	15,660	15,660	15,660	-
Total Expenditures	37,551,108	37,819,058	36,677,742	1,141,316
Excess of Revenues Over (Under) Expenditures	1,643,528	(429,147)	1,195,370	1,624,517
Other Financing Sources (Uses)				
Sale of Capital Assets	400	400	1,234	834
Transfers In	65,000	65,000	65,000	-
Transfers Out	(352,000)	(352,000)	(352,000)	-
Total Other Financing Sources (Uses)	(286,600)	(286,600)	(285,766)	834
Net Change in Fund Balance	1,356,928	(715,747)	909,604	1,625,351
Fund Balance - Beginning of Year	2,261,898	2,261,898	2,261,898	-
Prior Year Encumbrances Appropriated	76,296	76,296	76,296	-
Fund Balance - End of Year	\$ 3,695,122	\$ 1,622,447	\$ 3,247,798	\$ 1,625,351

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

City of Euclid, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2015

	Enterprise Funds				Governmental Activities
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Total	Internal Service Fund
ASSETS					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 15,332,034	\$ 1,723,832	\$ 48,845	\$ 17,104,711	\$ 139,509
Cash and Cash Equivalents:					
In Segregated Accounts	-	-	13,787	13,787	-
Materials and Supplies Inventory	56,477	-	27,585	84,062	-
Accounts Receivable	3,749,960	547,153	2,790	4,299,903	-
Intergovernmental Receivable	1,227,465	-	-	1,227,465	-
Prepaid Items	15,127	-	-	15,127	-
Capital Leases Receivable	-	-	65,603	65,603	-
Total Current Assets	20,381,063	2,270,985	158,610	22,810,658	139,509
Noncurrent Assets:					
Capital Assets:					
Land	1,065,440	-	7,271,526	8,336,966	-
Construction in Progress	21,918,660	-	-	21,918,660	-
Depreciable Assets, Net of Depreciation	36,991,984	-	1,269,065	38,261,049	-
Net Pension Asset	10,458	-	-	10,458	-
Total Noncurrent Assets	59,986,542	-	8,540,591	68,527,133	-
Total Assets	80,367,605	2,270,985	8,699,201	91,337,791	139,509
DEFERRED OUTFLOWS OF RESOURCES					
Deferral on Refunding	23,799	82,781	-	106,580	-
Pension	535,746	-	-	535,746	-
Total Deferred Outflows of Resources	559,545	82,781	-	642,326	-
LIABILITIES					
Current Liabilities:					
Accounts Payable	1,464,666	-	31,435	1,496,101	-
Accrued Wages and Benefits	176,688	-	-	176,688	-
Compensated Absences Payable	122,309	-	-	122,309	-
Customer Deposits Payable	-	-	15,731	15,731	-
Intergovernmental Payable	115,818	-	-	115,818	-
Accrued Interest Payable	19,422	22,418	-	41,840	-
Claims Payable	27,303	-	-	27,303	100,000
General Obligation Bonds Payable	251,705	694,000	-	945,705	-
OWDA Loans Payable	232,938	-	-	232,938	-
OPWC Loans Payable	359,214	238,844	-	598,058	-
Capital Leases Payable	95,430	-	21,122	116,552	-
Total Current Liabilities	2,865,493	955,262	68,288	3,889,043	100,000
Noncurrent Liabilities:					
Compensated Absences Payable	822,378	-	-	822,378	-
Claims Payable	12,147	-	-	12,147	30,000
General Obligation Bonds Payable	1,717,038	6,764,154	-	8,481,192	-
OWDA Loans Payable	18,020,879	-	-	18,020,879	-
OPWC Loans Payable	4,702,326	3,215,238	-	7,917,564	-
Capital Leases Payable	385,149	-	44,481	429,630	-
Net Pension Liability	3,250,011	-	-	3,250,011	-
Total Noncurrent Liabilities	28,909,928	9,979,392	44,481	38,933,801	30,000
Total Liabilities	31,775,421	10,934,654	112,769	42,822,844	130,000
DEFERRED INFLOWS OF RESOURCES					
Pension	60,287	-	-	60,287	-
Total Deferred Inflows of Resources	60,287	-	-	60,287	-
NET POSITION					
Net Investment in Capital Assets	34,235,204	-	8,474,988	42,710,192	-
Unrestricted	14,856,238	(8,580,888)	111,444	6,386,794	9,509
Total Net Position	\$ 49,091,442	\$ (8,580,888)	\$ 8,586,432	\$ 49,096,986	\$ 9,509

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

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

	Enterprise Funds				Governmental
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Total	Internal Service Fund
OPERATING REVENUES					
Charges for Services	\$ 14,579,917	\$ 1,785,669	\$ 760,598	\$ 17,126,184	\$ -
Miscellaneous	167	-	-	167	-
Other Services	38,182	-	-	38,182	-
Total Operating Revenues	<u>14,618,266</u>	<u>1,785,669</u>	<u>760,598</u>	<u>17,164,533</u>	<u>-</u>
OPERATING EXPENSES					
Salaries	4,855,718	-	-	4,855,718	-
Materials and Supplies	2,104,586	-	-	2,104,586	-
Contractual Services	3,267,001	3,203,126	766,691	7,236,818	38,447
Depreciation	1,243,076	-	101,394	1,344,470	-
Claims	-	-	-	-	38,107
Other	48,354	-	735	49,089	-
Total Operating Expense	<u>11,518,735</u>	<u>3,203,126</u>	<u>868,820</u>	<u>15,590,681</u>	<u>76,554</u>
Operating Income (Loss)	<u>3,099,531</u>	<u>(1,417,457)</u>	<u>(108,222)</u>	<u>1,573,852</u>	<u>(76,554)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest	127	-	-	127	-
Interest and Fiscal Charges	(439,399)	(206,284)	(3,002)	(648,685)	-
Intergovernmental	-	735,805	-	735,805	-
Total Nonoperating Revenues (Expenses)	<u>(439,272)</u>	<u>529,521</u>	<u>(3,002)</u>	<u>87,247</u>	<u>-</u>
Capital Contributions	6,695,288	-	26,598	6,721,886	-
Transfers In	109,942	12,359	-	122,301	150,000
Transfers Out	(12,359)	(124,792)	-	(137,151)	-
Change in Net Position	<u>9,453,130</u>	<u>(1,000,369)</u>	<u>(84,626)</u>	<u>8,368,135</u>	<u>73,446</u>
Net Position - Beginning of Year, as Restated	39,638,312	(7,580,519)	8,671,058	40,728,851	(63,937)
Net Position - End of Year	<u>\$ 49,091,442</u>	<u>\$ (8,580,888)</u>	<u>\$ 8,586,432</u>	<u>\$ 49,096,986</u>	<u>\$ 9,509</u>

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

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

	Enterprise Funds				Governmental Activities
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Charges for Services	\$ 14,893,403	\$ 1,839,118	\$ 773,539	\$ 17,506,060	\$ -
Cash Payments to Employees for Services and Benefits	(4,627,529)	-	-	(4,627,529)	-
Cash Payments for Goods and Services	(5,334,009)	(3,230,220)	(762,841)	(9,327,070)	(38,447)
Cash Payments for Claims	-	-	-	-	(73,107)
Other Cash Payments	(48,354)	-	(735)	(49,089)	-
Net Cash Provided by (Used in) Operating Activities	<u>4,883,511</u>	<u>(1,391,102)</u>	<u>9,963</u>	<u>3,502,372</u>	<u>(111,554)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Proceeds from OPWC Loan	-	490,695	-	490,695	-
Reimbursements Received for Waterlines	-	735,805	-	735,805	-
Principal Paid on Debt	-	(907,844)	-	(907,844)	-
Interest Paid on Debt	-	(202,996)	-	(202,996)	-
Transfers In	-	-	-	-	150,000
Transfers Out	(12,359)	(109,942)	-	(122,301)	-
Net Cash Provided by Noncapital Financing Activities	<u>(12,359)</u>	<u>5,718</u>	<u>-</u>	<u>(6,641)</u>	<u>150,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Grants Received	5,282,625	-	-	5,282,625	-
Proceeds from OWDA and OPWC Loans	15,086,033	-	-	15,086,033	-
Principal Paid on Debt	(1,030,157)	-	(20,409)	(1,050,566)	-
Interest Paid on Debt	(143,243)	-	(3,002)	(146,245)	-
Payments for Capital Acquisitions	(20,324,500)	-	-	(20,324,500)	-
Contributions from Other Entities	-	-	23,411	23,411	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,129,242)</u>	<u>-</u>	<u>-</u>	<u>(1,129,242)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on Investments	127	-	-	127	-
Net Cash Provided by Investing Activities	<u>127</u>	<u>-</u>	<u>-</u>	<u>127</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,742,037	(1,385,384)	9,963	2,366,616	38,446
Cash and Cash Equivalents - Beginning of Year	11,589,997	3,109,216	52,669	14,751,882	101,063
Cash and Cash Equivalents - End of Year	<u>\$ 15,332,034</u>	<u>\$ 1,723,832</u>	<u>\$ 62,632</u>	<u>\$ 17,118,498</u>	<u>\$ 139,509</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 3,099,531	\$ (1,417,457)	\$ (108,222)	\$ 1,573,852	\$ (76,554)
Adjustments:					
Depreciation	1,243,076	-	101,394	1,344,470	-
(Increase) Decrease in Assets and Deferred Outflows of Resources:					
Accounts Receivable	275,137	53,449	(2,790)	325,796	-
Intergovernmental Receivable	(1,227,465)	-	-	(1,227,465)	-
Materials and Supplies Inventory	14,924	-	(27,585)	(12,661)	-
Prepaid Items	(228)	-	-	(228)	-
Net Pension Asset	(7,608)	-	-	(7,608)	-
Deferred Outflows - Pension	(125,996)	-	-	(125,996)	-
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:					
Accounts Payable	1,261,335	(27,094)	31,435	1,265,676	-
Contracts Payable	-	-	15,731	15,731	-
Accrued Wages and Benefits	21,666	-	-	21,666	-
Compensated Absences Payable	192,497	-	-	192,497	-
Intergovernmental Payable	6,560	-	-	6,560	-
Claims Payable	(3,611)	-	-	(3,611)	(35,000)
Net Pension Liability	73,406	-	-	73,406	-
Deferred Inflows - Pension	60,287	-	-	60,287	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ 4,883,511</u>	<u>\$ (1,391,102)</u>	<u>\$ 9,963</u>	<u>\$ 3,502,372</u>	<u>\$ (111,554)</u>
Schedule of Noncash Investing, Capital, and Related Financing Activities					
Inception of a Capital Lease	\$ 480,579	\$ -	\$ -	\$ 480,579	\$ -
Payables impacting capital outlays	(24,125)	-	-	(24,125)	-
Capital Contribution from Governmental Activities to the Waste Water Treatment Fund	140,197	-	-	140,197	-
Capital Contribution from Other Entity	1,412,663	-	23,596	1,436,259	-

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

City of Euclid, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2015

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 858,884
Cash and Cash Equivalents:	
in Segregated Accounts	<u>218,069</u>
Total Assets	<u><u>\$ 1,076,953</u></u>
 Liabilities	
Deposits Held and Due to Others	<u><u>\$ 1,076,953</u></u>

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

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

NOTE 1: DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of Euclid, Ohio (the City) was incorporated in 1931 and includes an area of approximately 10.3 square miles. The City operates under an elected Mayor/Council (nine members) administrative/legislative form of government and provides services to its more than 52,000 residents. The City established a formal charter in 1951 which governs its operations.

Reporting Entity

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

B. Fund Accounting

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

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

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

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

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

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

B. Fund Accounting (Continued)

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

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

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

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

C. Measurement Focus

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

C. Measurement Focus (Continued)

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

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

D. Basis of Accounting

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

D. Basis of Accounting (Continued)

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

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, sale of future revenues, pension and unavailable revenues. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance year 2016 operations. The property taxes, payments in lieu of taxes, and sale of future revenues have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

D. Basis of Accounting (Continued)

For the City, unavailable revenue includes delinquent property taxes (\$948,843), municipal income taxes (\$4,106,493), intergovernmental grants (\$1,466,091), special assessments (\$4,772,518), and charges for services (\$246,147). These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 14).

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

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

E. Budgetary Process

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

E. Budgetary Process

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

F. Cash and Cash Equivalents

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

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

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

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

During 2015, the City invested in U.S agency debt securities, municipal debt securities from governmental entities within the State of Ohio, negotiable certificates of deposit, and the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value, which is based on quoted market prices.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

F. Cash and Cash Equivalents (Continued)

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, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2015.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2015 amounted to \$156,534, which includes \$131,649 assigned from other City funds.

G. Inventory

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

H. Prepaid Items

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

I. Capital Assets

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

I. Capital Assets (Continued)

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

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

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

For 2015, the City's infrastructure consisted of streets, storm sewers, and sanitary sewers.

J. Interfund Balances

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

K. Compensated Absences

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

K. Compensated Absences (Continued)

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

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

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Fund Balance

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

M. Fund Balance (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.

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

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

N. 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. The government-wide Statement of Net Position reports \$4,514,553 of restricted net position, none of which is restricted by enabling legislation. Net position restricted for other purposes include resources restricted for court computerization, court special projects, law enforcement trust, and other grant funds.

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

O. Operating Revenue and Expenses

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

P. Interfund Activity

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

Q. Bond Premium

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

R. Gain/Loss on Refunding

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. No extraordinary or special items occurred in 2015.

T. Estimates

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

U. Pension

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

A. Change in Accounting Principles and Restatement of Net Position

For year 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

	Governmental Activities	Business Type Activities
Net Position as of December 31, 2014	\$ 44,839,375	\$ 43,492,856
Adjustments:		
Net Pension Liability	(38,776,252)	(3,176,605)
Net Pension Asset	6,724	2,850
Deferred Outflow - Payments Subsequent to Measurement Date	3,677,963	409,750
Restated Net Position December 31, 2014	<u>\$ 9,747,810</u>	<u>\$ 40,728,851</u>

	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Total Enterprise
Net Position as of December 31, 2014	\$ 42,402,317	\$ (7,580,519)	\$ 8,671,058	\$ 43,492,856
Adjustments:				
Net Pension Liability	(3,176,605)	-	-	(3,176,605)
Net Pension Asset	2,850	-	-	2,850
Deferred Outflow - Payments Subsequent to Measurement Date	409,750	-	-	409,750
Restated Net Position December 31, 2014	<u>\$ 39,638,312</u>	<u>\$ (7,580,519)</u>	<u>\$ 8,671,058</u>	<u>\$ 40,728,851</u>

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

B. Restatement of Budgetary Balance

The beginning balance was restated on the statement of revenues, expenditures and changes in fund balances – Budget and Actual statement for the Briardale Greens Golf Course Fund.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 4: COMPLIANCE AND ACCOUNTABILITY

The following funds had deficits in fund balance or deficits in net position as of December 31, 2015:

<i>Governmental Funds</i>	
<i>Nonmajor</i>	
Community Development Block Grant	\$ 61,099
Public Building Construction	358,312
Total Governmental Funds	<u><u>\$ 419,411</u></u>
Enterprise Fund	
Water Line Improvement	<u><u>\$ 8,580,888</u></u>

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

NOTE 5: BUDGETARY BASIS OF ACCOUNTING

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(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.

GAAP Basis	\$	801,110
Net Adjustment for Revenue Accruals		466,712
Net Adjustment for Expenditure Accruals		(219,571)
Funds with Separate Legally Adopted Budgets		(19,307)
Encumbrances		(119,340)
Budget Basis	<u>\$</u>	<u>909,604</u>

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City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 6: FUND BALANCE

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

Fund Balances	General	General Obligation Bond Retirement	Other Governmental Funds	Total
<i>Nonspendable</i>				
Prepaid Items	\$ 93,289	\$ -	\$ 6,407	\$ 99,696
Materials and Supplies Inventory	123,213	-	86,775	209,988
Unclaimed Funds	42,216	-	-	42,216
Notes Receivable	800,940	-	-	800,940
<i>Total Nonspendable</i>	<u>1,059,658</u>	<u>-</u>	<u>93,182</u>	<u>1,152,840</u>
<i>Restricted for</i>				
Transportation	-	-	331,844	331,844
Drug & Alcohol Enforcement	-	-	163,969	163,969
Municipal Court	-	-	157,884	157,884
Recreation	-	-	61,952	61,952
Neighborhood Stabilization	-	-	18,891	18,891
Other Grants	-	-	76,484	76,484
Law Enforcement	-	-	95,011	95,011
Assets Held for Resale	-	-	216,060	216,060
Capital Improvements	-	-	323,463	323,463
Recreation Capital	-	-	170,213	170,213
TIF Capital Projects	-	-	409,656	409,656
Other Capital Improvements	-	-	90,610	90,610
Bond Retirement	-	768,924	-	768,924
<i>Total Restricted</i>	<u>-</u>	<u>768,924</u>	<u>2,116,037</u>	<u>2,884,961</u>
<i>Committed to</i>				
Nuisance Abatement	83,372	-	-	83,372
Community Television	1,475	-	-	1,475
Shore Cultural Center	42,184	-	-	42,184
Animal Shelter	-	-	22,959	22,959
<i>Total Committed</i>	<u>127,031</u>	<u>-</u>	<u>22,959</u>	<u>149,990</u>
<i>Assigned to</i>				
Fiscal Year 2016 Appropriations	744,069	-	-	744,069
Purchases on Order	92,007	-	-	92,007
<i>Total Assigned</i>	<u>836,076</u>	<u>-</u>	<u>-</u>	<u>836,076</u>
<i>Unassigned (Deficit)</i>	4,664,182	-	(419,411)	4,244,771
Total Fund Balances	<u>\$ 6,686,947</u>	<u>\$ 768,924</u>	<u>\$ 1,812,767</u>	<u>\$ 9,268,638</u>

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 7: DEPOSITS AND INVESTMENTS

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

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

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

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

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

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

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

Cash on Hand

The City had \$7,920 in undeposited cash on hand, which is reported on the balance sheet as part of “Equity in Pooled Cash and Cash Equivalents”.

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year-end, the carrying amount of the City’s deposits was \$7,037,929 (which does not include cash in segregated accounts of \$252,759) and the bank balance was \$7,348,762. Of the bank balance, \$1,162,527 was covered by Federal depository insurance and \$6,186,235 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the securities were held by the pledging institution’s trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 7: DEPOSITS AND INVESTMENTS (Continued)

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

Investments

Investments are reported at fair value. As of December 31, 2015, fair value was \$15,670 below the City's net cost for investments. As of December 31, 2015, the City had the following investments:

	Fair Market Value	Credit Rating
Federal Home Loan Mortgage Corp.	\$ 5,739,768	AA+
Federal Home Loan Bank	998,750	AA+
Federal Farm Credit Bank	1,000,418	AA+
Federal National Mortgage Association	3,000,270	AA+
Negotiable Certificates of Deposit	5,942,114	N/A
Municipal Securities	500,000	N/A
STAR Ohio	313,262	AAAm
Total Investments	\$ 17,494,582	

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

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bank Bonds, Federal Farm Credit Bank, and Municipal Debt Securities are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee. The City's investments in negotiable certificates of deposit of \$5,942,114 were fully covered by the FDIC.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

Credit Risk The City has no investment policy that would further limit its investment choices. Credit ratings, if available, are provided in the aforementioned table by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2015:

<u>Percentage of Total Investments</u>	
Federal Home Loan Mortgage Corp.	32%
Federal Home Loan Bank	6%
Federal Farm Credit Bank	6%
Federal National Mortgage Association	17%
Negotiable Certificates of Deposit	34%
Municipal Securities	3%
STAR Ohio	2%
Total	<u>100%</u>

Component Unit - Euclid Development Corporation (EDCOR)

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, EDCOR will not be able to recover deposits or collateral securities that are in possession of an outside party. At year-end, the carrying amount and bank balance of EDCOR's deposits was \$612,888. Of the bank balance, the full amount was covered by Federal depository insurance.

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

NOTE 8: **RECEIVABLES**

Receivables at December 31, 2015, consisted primarily of municipal income taxes, property and other taxes, accounts (billings for utility services), special assessments, accrued interest on investments, and intergovernmental receivables arising from entitlements and shared revenues. All receivables are deemed collectible in full. Special assessments outstanding at December 31, 2015, are \$4,772,518 with delinquent special assessments outstanding being \$1,468,271.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 8: **RECEIVABLES** (Continued)

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

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2015 for real and public utility property taxes represents collections of 2014 taxes. Property tax payments received during 2015 for tangible personal property (other than public utility property) are for delinquent taxes from prior years.

2015 real property taxes are levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

Public utility real and tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 public utility property taxes which become a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2015 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2015, was \$13.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2015 property tax receipts were based are as follows:

Real Property	\$ 560,680,350
Public Utility Property	<u>20,085,560</u>
Total Valuation	<u><u>\$ 580,765,910</u></u>

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 8: **RECEIVABLES** (Continued)

A. Property Taxes (Continued)

The Cuyahoga County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Euclid. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes, and outstanding delinquencies, which are measurable as of December 31, 2015, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2015 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue is deferred.

B. Income Tax

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 8: **RECEIVABLES** (Continued)

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

<i>Governmental Activities</i>	
Local Government (County & State)	\$ 726,326
Gasoline Tax	631,784
Homestead and Rollback	261,354
Motor Vehicle Tax	149,924
Various Grants	349,529
Other Intergovernmental	17,286
Total Intergovernmental Receivable	\$ 2,136,203

D. Notes and Loans Receivable

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 9: CONTINGENCIES

A. Grants

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

B. Litigation

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

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City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 10: CAPITAL ASSETS

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

	Balance 12/30/2014	Additions	Deletions	Balance 12/31/2015
Governmental Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 10,775,705	\$ -	\$ -	\$ 10,775,705
Construction in Progress	590,258	9,865	-	600,123
<i>Total Capital Assets, Not Being Depreciated</i>	<u>11,365,963</u>	<u>9,865</u>	<u>-</u>	<u>11,375,828</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	8,862,257	29,278	-	8,891,535
Buildings and Improvements	17,259,349	21,937	-	17,281,286
Furniture, Fixtures, and Equipment	13,608,788	683,704	964,564	13,327,928
Infrastructure:				
Streets	130,935,128	-	-	130,935,128
<i>Total Capital Assets, Being Depreciated</i>	<u>170,665,522</u>	<u>734,919</u>	<u>964,564</u>	<u>170,435,877</u>
Less Accumulated Depreciation:				
Land Improvements	(5,439,308)	(253,781)	-	(5,693,089)
Buildings and Improvements	(8,299,704)	(367,049)	-	(8,666,753)
Furniture, Fixtures, and Equipment	(9,411,036)	(597,783)	(770,745)	(9,238,074)
Infrastructure:				
Streets	(103,240,320)	(3,295,816)	-	(106,536,136)
<i>Total Accumulated Depreciation*</i>	<u>(126,390,368)</u>	<u>(4,514,429)</u>	<u>(770,745)</u>	<u>(130,134,052)</u>
Total Capital Assets, Being Depreciated, Net	<u>44,275,154</u>	<u>(3,779,510)</u>	<u>193,819</u>	<u>40,301,825</u>
Governmental Activities Capital Assets, Net	<u>\$ 55,641,117</u>	<u>\$ (3,769,645)</u>	<u>\$ 193,819</u>	<u>\$ 51,677,653</u>

*Depreciation Expense was charged to governmental functions as follows:

General Government	\$ 273,616
Security of Persons and Property	432,192
Leisure Time Services	233,046
Community and Economic Development	82,019
Transportation	3,493,556
	<u>\$ 4,514,429</u>

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 10: CAPITAL ASSETS (Continued)

	Balance 12/30/2014	Additions	Deletions	Balance 12/31/2015
Business-Type Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 8,336,966	\$ -	\$ -	\$ 8,336,966
Construction in Progress	8,159,661	21,670,867	7,911,868	21,918,660
<i>Total Capital Assets, Not Being Depreciated</i>	16,496,627	21,670,867	7,911,868	30,255,626
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	1,493,948	-	-	1,493,948
Buildings and Improvements	14,527,598	-	-	14,527,598
Furniture, Fixtures, and Equipment	8,077,828	686,543	-	8,764,371
Infrastructure:				
Sanitary Sewers	22,303,260	7,911,868	-	30,215,128
Storm Sewers	12,414,136	-	-	12,414,136
<i>Total Capital Assets, Being Depreciated</i>	58,816,770	8,598,411	-	67,415,181
Less Accumulated Depreciation:				
Land Improvements	(1,060,061)	(52,259)	-	(1,112,320)
Buildings and Improvements	(7,369,507)	(302,764)	-	(7,672,271)
Furniture, Fixtures, and Equipment	(7,236,028)	(172,858)	-	(7,392,261)
Infrastructure:				
Sanitary Sewers	(6,959,495)	(594,697)	-	(7,554,192)
Storm Sewers	(5,184,571)	(238,517)	-	(5,423,088)
<i>Total Accumulated Depreciation</i>	(27,809,662)	(1,344,470)	-	(29,154,132)
Total Capital Assets, Being Depreciated, Net	31,007,108	7,253,941	-	38,261,049
Business-Type Activities Capital Assets, Net	\$ 47,503,735	\$ 28,924,808	\$ 7,911,868	\$ 68,516,675

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 11: LONG-TERM OBLIGATIONS

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

Debt Issue	Interest Rate	Original Issue Date	Original Issue Amount	Date of Maturity
<i>General Obligation Bonds:</i>				
Various Purpose Refunding - 2008	4.70-5.125	2008	2,800,000	2018
Various Purpose - 2008	3.00-5.00	2008	7,825,000	2028
Various Purpose and Refunding - 2011A	2.00-4.00	2011	5,437,000	2021
Various Purpose - 2011B	2.00-4.375	2011	2,341,000	2031
Various Purpose Refunding - 2014	2.34	2014	7,023,229	2025
<i>Long-term Notes Payable:</i>				
Various Purpose - 2014	1.125	2014	5,265,000	2015
<i>Income Tax Special Obligation bonds:</i>				
Various Purpose - 2015	2.48	2015	6,999,000	2030
<i>Industrial Development Revenue Bonds</i>				
Lincoln Electric Industrial Development Refunding - 2011	4.35	2011	1,015,000	2016
<i>Ohio Public Works Commission</i>				
East 222nd Reconstruction -2006	0.00	2006	1,257,200	2029
<i>Special Assessment Bonds with Governmental Commitment</i>				
Heritage Drive Improvements Refunding - 2011	2.00-3.00	2011	1,005,000	2018
<i>Enterprise General Obligation Bonds:</i>				
Various Purpose Refunding - 2008	2.50-5.00	2004	2,660,000	2018
Waterline Improvement Refunding - 2011A	2.00-4.00	2011	2,488,000	2021
Sewer Improvement - 2011B	2.00-4.375	2011	748,000	2031
Waterline Improvement - 2011B	2.00-4.375	2011	6,376,000	2031
Various Purpose Refunding - 2014	2.34	2014	506,771	2025
<i>Enterprise OWDA Loans*:</i>				
Wastewater Treatment and Collection System	5.20	1993	9,842,765	2014
Wastewater Treatment and Collection Systems	4.56	1994	2,397,760	2014
Land Acquisition for Wastewater Treatment Plant	3.36	2012	908,840	2038
<i>Enterprise OPWC Loans*:</i>				
Newton Avenue Improvements - 2000	0.00	2000	1,468,836	2019
East 226th Street/Edgecliff - 2003	0.00	2003	1,528,108	2023
East 197th Street - 2001	0.00	2001	759,025	2020
East 255th Street - 2002	0.00	2002	400,534	2022
East 216th Street - 2004	0.00	2004	581,131	2024
Brandywine Pump Station - 2005	0.00	2006	408,000	2028
Chatworth Dr. Sanitary -2006	0.00	2006	240,400	2028
Euclid Ave/Babbitt Rd -2006	0.00	2006	540,900	2028
Miller Avenue - 2001	0.00	2001	1,689,900	2020
East 222nd Street -2003	0.00	2003	874,958	2023
East 214th Street - 2001	0.00	2001	262,735	2020
Euclid Avenue Improvement - 2008	0.00	2008	552,000	2028
East 222nd Street/Tungsten Road - 2009	0.00	2009	779,300	2039
Dille Road/East 204th Street - 2009	0.00	2009	950,000	2029
East 264th Street - 2010	0.00	2010	439,500	2030
East 248th Street/Shoreview - 2010	0.00	2010	887,600	2040
East 214th Street/Lakeshore - 2010	0.00	2010	958,500	2030
Roadway & Utility Improvement - 2011	0.00	2011	693,360	2031

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 11: LONG-TERM OBLIGATIONS (Continued)

	Restated Principal Outstanding 12/31/2014	Additions	Deletions	Principal Outstanding 12/31/2015	Due Within One Year
Governmental Activities					
<i>General Obligation Bonds:</i>					
Various Purpose Refunding - 2008	805,000	-	185,000	620,000	200,000
Unamortized Premium	31,866	-	9,106	22,760	-
Various Purpose - 2008	4,735,000	-	450,000	4,285,000	460,000
Unamortized Premium	84,176	-	6,236	77,940	-
Various Purpose - 2011A	920,000	-	365,000	555,000	370,000
Unamortized Premium	11,042	-	5,076	5,966	-
Various Purpose Refunding - 2011A	2,484,000	-	438,000	2,046,000	390,000
Unamortized Premium	41,786	-	6,965	34,821	-
Various Purpose - 2011B	2,073,000	-	93,000	1,980,000	96,000
Unamortized Premium	20,117	-	1,183	18,934	-
Various Purpose Refunding - 2014	6,548,507	-	437,150	6,111,357	568,295
<i>Total General Obligation Bonds</i>	<u>17,754,494</u>	<u>-</u>	<u>1,996,716</u>	<u>15,757,778</u>	<u>2,084,295</u>
<i>Long-term Notes Payable:</i>					
Various Purpose - 2014	5,265,000	-	5,265,000	-	-
Unamortized Premium	11,848	-	11,848	-	-
<i>Total Long-term Notes Payable</i>	<u>5,276,848</u>	<u>-</u>	<u>5,276,848</u>	<u>-</u>	<u>-</u>
<i>Income Tax Special Obligation Bonds:</i>					
Various Purpose - 2015	-	6,999,000	-	6,999,000	50,000
<i>Total Income Tax Special Obligation Bonds:</i>	<u>-</u>	<u>6,999,000</u>	<u>-</u>	<u>6,999,000</u>	<u>50,000</u>
<i>Special Assessment Bonds</i>					
<i>with Governmental Commitment</i>					
Refunding Heritage Drive					
Improvements - 2011 Refunding	525,000	-	130,000	395,000	135,000
Unamortized Premium	5,151	-	1,288	3,863	-
<i>Total Special Assessment Bonds</i>	<u>530,151</u>	<u>-</u>	<u>131,288</u>	<u>398,863</u>	<u>135,000</u>
<i>Industrial Development Revenue Bonds</i>					
Lincoln Electric Industrial Development - 2011	360,000	-	175,000	185,000	185,000
<i>Ohio Public Works Commission</i>					
East 222nd Reconstruction -2006	1,252,780	-	83,519	1,169,261	83,519
<i>Net Pension Liability</i>					
OPERS	7,497,471	173,257	-	7,670,728	-
OP&F	31,278,781	1,991,587	-	33,270,368	-
<i>Total Net Pension Liability</i>	<u>38,776,252</u>	<u>2,164,844</u>	<u>-</u>	<u>40,941,096</u>	<u>-</u>
<i>Other Obligations:</i>					
Capital Leases	681,136	-	219,883	461,253	175,865
Claims and Judgments Payable	210,340	386,244	380,134	216,450	130,000
Compensated Absences	6,371,261	2,362,036	2,363,523	6,369,774	340,888
<i>Total Other Obligations</i>	<u>7,262,737</u>	<u>2,748,280</u>	<u>2,963,540</u>	<u>7,047,477</u>	<u>646,753</u>
<i>Total Governmental Activities</i>	<u>\$ 71,213,262</u>	<u>\$ 11,912,124</u>	<u>\$ 10,626,911</u>	<u>\$ 72,498,475</u>	<u>\$ 3,184,567</u>

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 11: LONG-TERM OBLIGATIONS (Continued)

	Restated Principal Outstanding 12/31/2014	Additions	Deletions	Principal Outstanding 12/31/2015	Due Within One Year
Business-Type Activities					
<i>General Obligation Bonds:</i>					
Waste Water Fund:					
Various Purpose Refunding - 2008	\$ 585,000	\$ -	\$ 145,000	\$ 440,000	\$ 140,000
Unamortized Premium	15,477	-	4,423	11,054	-
Sewer Improvement - 2011B	663,000	-	30,000	633,000	30,000
Unamortized Premium	6,424	-	378	6,046	-
Various Purpose Refunding - 2014	941,493	-	62,850	878,643	81,705
Water Line Fund (a):					
Various Purpose Refunding - 2008	560,000	-	130,000	430,000	140,000
Unamortized Premium	14,794	-	4,228	10,566	-
Waterline Improvement - 2011B	5,644,000	-	252,000	5,392,000	259,000
Unamortized Premium	54,784	-	3,223	51,561	-
Waterline Improvement Refunding- 2011A	1,836,000	-	287,000	1,549,000	295,000
Unamortized Premium	30,032	-	5,005	25,027	-
<i>Total General Obligation Bonds:</i>	<u>10,351,004</u>	<u>-</u>	<u>924,107</u>	<u>9,426,897</u>	<u>945,705</u>
<i>OWDA Loans:</i>					
Waste Water Fund:					
Land Acquisition for Wastewater Treatment Facilities - 2012	873,017	-	24,896	848,121	24,896
Wastewater Treatment Plant Headworks Complex - 2013	353,700	384,722	512,587	225,835	26,160
Wastewater Treatment Plant MBR Process Planning & Design - 2013	491,515	583,549	131,033	944,031	131,033
SSO Elimination - 2013	887,372	91,825	49,332	929,865	50,849
Equalization Basin Phase 1 Design - 2014 SSO 25, 26 & 27, E. 220th, E. 194th & E. 222nd - 2014	326,813	1,303,846	1,630,659	-	-
1,201,759	1,284,708	-	2,486,467	-	
Preconstruction Services for WWTP Improvements - 2014	244,383	524,576	439,011	329,948	-
WWTP Sludge Transfer Force Main - 2014	79,657	2,490,733	-	2,570,390	-
Edgecliff San. Sewer, WWTP Relief Sewer, SSO Elimination - 2014	268,574	1,323,857	-	1,592,431	-
Edgecliff 2 Design - 2015	-	33,034	33,034	-	-
WWTP Headworks Phase 1 - 2015	-	5,436,562	-	5,436,562	-
Edgecliff San. Sewer Relining, SSO #28 Elimination - 2015	-	44,733	-	44,733	-
WWTP MBR - Procurement Phase HAB - 2015	-	238,539	-	238,539	-
Headworks part B & EW Basin Phase 1 - 2015	-	2,844,168	237,674	2,606,494	-
Effingham SSO Elimination Design - 2015	-	401	-	401	-
<i>Total OWDA Loans</i>	<u>4,726,790</u>	<u>16,585,253</u>	<u>3,058,226</u>	<u>18,253,817</u>	<u>232,938</u>

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 11: LONG-TERM OBLIGATIONS (Continued)

	Restated Principal Outstanding 12/31/2014	Additions	Deletions	Principal Outstanding 12/31/2015	Due Within One Year
Business-Type Activities (Continued)					
<i>OPWC Loans:</i>					
Waste Water Fund:					
Newton Avenue Improvements - 2000	\$ 367,208	\$ -	\$ 73,442	\$ 293,766	\$ 73,442
East 226th Street/Edgecliff - 2003	649,447	-	76,405	573,042	76,405
East 197th Street - 2001	227,708	-	37,952	189,756	37,952
East 255th Street - 2002	150,202	-	20,027	130,175	20,027
East 216th Street - 2004	290,566	-	29,057	261,509	29,057
Brandywine Pump Station - 2006	228,398	-	16,919	211,479	16,919
Chatworth Dr. Sanitary -2006	158,982	-	11,776	147,206	11,776
Euclid Ave/Babbit Rd -2006	345,609	-	23,835	321,774	23,835
Euclid Avenue Improvement -2008	410,882	-	23,479	387,403	23,479
Dille Road/ East 204 - 2009	618,374	-	36,374	582,000	36,374
E. 264th Street - 2010	169,120	-	9,948	159,172	9,948
E. 274th and E. 275th SSO Elimination - 2014	352,950	91,824	-	444,774	-
Edgecliff SSO Elimination - 2015	-	627,217	-	627,217	-
Crystal/E. 22nd Street/Bruce Storm and Sanitary - 201:	-	732,267	-	732,267	-
Total Waste Water Fund	3,969,446	1,451,308	359,214	5,061,540	359,214
Water Line Fund (a):					
Miller Avenue - 2001	506,970	-	84,495	422,475	84,495
East 222nd Street -2003	393,730	-	43,748	349,982	43,748
East 214th Street - 2001	78,819	-	13,136	65,683	13,136
East 222nd/Tungsten Road - 2009	288,605	490,695	-	779,300	-
Dille Road/ East 204 - 2009	189,126	-	11,126	178,000	11,126
E. 264th Street - 2010	18,615	-	1,095	17,520	1,095
E. 248th Street/Shoreview - 2010	597,484	-	21,727	575,757	21,727
E. 214 Street/Lake Shore - 2010	504,858	-	28,849	476,009	28,849
Roadway & Utility Improvement - 2011	624,024	-	34,668	589,356	34,668
Total Water Line Fund	3,202,231	490,695	238,844	3,454,082	238,844
Total OPWC Loan	7,171,677	1,942,003	598,058	8,515,622	598,058
<i>Other Obligations</i>					
Net Pension Liability - OPERS	3,176,605	73,406	-	3,250,011	-
Capital Leases	86,012	480,579	20,409	546,182	116,552
Claims Payable	43,061	39,450	43,061	39,450	27,303
Compensated Absences	752,190	405,774	213,277	944,687	122,309
Total Other Obligations	4,057,868	999,209	276,747	4,780,330	266,164
Total Business-Type Activities	\$ 26,307,339	\$ 19,526,465	\$ 4,857,138	\$ 40,976,666	\$ 2,042,865

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

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

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

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

Refer to Note 14 for further information regarding Net Pension Liability.

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

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

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

At the end of the year, the City had four outstanding projects provided through OPWC loan funding and twelve outstanding projects provided through OWDA loan funding that are still in the design phase. Final amortization schedules are not provided as of year-end. As of December 31, 2015, the total loan amounts received for the outstanding projects are reported in the previous schedules.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

The City has pledged future general revenue to repay taxable Industrial Development Revenue bonds, which were defeased during 2011. Debt is payable solely from net revenues and are payable through 2016. Annual principal and interest payments on the revenue bonds are expected to require 0.5 percent of net revenue. Total principal and interest remaining to be paid on the debt is \$383,707. Principal and interest paid for the current year were \$193,055, and the related revenue received was \$109,336. See Note 8(D) for more information on the Industrial Development Revenue bonds.

On June 11, 2014, the City issued \$5.265 million in various purpose income tax notes at an interest rate of 1.125 percent with a maturity date of June 11, 2015. These notes were used to fully retire the 2013 various purpose notes. The original various purpose notes were issued for the purposes of equipment, vehicles, street improvements, and waterfront improvements.

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

Prior Years' Debt Defeasance

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Government securities that were placed in the irrevocable trust fund. The investment and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of December 31, 2015, the amount of defeased debt outstanding but removed from the government-wide financial statements amounted to \$9,671,000.

Legal Debt Margin

The City's overall legal debt margin was \$45,222,643 and the unvoted debt margin was \$16,184,347 at December 31, 2015.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 11: LONG-TERM OBLIGATIONS (Continued)

Principal and Interest Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2015 are as follows:

	<u>Governmental Activities</u>					
	<u>General Obligation Bonds</u>		<u>Income Tax Special Obligation Bonds</u>		<u>Special Assessment Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 2,084,295	\$ 506,100	\$ 50,000	\$ 172,955	\$ 135,000	\$ 10,188
2017	1,797,038	449,635	50,000	171,715	130,000	7,150
2018	1,852,153	391,845	457,000	165,429	130,000	3,900
2019	1,426,639	325,748	467,000	153,971	0	0
2020	1,477,752	280,471	480,000	142,228	0	0
2021-2025	5,207,480	845,903	2,577,000	524,905	0	0
2026-2030	1,589,000	204,824	2,918,000	184,413	0	0
2031	163,000	7,142	0	0	0	0
Total	\$ 15,597,357	\$ 3,011,668	\$ 6,999,000	\$ 1,515,616	\$ 395,000	\$ 21,238

	<u>Governmental Activities</u>				
	<u>Industrial Development</u>		<u>OPWC Loan</u>	<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 185,000	\$ 8,048	\$ 83,519	\$ 2,487,814	\$ 524,336
2017	0	0	83,519	2,010,557	456,785
2018	0	0	83,519	2,065,672	395,745
2019	0	0	83,519	1,510,158	325,748
2020	0	0	83,519	1,561,271	280,471
2021-2025	0	0	417,594	5,625,074	845,903
2026-2030	0	0	334,072	1,923,072	204,824
2031	0	0	0	163,000	7,142
Total	\$ 185,000	\$ 8,048	\$ 1,169,261	\$ 17,346,618	\$ 3,040,954

	<u>Business Type Activities</u>						
	<u>General Obligation Bonds</u>		<u>OWDA Loans</u>		<u>OPWC Loans</u>	<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 945,705	\$ 337,561	\$ 24,896	\$ 28,282	\$ 598,058	\$ 1,568,659	\$ 365,843
2017	962,962	312,349	26,612	27,410	598,058	1,587,632	339,759
2018	997,848	282,711	27,514	26,509	598,058	1,623,420	309,220
2019	718,362	259,260	28,446	25,576	598,057	1,344,865	284,836
2020	737,246	223,089	29,410	24,613	524,617	1,291,273	247,702
2021-2025	2,262,520	815,598	162,688	112,756	1,567,502	3,992,710	928,354
2026-2030	2,201,000	389,775	192,183	84,229	991,491	3,384,674	474,004
2031-2035	497,000	21,751	227,022	50,530	315,006	1,039,028	72,281
2036-2040	0	0	129,350	0	108,635	237,985	0
2041-2042	0	0	0	0	32,582	32,582	0
Total	\$ 9,322,643	\$ 2,642,094	\$ 848,121	\$ 379,905	\$ 5,932,064	\$ 16,102,828	\$ 3,021,999

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 12: COMPENSATED ABSENCES

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

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

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

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 13: RISK MANAGEMENT

A. Property and Liability

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

During 2015, the City negotiated with Love Insurance Company for commercial insurance coverage relating to property, boiler, and machinery insurance. The cost of the current coverage in affect as of December 31, 2015 was \$68,096. The City carries a commercial package property insurance policy for blanket coverage. The City’s total limit of liability is \$150,000,000 as a result of any one occurrence, regardless of the number of perils, coverages or locations involved. The policy coverage includes loss of business income for specific locations, personal property, securities, and property in the open. Included in this blanket is coverage in land marine, equipment breakdown with its own \$10,000 deductible, and crime shield coverage of \$25,000 per loss with a \$250 deductible.

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

The claims liability of \$130,000 reported in the Self-Insurance Internal Service Fund at December 31, 2015 consists of general liability insurance and is based on an estimate of costs relating to incurred but not reported claims. Changes in the fund’s general liability insurance claims liability amount for the last three years follow:

<u>December 31,</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2013	150,000	130,263	80,263	200,000
2014	200,000	21,168	56,168	165,000
2015	165,000	38,107	73,107	130,000

B. Health Insurance

In 2015 the City switched from a self-funded program for health insurance to a shared-funding plan provided by a commercial insurance carrier. The City will pay up to a predetermined amount toward each employee’s health care costs after employees meet their deductible. Once this “funding corridor” has been met, the insurance company will pay the employee’s remaining annual health care costs.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

C. Workers' Compensation Program

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

The claims liability of \$280,759 reported in governmental activities (with \$194,309 of the \$280,759 considered to be a current liability) and \$39,450 reported in business-type activities is based on the requirements of GASB Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Changes in the fund's claims liability amount for the last three years follows:

<u>December 31,</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2013	295,641	486,506	383,508	398,639
2014	398,639	128,034	176,585	350,088
2015	350,088	268,510	298,389	320,209

NOTE 14: **DEFINED BENEFIT PENSION PLANS**

Net Pension Liability

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

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

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

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

Ohio Public Employees Retirement System (OPERS)

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 14: DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$1,215,380 for 2015. Of this amount, \$104,507 is reported as an intergovernmental payable.

Ohio Police and Fire Pension Fund

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

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

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

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

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$2,689,289 for 2015. Of this amount, \$194,773 is reported as an intergovernmental payable.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

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, 2014, 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, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Police	OP&F Fire	Total
Proportionate Share of the Net Pension Liability/(Asset)	\$10,920,739	(\$35,135)	\$16,386,550	\$ 16,883,818	\$44,155,972
Proportion of the Net Pension Liability/Asset	0.090545%	0.091255%	0.3163172%	0.3259162%	
Pension Expense	1,192,332	23,347	1,608,204	1,660,331	4,484,214

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

	OPERS	OP&F Police	OP&F Fire	Total
Deferred Outflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$584,843	\$706,245	\$727,677	\$2,018,765
City contributions subsequent to the measurement date	<u>1,215,380</u>	<u>1,311,940</u>	<u>1,377,349</u>	<u>3,904,669</u>
Total Deferred Outflows of Resources	<u>\$1,800,223</u>	<u>\$2,018,185</u>	<u>\$2,105,026</u>	<u>\$5,923,434</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	<u>\$202,577</u>	<u>\$0</u>	<u>\$0</u>	<u>\$202,577</u>

\$3,904,669 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, 2016.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 14: DEFINED BENEFIT PENSION PLANS (Continued)

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>
2016	\$56,412	\$176,561	\$181,919	\$414,892
2017	56,412	176,561	181,919	\$414,892
2018	130,126	176,561	181,919	\$488,606
2019	144,935	176,562	181,920	\$503,417
2020	(1,275)	0	0	(1,275)
Thereafter	<u>(4,344)</u>	<u>0</u>	<u>0</u>	<u>(4,344)</u>
Total	<u>\$382,266</u>	<u>\$706,245</u>	<u>\$727,677</u>	<u>\$1,816,188</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

The total pension asset in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 14: DEFINED BENEFIT PENSION PLANS (Continued)

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 8.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

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

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

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

<u>City's proportionate share of the net pension liability/(asset)</u>	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Traditional Pension Plan	\$20,091,030	\$10,920,739	\$3,197,144
Combined Plan	\$4,563	(\$35,135)	(\$66,616)

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

Actuarial Assumptions – OP&F

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

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2014 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	- %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

* levered 2x

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 14: **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 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 46,017,952	\$ 33,270,368	\$ 22,477,040

NOTE 15: **POST-EMPLOYMENT BENEFITS**

A. Ohio Public Employees Retirement System

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

OPERS maintains two cost-sharing multiple-employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursement, to qualifying benefit recipients of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have ten 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 No. 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

A. Ohio Public Employees Retirement System (Continued)

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting www.opers.org/investments/cafr.shtml, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. 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 2015, State and Local employers contributed at a rate of 14.00 percent of earnable salary and Public Safety and Law Enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined Plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.00 percent during calendar year 2015. As recommended by the OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.00 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA participants in the Member-Directed Plan for 2015 was 4.50 percent.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

A. Ohio Public Employees Retirement System (Continued)

The City's actual employer contributions for December 31, 2015, 2014 and 2013 which were used to fund post-employment benefits were \$206,104, \$231,994, and \$122,106, respectively; 92.76 percent has been contributed for 2015 and 100 percent has been contributed for 2014 and 2013.

B. Ohio Police and Fire Pension Fund

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

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

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

B. Ohio Police and Fire Pension Fund (Continued)

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 Trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 0.50 percent of covered payroll from January 1, 2015 thru December 31, 2015. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of the Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$34,436 and \$29,227 for the year ended December 31, 2015, \$34,746 and \$29,088 for the year ended December 31, 2014, and \$244,357 and \$202,542 for the year ended December 31, 2013, respectively; 92.84 percent for police and 92.97 percent for firefighters have been contributed for 2015, with the remainder being reported as a liability. The full amount has been contributed for 2014 and 2013.

NOTE 16: **CAPITAL LEASES**

During 2015, the City entered into leases for a new camera truck and street sweeper. In prior years, the City entered into leases for the acquisition various miscellaneous vehicles and equipment. The City's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards Board No. 13, *Accounting for Leases*. Capital lease payments are reflected as program expenditures on the budgetary statements and part of debt service on the Statement of Revenue, Expenditures, and Changes in Fund Balances.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

NOTE 16: **CAPITAL LEASES** (Continued)

Capital assets acquired by lease have been capitalized and depreciated as follows as of December 31, 2015:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
<i>Capital Assets being Depreciated:</i>		
Furniture, Fixtures, and Equipment	\$ 709,285	\$ 590,002
Less: Accumulated Depreciation	(80,356)	28,474
<i>Total Capital Assets being Depreciated</i>	<u>\$ 628,929</u>	<u>\$ 618,476</u>
Year Ending <u>December 31,</u>		
2016	\$ 183,176	\$ 125,878
2017	183,176	125,878
2018	108,713	125,877
2019	-	102,467
2020	-	102,466
Total Minimum Lease Payments	<u>475,065</u>	<u>582,566</u>
Less: Amount Representing Interest	(13,812)	(36,384)
Present Value of Minimum Lease Payments	<u>\$ 461,253</u>	<u>\$ 546,182</u>

NOTE 17: **CONSTRUCTION AND OTHER COMMITMENTS**

A. **Construction Commitments**

As of December 31, 2015, the City had the following significant commitments with respect to capital projects:

<u>Capital Projects</u>	<u>Remaining Construction Commitment</u>
<i>Governmental Activities</i>	
Lakeshore/E. 222nd/Babbit Intersection	\$ 461,279
Total Governmental Activities	<u>461,279</u>
<i>Business-Type Activities</i>	
Waste Water Projects:	
Edgecliff 1	\$ 99,966
A - Crystal	102,472
B - E. 222nd	21,727
C - E. 194th	282,097
Total Business-Type Activities	<u>506,262</u>
Total	<u>\$ 967,541</u>

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

B. Other Commitments

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of December 31, 2015, the City's commitments for encumbrances in the governmental funds were as follows:

	Outstanding Encumbrances
General	\$ 92,007
All Other Governmental Funds	1,038,042
Total	\$ 1,130,049

NOTE 18: **INTERFUND TRANSFERS AND BALANCES**

A. Transfers

Transfers made during the year ended December 31, 2015, were as follows:

	Transfers From				
	General Fund	Nonmajor Governmental Funds	Waste Water Treatment Fund	Water Line Improvement	
Transfers To					
Governmental Funds:					
General Fund	\$ -	\$ 230,000	\$ -	\$ -	\$ 230,000
General Obligation Bond Retirement	-	-	-	14,850	14,850
Nonmajor Governmental Funds	120,000	-	-	-	120,000
Total Governmental Funds	120,000	230,000	-	14,850	364,850
Enterprise Funds:					
Waster Water Treatment	-	-	-	109,942	109,942
Water Line Improvement	-	-	12,359	-	12,359
Total Enterprise Funds	-	-	12,359	109,942	122,301
Internal Service Fund	150,000	-	-	-	150,000
Total	\$ 270,000	\$ 230,000	\$ 12,359	\$ 124,792	\$ 637,151

Transfers made from the General Fund to various other funds provided additional resources for current operations. The Euclid Endowment and CMP Properties nonmajor capital project fund transferred \$230,000 to the Shore Corporation Fund for improvements to the City's Shore Cultural Center. The Shore Corporation Fund is combined with the General Fund on the governmental fund financial statements as a result of GASB Statement No. 54. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16. Transfers of \$500,000 between governmental funds and transfers of \$122,301 between proprietary funds are eliminated on the statement of activities. In addition, \$140,197 was transferred out of general capital assets on the governmental statement of activities to account for the capital contribution to the Waste Water Treatment Fund.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015
(Continued)

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

Three transfers were created on a GAAP basis to record the payment of debt in the fund that recorded the liability. The Waste Water Treatment Fund transferred \$12,359 to the Water Line Improvement Fund to record the annual repayment of interfund borrowings in the fund that originally borrowed the funds. The Water Line Improvement Fund transferred \$14,850 and 109,942 to the General Obligation Fund and Waste Water Treatment Fund, respectively to record the OPWC loan payment.

B. Interfund Receivable and Payable

As of December 31, 2015, the \$358,313 interfund receivable in the General Obligation Bond Retirement Debt Service Fund is from manuscript notes from the Public Building Construction Capital Projects Fund. This interfund loan is used to fund repairs to the clubhouse located at the Briardale Greens Golf Course. The Public Building Construction Capital Projects Fund will repay this portion of the interfund loan with annual transfers from the General Fund.

NOTE 19: **SALE OF FUTURE REVENUES**

In the prior year, the City entered into an agreement with Landmark Infrastructure Holding Company, LLC. (the “Company”), under which the City relinquishes to the Company its future cell tower lease revenues over the next 35 years. In 2013, The City received a lump sum payment from the Company in the amount of \$210,000. This payment has been deferred over the next 35 years and is included under deferred inflows of resources on the City’s basic financial statements.

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

Traditional Plan	2014	2013
City's Proportion of the Net Pension Liability	0.090545%	0.090545%
City's Proportionate Share of the Net Pension Liability	\$10,920,739	\$10,674,076
City's Covered-Employee Payroll	\$11,137,600	\$11,744,800
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	98.05%	90.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%
Combined Plan	2014	2013
City's Proportion of the Net Pension (Asset)	0.091255%	0.091255%
City's Proportionate Share of the Net Pension (Asset)	(\$35,135)	(\$9,574)
City's Covered-Employee Payroll	\$336,092	\$305,492
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	10.45%	3.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	114.83%	104.33%

(1) Information prior to 2013 is not available.

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

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

Police	2014	2013
City's Proportion of the Net Pension Liability	0.3163172%	0.3163172%
City's Proportionate Share of the Net Pension Liability	\$16,386,550	\$15,405,640
City's Covered-Employee Payroll	\$7,018,626	\$7,005,067
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	233.47%	219.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%
Fire	2014	2013
City's Proportion of the Net Pension Liability	0.3259162%	0.3259162%
City's Proportionate Share of the Net Pension Liability	\$16,883,818	\$15,873,141
City's Covered-Employee Payroll	\$5,860,983	\$5,772,279
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	288.07%	274.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) Information prior to 2013 is not available.

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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Contractually Required Contributions</u>			
Traditional Plan	\$1,182,271	\$1,336,512	\$1,526,824
Combined Plan	<u>\$33,109</u>	<u>\$40,331</u>	<u>39,714</u>
Total Required Contributions	\$1,215,380	\$1,376,843	\$1,566,538
Contributions in Relation to the Contractually Required Contribution	<u>(\$1,215,380)</u>	<u>(\$1,376,843)</u>	<u>(\$1,566,538)</u>
Contribution Deficiency / (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City's Covered-Employee Payroll			
Traditional Plan	\$9,852,258	\$11,137,600	\$11,744,800
Combined Plan	\$275,908	\$336,092	\$305,492
<u>Pension Contributions as a Percentage of Covered-Employee Payroll</u>			
Traditional Plan	12.00%	12.00%	13.00%
Combined Plan	12.00%	12.00%	13.00%

(1) – Information prior to 2013 is not available.

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Contractually Required Contributions</u>										
Police	\$1,311,940	\$1,333,539	\$1,101,897	\$864,597	\$1,177,259	\$857,023	\$890,220	\$843,281	\$853,332	\$771,903
Fire	<u>\$1,377,349</u>	<u>\$1,377,331</u>	<u>\$1,167,732</u>	<u>\$972,345</u>	<u>\$1,269,215</u>	<u>\$914,674</u>	<u>\$912,383</u>	<u>\$894,648</u>	<u>\$915,311</u>	<u>\$847,543</u>
Total Required Contributions	\$2,689,289	\$2,710,870	\$2,269,629	\$1,836,942	\$2,446,474	\$1,771,697	\$1,802,603	\$1,737,929	\$1,768,643	\$1,619,446
Contributions in Relation to the Contractually Required Contribution	(\$2,689,289)	(\$2,710,870)	(\$2,269,629)	(\$1,836,942)	(\$2,446,474)	(\$1,771,697)	(\$1,802,603)	(\$1,737,929)	(\$1,768,643)	(\$1,619,446)
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered-Employee Payroll										
Police	\$6,904,947	\$7,018,626	\$7,005,067	\$6,781,153	\$9,233,404	\$6,721,749	\$6,982,118	\$6,613,969	\$6,692,800	\$6,569,387
Fire	\$5,861,060	\$5,860,983	\$5,772,279	\$5,636,783	\$7,357,768	\$5,302,458	\$5,289,177	\$5,186,365	\$5,306,151	\$5,215,649
<u>Pension Contributions as a Percentage of Covered-Employee Payroll</u>										
Police	19.00%	19.00%	[2]	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%	11.75%
Fire	23.50%	23.50%	[2]	17.25%	17.25%	17.25%	17.25%	17.25%	17.25%	16.25%

[2] – 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.

Combining Statements

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds (continued)

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

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

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

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

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

Non-Major Capital Project Funds

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

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

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

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

Public Building Construction Fund - This fund accounts for tax revenues used for the construction of public buildings.

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Capital Project Funds (continued)

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

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

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

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

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

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

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 1,050,083	\$ 1,491,933	\$ 2,542,016
Materials and Supplies Inventory	86,775	-	86,775
Accounts Receivable	59,355	-	59,355
Intergovernmental Receivable	1,150,268	24,886	1,175,154
Prepaid Items	6,407	-	6,407
Property Taxes Receivable	376,700	492,606	869,306
Payments in Lieu of Taxes Receivable	-	308,772	308,772
Assets Held for Resale	216,060	-	216,060
Total Assets	\$ 2,945,648	\$ 2,318,197	\$ 5,263,845
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 481,216	\$ 287,972	\$ 769,188
Accrued Wages and Benefits	95,385	-	95,385
Intergovernmental Payable	43,669	14,050	57,719
Retainage Payable	4,966	-	4,966
Interfund Payable	-	358,313	358,313
Claims Payable	14,402	468	14,870
Total Liabilities	639,638	660,803	1,300,441
Deferred Inflows of Resources:			
Property Taxes and Payments in Lieu of Taxes	307,610	711,030	1,018,640
Sale of Future Revenues	-	195,500	195,500
Unavailable Revenue - Delinquent Property Taxes	69,090	90,348	159,438
Unavailable Revenue - Other	752,173	24,886	777,059
Total Deferred Inflows of Resources	1,128,873	1,021,764	2,150,637
Fund Balances:			
Nonspendable	93,182	-	93,182
Restricted	1,122,095	993,942	2,116,037
Committed	22,959	-	22,959
Unassigned (Deficit)	(61,099)	(358,312)	(419,411)
Total Fund Balances	1,177,137	635,630	1,812,767
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,945,648	\$ 2,318,197	\$ 5,263,845

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Property Taxes	\$ 289,247	\$ 378,246	\$ 667,493
Payments in Lieu of Taxes	-	330,248	330,248
Intergovernmental	3,596,101	44,373	3,640,474
Interest	109	78	187
Fines and Forfeitures	250,362	-	250,362
Charges for Services	395,401	-	395,401
Contributions and Donations	11,824	-	11,824
All Other Revenues	218,740	7,557	226,297
Total Revenues	<u>4,761,784</u>	<u>760,502</u>	<u>5,522,286</u>
EXPENDITURES			
Current:			
Security of Persons and Property	443,866	-	443,866
Leisure Time Activities	796,146	54,951	851,097
Community and Economic Development	1,173,286	-	1,173,286
Transportation	2,140,656	-	2,140,656
General Government	1,048,729	20,297	1,069,026
Capital Outlay	-	2,159,371	2,159,371
Debt Service:			
Principal Retirement	-	219,883	219,883
Interest and Fiscal Charges	-	23,703	23,703
Total Expenditures	<u>5,602,683</u>	<u>2,478,205</u>	<u>8,080,888</u>
Excess of Revenues Over (Under) Expenditures	<u>(840,899)</u>	<u>(1,717,703)</u>	<u>(2,558,602)</u>
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	-	46,929	46,929
General Obligation Bonds Issued	-	1,482,000	1,482,000
Transfers In	120,000	-	120,000
Transfers Out	-	(230,000)	(230,000)
Total Other Financing Sources (Uses)	<u>120,000</u>	<u>1,298,929</u>	<u>1,418,929</u>
Net Change in Fund Balances	<u>(720,899)</u>	<u>(418,774)</u>	<u>(1,139,673)</u>
Fund Balances - Beginning of Year	1,898,036	1,054,404	2,952,440
Fund Balances - End of Year	<u>\$ 1,177,137</u>	<u>\$ 635,630</u>	<u>\$ 1,812,767</u>



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

	<u>State Highway</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Court Computer- ization</u>	<u>Court Special Projects</u>
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 31,930	\$ 131,188	\$ 107,850	\$ 50,006
Materials and Supplies Inventory	-	-	-	-
Accounts Receivable	-	849	2,800	6,760
Intergovernmental Receivable	56,985	-	-	-
Prepaid Items	-	-	2,000	-
Property Taxes Receivable	-	-	-	-
Assets Held for Resale	-	-	-	-
Total Assets	<u>\$ 88,915</u>	<u>\$ 132,037</u>	<u>\$ 112,650</u>	<u>\$ 56,766</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	1,018	4,941
Intergovernmental Payable	-	-	448	2,174
Retainage Payable	-	-	-	-
Claims Payable	-	-	162	789
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,628</u>	<u>7,904</u>
Deferred Inflows of Resources:				
Property Taxes	-	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-	-
Unavailable Revenue - Other	40,953	-	-	-
Total Deferred Inflows of Resources	<u>40,953</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	2,000	-
Restricted	47,962	132,037	109,022	48,862
Committed	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficit)	<u>47,962</u>	<u>132,037</u>	<u>111,022</u>	<u>48,862</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 88,915</u>	<u>\$ 132,037</u>	<u>\$ 112,650</u>	<u>\$ 56,766</u>

(Continued)

City of Euclid, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015
(Continued)

	Animal Shelter	Indigent Drivers Interlock and Alcohol Monitoring	Street Maintenance & Construction
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 26,280	\$ 31,932	\$ 156,832
Materials and Supplies Inventory	-	-	86,775
Accounts Receivable	-	-	-
Intergovernmental Receivable	-	-	724,723
Prepaid Items	-	-	-
Property Taxes Receivable	-	-	-
Assets Held for Resale	-	-	-
Total Assets	\$ 26,280	\$ 31,932	\$ 968,330
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ 23,547
Accrued Wages and Benefits	2,064	-	42,528
Intergovernmental Payable	917	-	19,185
Retainage Payable	-	-	-
Claims Payable	340	-	7,325
Total Liabilities	3,321	-	92,585
Deferred Inflows of Resources:			
Property Taxes	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-
Unavailable Revenue - Other	-	-	505,088
Total Deferred Inflows of Resources	-	-	505,088
Fund Balances:			
Nonspendable	-	-	86,775
Restricted	-	31,932	283,882
Committed	22,959	-	-
Unassigned (Deficit)	-	-	-
Total Fund Balances (Deficit)	22,959	31,932	370,657
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 26,280	\$ 31,932	\$ 968,330

Recreation Operating	Community Development Block Grant	Neighborhood Stabilization Program	Other Grants	Law Enforcement Trust	Total Nonmajor Special Revenue Funds
\$ 62,216	\$ 566	\$ 19,576	\$ 354,657	\$ 77,050	\$ 1,050,083
-	-	-	-	-	86,775
30,690	-	-	295	17,961	59,355
19,031	-	-	349,529	-	1,150,268
3,962	-	-	-	445	6,407
376,700	-	-	-	-	376,700
-	-	216,060	-	-	216,060
<u>\$ 492,599</u>	<u>\$ 566</u>	<u>\$ 235,636</u>	<u>\$ 704,481</u>	<u>\$ 95,456</u>	<u>\$ 2,945,648</u>
\$ 11,703	\$ 32,936	\$ -	\$ 413,030	\$ -	\$ 481,216
9,872	18,141	562	16,259	-	95,385
6,350	7,831	123	6,641	-	43,669
-	-	-	4,966	-	4,966
3,029	2,757	-	-	-	14,402
<u>30,954</u>	<u>61,665</u>	<u>685</u>	<u>440,896</u>	<u>-</u>	<u>639,638</u>
307,610	-	-	-	-	307,610
69,090	-	-	-	-	69,090
19,031	-	-	187,101	-	752,173
<u>395,731</u>	<u>-</u>	<u>-</u>	<u>187,101</u>	<u>-</u>	<u>1,128,873</u>
3,962	-	-	-	445	93,182
61,952	-	234,951	76,484	95,011	1,122,095
-	-	-	-	-	22,959
-	(61,099)	-	-	-	(61,099)
<u>65,914</u>	<u>(61,099)</u>	<u>234,951</u>	<u>76,484</u>	<u>95,456</u>	<u>1,177,137</u>
<u>\$ 492,599</u>	<u>\$ 566</u>	<u>\$ 235,636</u>	<u>\$ 704,481</u>	<u>\$ 95,456</u>	<u>\$ 2,945,648</u>

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

	State Highway	Indigent Drivers Alcohol Treatment	Court Computer- ization	Court Special Projects	Animal Shelter
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	110,077	-	-	-	-
Interest	-	-	-	-	-
Fines and Forfeitures	-	12,288	72,963	77,134	-
Charges for Services	-	-	-	-	24,286
Contributions and Donations	-	-	-	-	-
All Other Revenues	-	-	-	-	-
Total Revenues	<u>110,077</u>	<u>12,288</u>	<u>72,963</u>	<u>77,134</u>	<u>24,286</u>
EXPENDITURES					
Current:					
Security of Persons and Property	-	1,170	81,704	111,564	79,741
Leisure Time Activities	-	-	-	-	-
Community and Economic Development	-	-	-	-	-
Transportation	106,005	-	-	-	-
General Government	-	-	-	-	-
Total Expenditures	<u>106,005</u>	<u>1,170</u>	<u>81,704</u>	<u>111,564</u>	<u>79,741</u>
Excess of Revenues Over (Under) Expenditures	<u>4,072</u>	<u>11,118</u>	<u>(8,741)</u>	<u>(34,430)</u>	<u>(55,455)</u>
OTHER FINANCING SOURCES					
Transfers In	-	-	-	-	60,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
Net Change in Fund Balances	4,072	11,118	(8,741)	(34,430)	4,545
Fund Balances - Beginning of Year	43,890	120,919	119,763	83,292	18,414
Fund Balances - End of Year	<u>\$ 47,962</u>	<u>\$ 132,037</u>	<u>\$ 111,022</u>	<u>\$ 48,862</u>	<u>\$ 22,959</u>

Indigent Drivers			Community Development	Neighborhood Stabilization Program		Law Enforcement Trust	Total Nonmajor Special Revenue Funds
Interlock and Alcohol Monitoring	Street Maintenance & Construction	Recreation Operating	Block Grant		Other Grants		
\$ -	\$ -	\$ 289,247	\$ -	\$ -	\$ -	\$ -	\$ 289,247
-	1,621,177	33,948	742,554	9,887	1,078,458	-	3,596,101
-	-	-	-	-	-	109	109
4,502	-	-	-	-	3,349	80,126	250,362
-	-	371,115	-	-	-	-	395,401
-	-	380	-	-	11,444	-	11,824
-	207,610	166	-	-	10,964	-	218,740
<u>4,502</u>	<u>1,828,787</u>	<u>694,856</u>	<u>742,554</u>	<u>9,887</u>	<u>1,104,215</u>	<u>80,235</u>	<u>4,761,784</u>
84	-	-	-	-	-	169,603	443,866
-	-	796,146	-	-	-	-	796,146
-	-	-	753,035	420,251	-	-	1,173,286
-	2,034,651	-	-	-	-	-	2,140,656
-	-	-	-	-	1,048,729	-	1,048,729
<u>84</u>	<u>2,034,651</u>	<u>796,146</u>	<u>753,035</u>	<u>420,251</u>	<u>1,048,729</u>	<u>169,603</u>	<u>5,602,683</u>
<u>4,418</u>	<u>(205,864)</u>	<u>(101,290)</u>	<u>(10,481)</u>	<u>(410,364)</u>	<u>55,486</u>	<u>(89,368)</u>	<u>(840,899)</u>
-	-	60,000	-	-	-	-	120,000
-	-	60,000	-	-	-	-	120,000
4,418	(205,864)	(41,290)	(10,481)	(410,364)	55,486	(89,368)	(720,899)
27,514	576,521	107,204	(50,618)	645,315	20,998	184,824	1,898,036
<u>\$ 31,932</u>	<u>\$ 370,657</u>	<u>\$ 65,914</u>	<u>\$ (61,099)</u>	<u>\$ 234,951</u>	<u>\$ 76,484</u>	<u>\$ 95,456</u>	<u>\$ 1,177,137</u>

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

	General Permanent Improvement	Recreation Capital	Sidewalk Repair & Replacement	Public Building Construction
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 806,935	\$ 171,273	\$ 29,085	\$ 1
Intergovernmental Receivable	14,639	10,247	-	-
Property Taxes Receivable	289,768	202,838	-	-
Payments in Lieu of Taxes Receivable	-	-	-	-
Total Assets	\$ 1,111,342	\$ 384,358	\$ 29,085	\$ 1
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 287,972	\$ -	\$ -	\$ -
Intergovernmental Payable	-	592	-	-
Interfund Payable	-	-	-	358,313
Claims Payable	-	468	-	-
Total Liabilities	287,972	1,060	-	358,313
Deferred Inflows of Resources:				
Property Taxes and Payments in Lieu of Taxes	236,622	165,636	-	-
Sale of Future Revenues	195,500	-	-	-
Unavailable Revenue - Delinquent Property Taxes	53,146	37,202	-	-
Unavailable Revenue - Other	14,639	10,247	-	-
Total Deferred Inflows of Resources	499,907	213,085	-	-
Fund Balances:				
Restricted	323,463	170,213	29,085	-
Unassigned (Deficit)	-	-	-	(358,312)
Total Fund Balances (Deficit)	323,463	170,213	29,085	(358,312)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,111,342	\$ 384,358	\$ 29,085	\$ 1

<u>Euclid Endowment</u>	<u>Sims Park</u>	<u>Bennington Hamlet</u>	<u>CMP Properties</u>	<u>Harbor Town TIF</u>	<u>Downtown District A TIF</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 7,445	\$ 54,080	\$ 44,634	\$ 48,961	\$ 106,259	\$ 223,260	\$ 1,491,933
-	-	-	-	-	-	24,886
-	-	-	-	-	-	492,606
-	-	82,976	64,292	112,363	49,141	308,772
<u>\$ 7,445</u>	<u>\$ 54,080</u>	<u>\$ 127,610</u>	<u>\$ 113,253</u>	<u>\$ 218,622</u>	<u>\$ 272,401</u>	<u>\$ 2,318,197</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 287,972
-	-	-	13,458	-	-	14,050
-	-	-	-	-	-	358,313
-	-	-	-	-	-	468
<u>-</u>	<u>-</u>	<u>-</u>	<u>13,458</u>	<u>-</u>	<u>-</u>	<u>660,803</u>
-	-	82,976	64,292	112,363	49,141	711,030
-	-	-	-	-	-	195,500
-	-	-	-	-	-	90,348
-	-	-	-	-	-	24,886
<u>-</u>	<u>-</u>	<u>82,976</u>	<u>64,292</u>	<u>112,363</u>	<u>49,141</u>	<u>1,021,764</u>
7,445	54,080	44,634	35,503	106,259	223,260	993,942
-	-	-	-	-	-	(358,312)
<u>7,445</u>	<u>54,080</u>	<u>44,634</u>	<u>35,503</u>	<u>106,259</u>	<u>223,260</u>	<u>635,630</u>
<u>\$ 7,445</u>	<u>\$ 54,080</u>	<u>\$ 127,610</u>	<u>\$ 113,253</u>	<u>\$ 218,622</u>	<u>\$ 272,401</u>	<u>\$ 2,318,197</u>

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

	<u>General Permanent Improvement</u>	<u>Recreation Capital</u>	<u>Sidewalk Repair & Replacement</u>	<u>Public Building Construction</u>
REVENUES				
Property Taxes	\$ 222,480	\$ 155,766	\$ -	\$ -
Payment in Lieu of Taxes	-	-	-	-
Intergovernmental	26,093	18,280	-	-
Interest	34	-	-	-
All Other Revenues	6,000	1,557	-	-
Total Revenues	<u>254,607</u>	<u>175,603</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Leisure Time Activities	-	54,951	-	-
General Government	20,297	-	-	-
Capital Outlay	1,485,824	105,308	-	-
Debt Service:				
Principal Retirement	219,883	-	-	-
Interest and Fiscal Charges	7,711	-	-	-
Total Expenditures	<u>1,733,715</u>	<u>160,259</u>	<u>-</u>	<u>-</u>
Excess of Revenues (Under) Expenditures	<u>(1,479,108)</u>	<u>15,344</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	44,528	-	-	-
General Obligation Bonds Issued	1,482,000	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,526,528</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	47,420	15,344	-	-
Fund Balances - Beginning of Year	276,043	154,869	29,085	(358,312)
Fund Balances - End of Year	<u>\$ 323,463</u>	<u>\$ 170,213</u>	<u>\$ 29,085</u>	<u>\$ (358,312)</u>

Euclid Endowment	Sims Park	Bennington Hamlet	CMP Properties	Harbor Town TIF	Downtown District A TIF	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 378,246
-	-	13,272	63,351	171,814	81,811	330,248
-	-	-	-	-	-	44,373
44	-	-	-	-	-	78
-	-	-	-	-	-	7,557
<u>44</u>	<u>-</u>	<u>13,272</u>	<u>63,351</u>	<u>171,814</u>	<u>81,811</u>	<u>760,502</u>
-	-	-	-	-	-	54,951
-	-	-	-	-	-	20,297
22,014	25,828	59,633	23,812	385,910	51,042	2,159,371
-	-	-	-	-	-	219,883
-	-	-	-	15,992	-	23,703
<u>22,014</u>	<u>25,828</u>	<u>59,633</u>	<u>23,812</u>	<u>401,902</u>	<u>51,042</u>	<u>2,478,205</u>
<u>(21,970)</u>	<u>(25,828)</u>	<u>(46,361)</u>	<u>39,539</u>	<u>(230,088)</u>	<u>30,769</u>	<u>(1,717,703)</u>
2,401	-	-	-	-	-	46,929
-	-	-	-	-	-	1,482,000
<u>(30,000)</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>(230,000)</u>
<u>(27,599)</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>1,298,929</u>
<u>(49,569)</u>	<u>(25,828)</u>	<u>(46,361)</u>	<u>(160,461)</u>	<u>(230,088)</u>	<u>30,769</u>	<u>(418,774)</u>
57,014	79,908	90,995	195,964	336,347	192,491	1,054,404
<u>\$ 7,445</u>	<u>\$ 54,080</u>	<u>\$ 44,634</u>	<u>\$ 35,503</u>	<u>\$ 106,259</u>	<u>\$ 223,260</u>	<u>\$ 635,630</u>

Fund Descriptions – Fiduciary Funds

Fiduciary Funds

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

Agency Funds

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

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

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

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

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

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

Temporary Suspense Fund - This fund accounts for miscellaneous funds temporarily on deposit with the City.

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

	Balance 12/31/2014	Additions	Deletions	Balance 12/31/2015
<u>Municipal Court and Jail Commissary</u>				
Assets				
Cash and Cash Equivalents: in Segregated Accounts	\$ 207,030	\$ 5,139,463	\$ 5,173,425	\$ 173,068
Liabilities				
Deposits Held and Due to Others	\$ 207,030	\$ 5,139,463	\$ 5,173,425	\$ 173,068
<u>Employee Flex Spending</u>				
Assets				
Cash and Cash Equivalents: in Segregated Accounts	\$ 36,403	\$ 265,341	\$ 256,743	\$ 45,001
Liabilities				
Deposits Held and Due to Others	\$ 36,403	\$ 265,341	\$ 256,743	\$ 45,001
<u>Retirees Insurance Payments</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 16,297	\$ 3,736	\$ 11,850	\$ 8,183
Liabilities				
Deposits Held and Due to Others	\$ 16,297	\$ 3,736	\$ 11,850	\$ 8,183
<u>Building Deposits</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 99,976	\$ 45,401	\$ 16,080	\$ 129,297
Liabilities				
Deposits Held and Due to Others	\$ 99,976	\$ 45,401	\$ 16,080	\$ 129,297
<u>Street Opening</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 63,375	\$ 11,000	\$ 5,000	\$ 69,375
Liabilities				
Deposits Held and Due to Others	\$ 63,375	\$ 11,000	\$ 5,000	\$ 69,375
<u>Revolving</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 643,695	\$ 31,949,217	\$ 31,940,942	\$ 651,970
Liabilities				
Deposits Held and Due to Others	\$ 643,695	\$ 31,949,217	\$ 31,940,942	\$ 651,970
<u>Temporary Suspense</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 254	\$ 76,132	\$ 76,327	\$ 59
Liabilities				
Deposits Held and Due to Others	\$ 254	\$ 76,132	\$ 76,327	\$ 59
<u>Total - All Agency Funds</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 823,597	\$ 32,085,486	\$ 32,050,199	\$ 858,884
Cash and Cash Equivalents: in Segregated Accounts	243,433	5,404,804	5,430,168	218,069
Total Assets	<u>\$ 1,067,030</u>	<u>\$ 37,490,290</u>	<u>\$ 37,480,367</u>	<u>\$ 1,076,953</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 1,067,030</u>	<u>\$ 37,490,290</u>	<u>\$ 37,480,367</u>	<u>\$ 1,076,953</u>

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

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 1,532,938	\$ 1,495,161	\$ (37,777)
Income Taxes	24,500,000	24,954,644	454,644
Other Local Taxes	645,000	667,421	22,421
Intergovernmental	1,602,162	1,769,515	167,353
Interest	85,000	127,865	42,865
Licenses and Permits	503,060	462,830	(40,230)
Fines and Forfeitures	1,765,300	1,715,002	(50,298)
Rentals	54,000	54,197	197
Charges for Services	5,746,792	5,678,088	(68,704)
Contributions and Donations	28,050	5,053	(22,997)
Special Assessments	820,000	801,026	(18,974)
All Other Revenues	107,609	142,310	34,701
Total Revenues	37,389,911	37,873,112	483,201
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Personal Services	10,287,080	10,130,253	156,827
Other	1,133,149	1,110,630	22,519
Total Police	11,420,229	11,240,883	179,346
Fire			
Personal Services	7,951,850	7,835,638	116,212
Other	97,274	93,505	3,769
Total Fire	8,049,124	7,929,143	119,981
Corrections			
Personal Services	33,800	33,314	486
Other	520,000	520,000	-
Total Corrections	553,800	553,314	486
Total Security of Persons and Property	20,023,153	19,723,340	299,813

(Continued)

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Public Health			
Health			
Personal Services	46,300	46,138	162
Other	260,680	247,310	13,370
Total Public Health	<u>306,980</u>	<u>293,448</u>	<u>13,532</u>
Leisure Time Activities			
Leisure Time Activities			
Personal Services	594,475	570,576	23,899
Other	35,776	29,960	5,816
Total Leisure Time Activities	<u>630,586</u>	<u>601,775</u>	<u>28,811</u>
Community and Economic Development			
Protective Inspection			
Personal Services	155,950	153,647	2,303
Other	12,416	34,530	(22,114)
Total Protective Inspection	<u>168,366</u>	<u>188,177</u>	<u>(19,811)</u>
Economic Development and Assistance			
Personal Services	619,350	594,188	25,162
Other	158,162	120,644	37,518
Total Economic Development and Assistance	<u>777,512</u>	<u>714,832</u>	<u>62,680</u>
Economic Opportunity			
Personal Services	219,730	216,720	3,010
Other	79,923	43,540	36,383
Total Economic Opportunity	<u>299,653</u>	<u>260,260</u>	<u>39,393</u>
Total Community and Economic Development	<u>1,245,531</u>	<u>1,163,269</u>	<u>82,262</u>
Sanitation			
Sanitation Department			
Personal Services	4	-	4
Other	2,305,096	2,293,504	11,592
Total Sanitation	<u>2,305,100</u>	<u>2,293,504</u>	<u>11,596</u>
General Government			
Legislative			
Personal Services	221,510	203,836	17,674
Other	4,580	2,631	1,949
Total Legislative	<u>226,090</u>	<u>206,467</u>	<u>19,623</u>

(Continued)

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

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Judicial			
Personal Services	806,650	777,544	29,106
Other	132,042	122,367	9,675
Total Judicial	<u>938,692</u>	<u>899,911</u>	<u>38,781</u>
Executive			
Personal Services	296,850	292,408	4,442
Other	2,930	1,779	1,151
Total Executive	<u>299,780</u>	<u>294,187</u>	<u>5,593</u>
Finance			
Personal Services	652,100	605,698	46,402
Other	273,536	254,689	18,847
Total Finance	<u>925,636</u>	<u>860,387</u>	<u>65,249</u>
Law			
Personal Services	493,400	490,160	3,240
Other	163,559	139,127	24,432
Total Law	<u>656,959</u>	<u>629,287</u>	<u>27,672</u>
Administration			
Personal Services	1,195,325	1,163,125	32,200
Other	645,742	603,674	42,068
Total Administration	<u>1,841,067</u>	<u>1,766,799</u>	<u>74,268</u>
Other Department			
Personal Services	5,495,661	5,217,811	277,850
Other	2,294,345	2,117,459	176,886
Total Other Department	<u>7,790,006</u>	<u>7,335,270</u>	<u>454,736</u>
General Government Buildings			
Personal Services	281,350	276,633	4,717
Other	157,468	142,805	14,663
Total General Governmental Buildings	<u>438,818</u>	<u>419,438</u>	<u>19,380</u>
Total General Government	<u>13,117,048</u>	<u>12,411,746</u>	<u>705,302</u>

(Continued)

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

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Debt Service:			
Principal	175,000	175,000	-
Interest & Fiscal Charges	15,660	15,660	-
Total Debt Service	<u>190,660</u>	<u>190,660</u>	<u>-</u>
Total Expenditures	<u>37,819,058</u>	<u>36,677,742</u>	<u>1,141,316</u>
Excess of Revenues Over (Under) Expenditures	(429,147)	1,195,370	1,624,517
Other Financing Sources (Uses)			
Sale of Capital Assets	400	1,234	834
Transfers In	65,000	65,000	-
Transfers Out	<u>(352,000)</u>	<u>(352,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(286,600)</u>	<u>(285,766)</u>	<u>834</u>
Net Change in Fund Balance	(715,747)	909,604	1,625,351
Fund Balance - Beginning of Year	2,261,898	2,261,898	-
Prior Year Encumbrances Appropriated	76,296	76,296	-
Fund Balance - End of Year	<u>\$ 1,622,447</u>	<u>\$ 3,247,798</u>	<u>\$ 1,625,351</u>

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 1,864,029	\$ 1,845,748	\$ (18,281)
Intergovernmental	569,507	592,976	23,469
Interest	20,000	11,704	(8,296)
Charges for Services	21,025	11,576	(9,449)
Special Assessments	116,470	117,803	1,333
All Other Revenues	5,000	10,869	5,869
Total Revenues	<u>2,596,031</u>	<u>2,590,676</u>	<u>(5,355)</u>
Expenditures:			
Current:			
General Government			
Personal Services	51,746	17,008	34,738
Other	127,159	77,526	49,633
Total General Government	<u>178,905</u>	<u>94,534</u>	<u>84,371</u>
Debt Service:			
Principal	7,449,293	7,431,819	17,474
Interest & Fiscal Charges	701,679	701,679	-
Total Debt Service	<u>8,150,972</u>	<u>8,133,498</u>	<u>17,474</u>
Total Expenditures	<u>8,329,877</u>	<u>8,228,032</u>	<u>101,845</u>
Excess of Revenues Over (Under) Expenditures	(5,733,846)	(5,637,356)	96,490
Other Financing Sources			
Notes Issued	5,265,000	5,265,000	-
Premium on Note Issuance	89,489	177,506	88,017
Total Other Financing Sources	<u>5,354,489</u>	<u>5,442,506</u>	<u>88,017</u>
Net Change in Fund Balance	(379,357)	(194,850)	184,507
Fund Balance - Beginning of Year	606,994	606,994	-
Fund Balance - End of Year	<u>\$ 227,648</u>	<u>\$ 412,155</u>	<u>\$ 184,507</u>

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Charges for Services	\$ 11,099,455	\$ 14,854,274	\$ 3,754,819
Tap-in Fees	10,000	38,962	28,962
Interest	30	127	97
Intergovernmental	37,503,684	20,368,658	(17,135,026)
Total Revenues	<u>48,613,169</u>	<u>35,262,188</u>	<u>(13,350,981)</u>
Expenses:			
Current:			
Personal Services	4,981,343	4,626,178	355,165
Other	37,476,525	26,946,890	10,529,635
Debt Service:			
Principal Retirement	2,041,839	931,035	1,110,804
Interest and Fiscal Charges	282,607	254,724	27,883
Total Expenses	<u>44,782,314</u>	<u>32,758,827</u>	<u>12,023,487</u>
Excess of Revenues Over (Under) Expenses	3,830,855	2,503,361	(1,327,494)
Other Financing Sources (Uses)			
Transfer In	1,495,000	1,495,000	-
Transfer Out	(1,495,000)	(1,495,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Equity	3,830,855	2,503,361	(1,327,494)
Fund Equity - Beginning of Year	7,078,634	7,078,634	-
Prior Year Encumbrances Appropriated	4,511,363	4,511,363	-
Fund Equity - End of Year	<u>\$ 15,420,852</u>	<u>\$ 14,093,358</u>	<u>\$ (1,327,494)</u>

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Charges for Services	\$ 1,854,208	\$ 1,839,118	\$ (15,090)
Tap-in Fees	101,463	735,805	634,342
Interest	-	-	-
Intergovernmental	656,569	490,695	(165,874)
Total Revenues	<u>2,612,240</u>	<u>3,065,618</u>	<u>453,378</u>
Expenses:			
Current:			
Other	3,881,736	3,230,220	651,516
Debt Service:			
Principal Retirement	746,700	746,700	-
Interest and Fiscal Charges	474,082	474,082	-
Total Expenses	<u>5,102,518</u>	<u>4,451,002</u>	<u>651,516</u>
Net Change in Fund Equity	(2,490,278)	(1,385,384)	1,104,894
Fund Equity - Beginning of Year	2,993,766	2,993,766	-
Prior Year Encumbrances Appropriated	115,450	115,450	-
Fund Equity - End of Year	<u>\$ 618,938</u>	<u>\$ 1,723,832</u>	<u>\$ 1,104,894</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Briardale Greens Golf Course Fund
 For the Year Ended December 31, 2015*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Charges for Services	\$ 987,781	\$ 796,950	\$ (190,831)
Total Revenues	<u>987,781</u>	<u>796,950</u>	<u>(190,831)</u>
Expenses:			
Current:			
Other	<u>\$ 961,754</u>	<u>\$ 786,987</u>	<u>\$ 174,767</u>
Total Expenses	<u>961,754</u>	<u>786,987</u>	<u>174,767</u>
Net Change in Fund Equity	26,027	9,963	(16,064)
Fund Equity - Beginning of Year, restated	<u>52,669</u>	<u>52,669</u>	-
Fund Equity - End of Year	<u>\$ 78,696</u>	<u>\$ 62,632</u>	<u>\$ (16,064)</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Self Insurance Fund
 For the Year Ended December 31, 2015*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenses:			
Current:			
Other	\$ 150,938	\$ 111,554	\$ 39,384
Total Expenses	<u>150,938</u>	<u>111,554</u>	<u>39,384</u>
Excess of Revenues Over (Under) Expenses	(150,938)	(111,554)	39,384
Other Financing Sources			
Transfer In	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Total Other Financings Sources	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net Change in Fund Equity	(938)	38,446	39,384
Fund Equity - Beginning of Year	<u>100,125</u>	<u>100,125</u>	<u>-</u>
Fund Equity - End of Year	<u><u>\$ 100,125</u></u>	<u><u>\$ 139,509</u></u>	<u><u>\$ 39,384</u></u>

City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Final			
Revenues:				
Intergovernmental	\$ 105,100		\$ 113,969	\$ 8,869
Total Revenues	105,100		113,969	8,869
Expenditures:				
Current:				
Transportation				
Other	106,787		106,005	782
Total Expenditures	106,787		106,005	782
Net Change in Fund Balance	(1,687)		7,964	9,651
Fund Balance - Beginning of Year	23,966		23,966	-
Fund Balance - End of Year	\$ 22,279		\$ 31,930	\$ 9,651

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Indigent Drivers Alcohol Treatment Fund
 For the Year Ended December 31, 2015*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 16,000	\$ 12,361	\$ (3,639)
Total Revenues	<u>16,000</u>	<u>12,361</u>	<u>(3,639)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Other	16,490	1,170	15,320
Total Expenditures	<u>16,490</u>	<u>1,170</u>	<u>15,320</u>
Net Change in Fund Balance	(490)	11,191	11,681
Fund Balance - Beginning of Year	119,997	119,997	-
Fund Balance - End of Year	<u>\$ 119,507</u>	<u>\$ 131,188</u>	<u>\$ 11,681</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Court Computerization Fund
 For the Year Ended December 31, 2015*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 90,000	\$ 78,303	\$ (11,697)
All Other Revenues	-	7	7
Total Revenues	<u>90,000</u>	<u>78,310</u>	<u>(11,690)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	33,481	32,396	1,085
Other	87,854	42,780	45,074
Total Expenditures	<u>121,335</u>	<u>75,176</u>	<u>46,159</u>
Net Change in Fund Balance	(31,335)	3,134	34,469
Fund Balance - Beginning of Year	104,681	104,681	-
Fund Balance - End of Year	<u>\$ 73,381</u>	<u>\$ 107,850</u>	<u>\$ 34,469</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Court Special Projects Fund
 For the Year Ended December 31, 2015*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Fines and Forfeitures	\$ 95,685	\$ 78,463	\$ (17,222)
Total Revenues	<u>95,685</u>	<u>78,463</u>	<u>(17,222)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	120,755	107,013	13,742
Other	17,700	4,446	13,254
Total Expenditures	<u>138,455</u>	<u>111,459</u>	<u>26,996</u>
Net Change in Fund Balance	(42,770)	(32,996)	9,774
Fund Balance - Beginning of Year	83,002	83,002	-
Fund Balance - End of Year	<u>\$ 40,232</u>	<u>\$ 50,006</u>	<u>\$ 9,774</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Animal Shelter Fund
 For the Year Ended December 31, 2015*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 28,000	\$ 24,286	\$ (3,714)
All Other Revenues	-	14	14
Total Revenues	<u>28,000</u>	<u>24,300</u>	<u>(3,700)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	65,617	65,222	395
Other	17,971	14,509	3,462
Total Expenditures	<u>83,588</u>	<u>79,731</u>	<u>3,857</u>
Excess of Revenues Over (Under) Expenditures	(55,588)	(55,431)	157
Other Financing Sources			
Transfers In	60,000	60,000	-
Total Other Financing Sources	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Net Change in Fund Balance	4,412	4,569	157
Fund Balance - Beginning of Year	21,541	21,541	-
Prior Year Encumbrances Appropriated	71	71	-
Fund Balance - End of Year	<u>\$ 26,024</u>	<u>\$ 26,181</u>	<u>\$ 157</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Nuisance Abatement Fund
 For the Year Ended December 31, 2015*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Charges for Services	\$ 40,600	\$ 29,811	\$ (10,789)
Special Assessments	127,200	161,872	34,672
Total Revenues	<u>167,800</u>	<u>191,683</u>	<u>23,883</u>
Expenditures:			
Current:			
Community and Economic Development			
Other	110,559	107,051	3,508
Total Expenditures	<u>110,559</u>	<u>107,051</u>	<u>3,508</u>
Excess of Revenues Over (Under) Expenditures	57,241	84,632	27,391
Other Financing (Uses)			
Transfers Out	(65,000)	(65,000)	-
Total Other Financing (Uses)	<u>(65,000)</u>	<u>(65,000)</u>	<u>-</u>
Net Change in Fund Balance	(7,759)	19,632	27,391
Fund Balance - Beginning of Year	57,429	57,429	-
Fund Balance - End of Year	<u>\$ 51,729</u>	<u>\$ 79,120</u>	<u>\$ 27,391</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Indigent Drivers Interlock and Alcohol Monitoring Fund
 For the Year Ended December 31, 2015*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Fines and Forfeitures	\$ 7,986	\$ 4,502	\$ (3,484)
Total Revenues	<u>7,986</u>	<u>4,502</u>	<u>(3,484)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police and Others:			
Other	5,645	84	5,561
Total Expenditures	<u>5,645</u>	<u>84</u>	<u>5,561</u>
Net Change in Fund Balance	2,341	4,418	2,077
Fund Balance - Beginning of Year	27,514	27,514	-
Fund Balance - End of Year	<u>\$ 29,855</u>	<u>\$ 31,932</u>	<u>\$ 2,077</u>

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 1,650,000	\$ 1,669,026	\$ 19,026
All Other Revenues	158,363	213,092	54,729
Total Revenues	<u>1,808,363</u>	<u>1,882,118</u>	<u>73,755</u>
Expenditures:			
Current:			
Transportation			
Personal Services	1,254,959	1,238,372	16,587
Other	762,938	726,711	36,227
Total Expenditures	<u>2,017,897</u>	<u>1,965,083</u>	<u>52,814</u>
Net Change in Fund Balance	(209,534)	(82,965)	126,569
Fund Balance - Beginning of Year	188,233	188,233	-
Prior Year Encumbrances Appropriated	37,029	37,029	-
Fund Balance - End of Year	<u>\$ 15,728</u>	<u>\$ 142,297</u>	<u>\$ 126,569</u>

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Charges for Services	\$ 400	\$ 464	\$ 64
Contributions and Donations	160	40	(120)
Total Revenues	<u>560</u>	<u>504</u>	<u>(56)</u>
Expenditures:			
Current:			
Community and Economic Development			
Personal Services	82,322	82,242	80
Other	5,801	977	4,824
Total Expenditures	<u>88,123</u>	<u>83,219</u>	<u>4,904</u>
Excess of Revenues Over (Under) Expenditures	(87,563)	(82,715)	4,848
Other Financing Sources			
Transfers In	82,000	82,000	-
Total Other Financing Sources	<u>82,000</u>	<u>82,000</u>	<u>-</u>
Net Change in Fund Balance	(5,563)	(715)	4,848
Fund Balance - Beginning of Year	6,776	6,776	-
Fund Balance - End of Year	<u>\$ 1,284</u>	<u>\$ 6,132</u>	<u>\$ 4,848</u>

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 296,550	\$ 289,247	\$ (7,303)
Intergovernmental	30,950	33,949	2,999
Charges for Services	382,500	340,425	(42,075)
Contributions and Donations	1,000	380	(620)
All Other Revenues	4,500	208	(4,292)
Total Revenues	<u>715,500</u>	<u>664,209</u>	<u>(51,291)</u>
Expenditures:			
Current:			
Leisure Time Activities			
Personal Services	449,577	416,196	33,381
Other	424,833	388,535	36,298
Total Expenditures	<u>874,410</u>	<u>804,731</u>	<u>69,679</u>
Excess of Revenues Over (Under) Expenditures	(158,910)	(140,522)	18,388
Other Financing Sources			
Transfers In	60,000	60,000	-
Total Other Financing Sources	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Net Change in Fund Balance	(98,910)	(80,522)	18,388
Fund Balance - Beginning of Year	139,603	139,603	-
Prior Year Encumbrances Appropriated	1,558	1,558	-
Fund Balance - End of Year	<u>\$ 42,251</u>	<u>\$ 60,639</u>	<u>\$ 18,388</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Community Development Block Grant Fund
 For the Year Ended December 31, 2015*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 1,643,468	\$ 742,554	\$ (900,914)
Total Revenues	<u>1,643,468</u>	<u>742,554</u>	<u>(900,914)</u>
Expenditures:			
Current:			
Community and Economic Development			
Personal Services	659,676	552,469	107,207
Other	983,792	189,519	794,273
Total Expenditures	<u>1,643,468</u>	<u>741,988</u>	<u>901,480</u>
Net Change in Fund Balance	-	566	566
Fund Balance - Beginning of Year	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 566</u>	<u>\$ 566</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Neighborhood Stabilization Program Fund
 For the Year Ended December 31, 2015*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 141,297	\$ 9,887	\$ (131,410)
All Other Revenues	400,472	197,065	(203,407)
Total Revenues	<u>541,769</u>	<u>206,952</u>	<u>(334,817)</u>
Expenditures:			
Current:			
Community and Economic Development			
Personal Services	56,637	23,359	33,278
Other	516,474	195,912	320,562
Total Expenditures	<u>573,111</u>	<u>219,271</u>	<u>353,840</u>
Net Change in Fund Balance	(31,342)	(12,319)	19,023
Fund Balance - Beginning of Year	-	31,895	31,895
Fund Balance - End of Year	<u>\$ (31,342)</u>	<u>\$ 19,576</u>	<u>\$ 50,918</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Other Grants Fund
 For the Year Ended December 31, 2015*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 3,654,760	\$ 922,085	\$ (2,732,675)
Fines and Forfeitures	10,060	3,393	(6,667)
Contributions and Donations	17,650	11,444	(6,206)
All Other Revenues	98,507	10,963	(87,544)
Total Revenues	<u>3,780,977</u>	<u>947,885</u>	<u>(2,833,092)</u>
Expenditures:			
Current:			
General Government			
Personal Services	318,207	121,697	196,510
Other	3,394,067	751,546	2,642,521
Total Expenditures	<u>3,712,274</u>	<u>873,243</u>	<u>2,839,031</u>
Net Change in Fund Balance	68,703	74,642	5,939
Fund Balance - Beginning of Year	16,632	16,632	-
Prior Year Encumbrances Appropriated	10,797	10,797	-
Fund Balance - End of Year	<u>\$ 96,132</u>	<u>\$ 102,071</u>	<u>\$ 5,939</u>

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Income Taxes	324	109	(215)
Fines and Forfeitures	13,381	62,165	48,784
Total Revenues	<u>13,705</u>	<u>62,274</u>	<u>48,569</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	25,250	23,982	1,268
Other	160,840	149,368	11,472
Total Expenditures	<u>186,090</u>	<u>173,350</u>	<u>12,740</u>
Net Change in Fund Balance	(172,385)	(111,076)	61,309
Fund Balance - Beginning of Year	154,614	154,614	-
Prior Year Encumbrances Appropriated	33,512	33,512	-
Fund Balance - End of Year	<u>\$ 15,741</u>	<u>\$ 77,050</u>	<u>\$ 61,309</u>

City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Shore Corporation Fund
For the Year Ended December 31, 2015*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 27,500	\$ 17,068	\$ (10,432)
Total Revenues	<u>27,500</u>	<u>17,068</u>	<u>(10,432)</u>
Expenditures:			
Current:			
Leisure Time Activities			
Other	285,924	247,803	38,121
Total Expenditures	<u>285,924</u>	<u>247,803</u>	<u>38,121</u>
Excess of Revenues Over (Under) Expenditures	(258,424)	(230,735)	27,689
Other Financing Sources			
Transfers In	230,000	230,000	-
Total Other Financing Sources	<u>230,000</u>	<u>230,000</u>	<u>-</u>
Net Change in Fund Balance	(28,424)	(735)	27,689
Fund Balance - Beginning of Year	496	496	-
Fund Balance - End of Year	<u>\$ 496</u>	<u>\$ 28,185</u>	<u>\$ 27,689</u>

City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Permanent Improvement Fund
For the Year Ended December 31, 2015*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 228,116	\$ 222,480	\$ (5,636)
Intergovernmental	22,622	26,093	3,471
Interest	-	34	34
Total Revenues	<u>250,738</u>	<u>248,607</u>	<u>(2,131)</u>
Expenditures:			
Current:			
General Government			
Other	49,500	20,297	29,203
Capital Outlay:			
Other	1,634,009	1,601,848	32,161
Debt Service:			
Principal	219,884	219,883	1
Interest & Fiscal Charges	7,712	7,711	1
Total Debt Service	<u>227,596</u>	<u>227,594</u>	<u>2</u>
Total Expenditures	<u>1,911,105</u>	<u>1,849,739</u>	<u>61,366</u>
Excess of Revenues Over (Under) Expenditures	(1,660,367)	(1,601,132)	59,235
Other Financing Sources			
Sale of Capital Assets	50,000	44,528	(5,472)
Notes Issued	1,482,000	1,482,000	-
Total Other Financing Sources	<u>1,532,000</u>	<u>1,526,528</u>	<u>(5,472)</u>
Net Change in Fund Balance	(128,367)	(74,604)	53,763
Fund Balance - Beginning of Year	277,178	277,178	-
Prior Year Encumbrances Appropriated	65,641	65,641	-
Fund Balance - End of Year	<u>\$ 214,452</u>	<u>\$ 268,215</u>	<u>\$ 53,763</u>

City of Euclid, Ohio

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

	Budgeted Amounts <u>Final</u>	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 159,680	\$ 155,766	\$ (3,914)
Intergovernmental	17,123	18,280	1,157
All Other Revenues	-	1,567	1,567
Total Revenues	<u>176,803</u>	<u>175,613</u>	<u>(1,190)</u>
Expenditures:			
Current:			
Leisure Time Activities			
Recreation Center			
Personal Services	77,080	68,887	8,193
Total Leisure Time Activities	<u>77,080</u>	<u>68,887</u>	<u>8,193</u>
Capital Outlay:			
Other	265,744	239,744	26,000
Total Expenditures	<u>342,824</u>	<u>308,631</u>	<u>34,193</u>
Net Change in Fund Balance	(166,021)	(133,018)	33,003
Fund Balance - Beginning of Year	152,234	152,234	-
Prior Year Encumbrances Appropriated	20,940	20,940	-
Fund Balance - End of Year	<u>\$ 7,153</u>	<u>\$ 40,156</u>	<u>\$ 33,003</u>

City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Sidewalk Repair and Replacement Fund
For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	29,085	29,085	-
Fund Balance - End of Year	<u><u>\$ 29,085</u></u>	<u><u>\$ 29,085</u></u>	<u><u>\$ -</u></u>

City of Euclid, Ohio

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Total Revenues	\$ -	\$ -	\$ -
Expenditures:			
Total Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	1	1	-
Fund Balance - End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

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

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$ -	\$ 44	\$ 44
Total Revenues	<u>-</u>	<u>44</u>	<u>44</u>
Expenditures:			
Capital Outlay:			
Other	26,841	23,792	3,049
Total Expenditures	<u>26,841</u>	<u>23,792</u>	<u>3,049</u>
Excess of Revenues Over (Under) Expenditures	(26,841)	(23,748)	3,093
Other Financing Sources (Uses)			
Sale of Capital Assets	-	2,401	2,401
Transfers Out	(30,000)	(30,000)	-
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(27,599)</u>	<u>2,401</u>
Net Change in Fund Balance	(56,841)	(51,347)	5,494
Fund Balance - Beginning of Year	33,298	33,298	-
Prior Year Encumbrances Appropriated	23,716	23,716	-
Fund Balance - End of Year	<u>\$ 173</u>	<u>\$ 5,667</u>	<u>\$ 5,494</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Sims Park Fund
 For the Year Ended December 31, 2015*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Expenditures:			
Capital Outlay:			
Other	\$ 77,510	\$ 25,828	\$ 51,682
Total Expenditures	<u>77,510</u>	<u>25,828</u>	<u>51,682</u>
Net Change in Fund Balance	(77,510)	(25,828)	51,682
Fund Balance - Beginning of Year	79,908	79,908	-
Fund Balance - End of Year	<u>\$ 2,398</u>	<u>\$ 54,080</u>	<u>\$ 51,682</u>

City of Euclid Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Bennington Hamlet Fund
 For the Year Ended December 31, 2015*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Payments in Lieu of Taxes	\$ 7,016	\$ 13,272	\$ 6,256
Total Revenues	<u>7,016</u>	<u>13,272</u>	<u>6,256</u>
Expenditures:			
Capital Outlay:			
Other	98,009	80,102	17,907
Total Expenditures	<u>98,009</u>	<u>80,102</u>	<u>17,907</u>
Net Change in Fund Balance	(90,993)	(66,830)	24,163
Fund Balance - Beginning of Year	70,526	70,526	-
Prior Year Encumbrances Appropriated	20,469	20,469	-
Fund Balance - End of Year	<u>\$ 2</u>	<u>\$ 24,165</u>	<u>\$ 24,163</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 CMP Properties Fund
 For the Year Ended December 31, 2015*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Payments in Lieu of Taxes	\$ 60,000	\$ 63,351	\$ 3,351
Total Revenues	<u>60,000</u>	<u>63,351</u>	<u>3,351</u>
Expenditures:			
Capital Outlay:			
Other	50,000	10,354	39,646
Excess of Revenues Over (Under) Expenditures	10,000	52,997	42,997
Other Financing (Uses)			
Transfers Out	(200,000)	(200,000)	-
Total Other Financing (Uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net Change in Fund Balance	(190,000)	(147,003)	42,997
Fund Balance - Beginning of Year	195,964	195,964	-
Fund Balance - End of Year	<u>\$ 5,964</u>	<u>\$ 48,961</u>	<u>\$ 42,997</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Harbor Town TIF Fund
 For the Year Ended December 31, 2015*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Payments in Lieu of Taxes	\$ 171,375	\$ 171,814	\$ 439
Total Revenues	<u>171,375</u>	<u>171,814</u>	<u>439</u>
Expenditures:			
Capital Outlay:			
Other	490,335	442,922	47,413
Debt Service:			
Interest & Fiscal Charges	15,993	15,992	1
Total Expenditures	<u>506,328</u>	<u>458,914</u>	<u>47,414</u>
Net Change in Fund Balance	(334,953)	(287,100)	47,853
Fund Balance - Beginning of Year	336,347	336,347	-
Fund Balance - End of Year	<u>\$ 1,394</u>	<u>\$ 49,247</u>	<u>\$ 47,853</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Downtown District A TIF Fund
 For the Year Ended December 31, 2015*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Payments in Lieu of Taxes	\$ 72,580	\$ 81,811	\$ 9,231
Total Revenues	<u>72,580</u>	<u>81,811</u>	<u>9,231</u>
Expenditures:			
Capital Outlay:			
Other	266,855	59,800	207,055
Total Expenditures	<u>266,855</u>	<u>59,800</u>	<u>207,055</u>
Net Change in Fund Balance	(194,275)	22,011	216,286
Fund Balance - Beginning of Year	192,494	192,494	-
Fund Balance - End of Year	<u>\$ 5,074</u>	<u>\$ 221,360</u>	<u>\$ 216,286</u>

STATISTICAL SECTION

City of Euclid, Ohio

Statistical Section

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

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

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

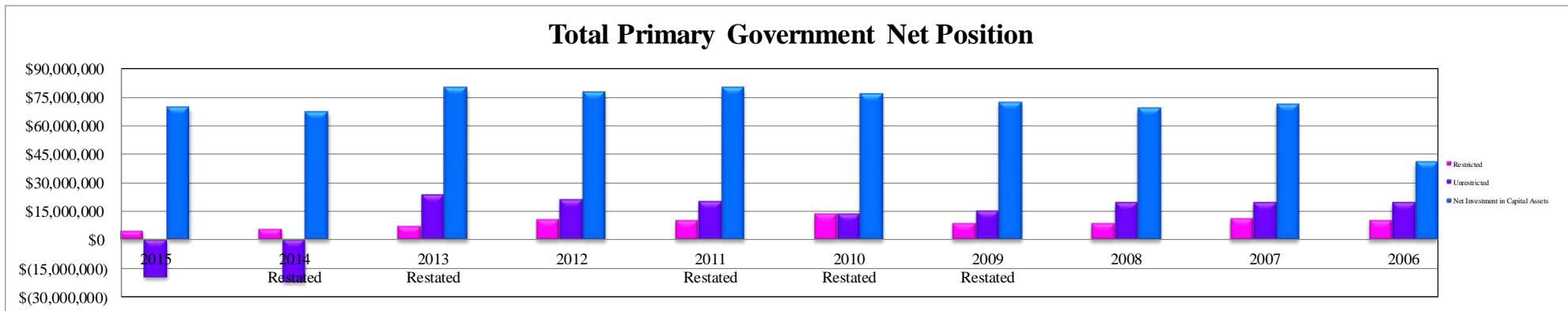
City of Euclid, Ohio

Net Position by Component Accrual Basis of Accounting Last Ten Years

Table 1

	2015	2014 Restated	2013 Restated	2012	2011 Restated	2010 Restated	2009 Restated	2008	2007	2006
Governmental Activities										
Net Investment in Capital Assets	\$ 27,228,440	\$ 30,734,068	\$ 32,235,958	\$ 32,146,243	\$ 36,430,785	\$ 36,290,780	\$ 37,644,890	\$ 39,956,632	\$ 41,151,610	\$ 12,190,259
Restricted	4,514,553	5,572,849	6,761,817	10,219,167	9,671,191	13,342,663	8,307,210	8,179,008	11,000,386	10,020,313
Unrestricted	(26,065,765)	(26,559,107)	10,896,260	12,076,435	11,807,492	5,052,623	3,360,059	5,636,227	4,075,405	6,065,273
Total Governmental Activities Net Position	\$ 5,677,228	\$ 9,747,810	\$ 49,894,035	\$ 54,441,845	\$ 57,909,468	\$ 54,686,066	\$ 49,312,159	\$ 53,771,867	\$ 56,227,401	\$ 28,275,845
Business Type - Activities										
Net Investment in Capital Assets	\$ 42,710,192	\$ 36,541,168	\$ 47,755,727	\$ 45,310,310	\$ 43,523,835	\$ 40,280,422	\$ 34,567,361	\$ 29,214,805	\$ 29,982,118	\$ 28,971,722
Unrestricted	6,386,794	4,187,683	12,158,558	8,658,820	8,144,885	8,285,405	11,352,949	13,829,216	11,908,239	13,304,043
Total Business-Type Activities Net Position	\$ 49,096,986	\$ 40,728,851	\$ 59,914,285	\$ 53,969,130	\$ 51,668,720	\$ 48,565,827	\$ 45,920,310	\$ 43,044,021	\$ 41,890,357	\$ 42,275,765
Primary Government										
Net Investment in Capital Assets	\$ 69,938,632	\$ 67,275,236	\$ 79,991,685	\$ 77,456,553	\$ 79,954,620	\$ 76,571,202	\$ 72,212,251	\$ 69,171,437	\$ 71,133,728	\$ 41,161,981
Restricted	4,514,553	5,572,849	6,761,817	10,219,167	9,671,191	13,342,663	8,307,210	8,179,008	11,000,386	10,020,313
Unrestricted	(19,678,971)	(22,371,424)	23,054,818	20,735,255	19,952,377	13,338,028	14,713,008	19,465,443	19,369,316	19,369,316
Total Primary Government Net Position	\$ 54,774,214	\$ 50,476,661	\$ 109,808,320	\$ 108,410,975	\$ 109,578,188	\$ 103,251,893	\$ 95,232,469	\$ 96,815,888	\$ 101,503,430	\$ 70,551,610

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



City of Euclid, Ohio

Changes in Net Position Accrual Basis of Accounting Last Ten Years

Table 2

	2015	2014	2013	2012	2011 Restated	2010 Restated	2009 Restated	2008	2007	2006
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 1,899,438	\$ 1,884,612	\$ 1,615,417	\$ 2,066,689	\$ 2,507,033	\$ 4,317,024	\$ 2,301,388	\$ 564,303	\$ 1,031,766	\$ 1,019,146
Security of Persons and Property	3,520,400	3,316,938	3,643,071	3,919,272	3,448,103	3,732,402	2,845,690	4,073,600	4,999,375	4,975,827
Public Health	102,102	91,297	84,625	76,651	77,382	82,068	78,398	83,793	91,602	92,922
Leisure Time Activities	371,949	368,130	403,594	394,730	450,554	433,648	590,597	730,006	883,285	796,916
Community and Economic Development	1,833,210	1,769,947	1,965,204	1,779,151	1,702,985	1,512,112	1,413,183	1,554,640	542,492	236,343
Sanitation	1,849,666	1,907,893	1,592,590	2,378,857	1,797,856	1,337,454	0	0	0	0
Transportation	0	0	2,024	600	0	0	114,156	39,637	207,307	88,588
Subtotal - Charges for Services	9,576,765	9,338,817	9,306,525	10,615,950	9,983,913	11,414,708	7,343,412	7,045,979	7,755,827	7,209,742
Operating Grants and Contributions:										
General Government	0	84,216	47,626	0	550,724	587,960	137,338	0	498,055	428,589
Security of Persons and Property	548,918	95,757	398,529	617,370	667,415	1,084,936	491,637	487,231	18,906	139,422
Public Health	40,646	18,326	14,569	0	0	0	0	0	0	0
Leisure Time Activities	380	391	368	6,741	51,895	3,766	10,039	4,327	5,947	43,084
Community and Economic Development	1,593,676	934,765	1,317,949	1,365,971	1,770,441	2,738,366	1,215,829	1,247,025	889,458	1,123,011
Sanitation	0	0	5,000	4,000	0	0	0	0	0	0
Transportation	1,773,437	1,874,674	1,576,336	1,691,509	1,707,991	1,819,510	1,699,535	1,861,667	1,935,960	1,835,670
Subtotal - Operating Grants and Contributions	3,957,057	3,008,129	3,360,377	3,685,591	4,748,466	6,234,538	3,554,378	3,600,250	3,348,326	3,569,776
Capital Grants and Contributions:										
General Government	0	191,784	0	18,354	65,527	350,000	0	279,401	0	18,690
Security of Persons and Property	0	0	21,561	124,372	25,511	0	0	0	0	0
Public Health	0	0	30,844	0	0	0	0	0	0	0
Transportation	0	0	125,587	34,227	1,514,633	0	0	0	0	0
Community and Economic Development	1,985	0	67,200	13,047	0	0	0	0	0	0
Leisure Time Activities	0	0	252,489	548,313	67,597	0	0	0	0	11,170
Subtotal - Capital Grants and Contributions	1,985	191,784	497,681	738,313	1,673,268	350,000	0	279,401	0	29,860
Total Governmental Activities Program Revenues	13,535,807	12,538,730	13,164,583	15,039,854	16,405,647	17,999,246	10,897,790	10,925,630	11,104,153	10,809,378
Business-Type Activities										
Charges for Services:										
Briardale Greens Golf Course	760,598	709,972	0	0	0	8,746	939,058	1,035,336	1,019,279	987,636
Waste Water Treatment	14,618,099	15,433,332	14,615,480	11,112,883	11,068,529	9,238,260	10,663,957	10,887,935	10,876,879	11,498,677
Water Line Improvement	1,785,669	2,003,009	1,682,000	2,895,931	1,606,374	1,551,174	1,967,426	1,623,543	1,671,736	1,605,235
Operating Grants and Contributions:										
Wastewater Treatment	0	0	0	0	0	184,648	227,712	52,675	39,479	814,589
Water Line Improvement	735,805	2,042,210	0	0	0	0	0	0	0	0
Capital Grants and Contributions										
Briardale Golf Course	26,598	110,582	86,723	9,300	0	98,794	0	0	0	121,449
Waste Water Treatment	6,555,091	2,528,406	850,622	0	0	321,351	94,932	276,000	0	0
Water Line Improvement	0	0	0	0	1,053,139	464,161	1,042,281	65,348	0	0
Total Business-Type Activities Program Revenues	24,481,860	22,827,511	17,234,825	14,018,114	13,728,042	11,867,134	14,935,366	13,940,837	13,607,373	15,027,586
Total Primary Government Program Revenues	\$ 38,017,667	\$ 35,366,241	\$ 30,399,408	\$ 29,057,968	\$ 30,133,689	\$ 29,866,380	\$ 25,833,156	\$ 24,866,467	\$ 24,711,526	\$ 25,836,964

City of Euclid, Ohio

Changes in Net Position (continued)

Accrual Basis of Accounting

Last Ten Years

Table 2

	2015	2014	2013	2012	2011	2010 Restated	2009 Restated	2008	2007	2006
Expenses										
Governmental Activities:										
General Government	\$ 13,569,848	\$ 13,851,860	\$ 13,381,458	\$ 11,879,530	\$ 14,070,597	\$ 13,105,802	\$ 13,389,365	\$ 12,894,864	\$ 14,000,128	\$ 12,352,031
Security of Persons and Property:										
Sanitation	21,344,311	20,975,180	21,090,420	20,602,865	19,892,646	20,607,153	21,052,721	23,445,910	22,884,517	21,466,024
Public Health	2,292,854	2,274,374	2,310,771	2,063,996	2,185,892	1,916,687	2,251,317	2,506,683	2,219,004	2,013,501
Leisure Time Activities	294,862	279,500	273,361	275,393	285,793	273,641	280,112	260,044	277,425	257,280
Community and Economic Development	1,930,889	1,987,341	1,878,910	1,709,689	1,667,298	1,766,298	2,095,133	2,423,707	1,706,870	2,109,410
Transportation	3,108,042	2,606,619	3,004,987	2,991,518	2,884,982	2,873,059	2,846,921	3,201,584	2,955,795	3,173,312
Interest and Fiscal Charges	6,476,034	5,930,036	6,026,874	9,489,789	6,057,526	6,647,276	7,382,963	6,343,637	7,396,063	2,695,350
Total Governmental Activities Expenses	846,847	830,823	993,111	1,210,537	846,954	1,418,378	1,406,102	1,505,395	1,553,302	1,546,588
	49,863,687	48,735,733	48,959,892	50,223,317	47,891,688	48,608,294	50,704,634	52,581,824	52,993,104	45,613,496
Business-Type Activities										
Briardale Golf Course	871,822	806,348	88,397	92,343	80,540	131,602	894,060	988,166	1,059,840	996,359
Wastewater Treatment	11,958,134	10,053,697	9,997,445	10,203,983	9,601,656	9,938,574	10,920,206	11,061,437	10,109,869	9,438,610
Water Line Improvement	3,409,410	2,125,851	1,253,974	1,433,806	800,228	965,870	1,033,398	792,165	765,993	915,675
Total Business-Type Activities Expenses	16,239,366	12,985,896	11,339,816	11,730,132	10,482,424	11,036,046	12,847,664	12,841,768	11,935,702	11,350,644
Total Primary Government Program Expenses	66,103,053	61,721,629	60,299,708	61,953,449	58,374,112	59,644,340	63,552,298	65,423,592	64,928,806	56,964,140
Net (Expense)/Revenue										
Governmental Activities	(36,327,880)	(36,197,003)	(35,795,309)	(35,183,463)	(31,486,041)	(30,609,048)	(39,806,844)	(41,656,194)	(41,888,951)	(34,804,118)
Business-Type Activities	8,242,494	9,841,615	5,895,009	2,287,982	3,245,618	831,088	2,087,702	1,099,069	1,671,671	3,676,942
Total Primary Government Net Expense	(28,085,386)	(26,355,388)	(29,900,300)	(32,895,481)	(28,240,423)	(29,777,960)	(37,719,142)	(40,557,125)	(40,217,280)	(31,127,176)

City of Euclid, Ohio

Changes in Net Position (continued)

Accrual Basis of Accounting

Last Ten Years

Table 2

	2015	2014	2013	2012	2011	2010 Restated	2009 Restated	2008	2007	2006
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property and Other Local Taxes	4,687,118	4,746,669	4,765,637	4,898,836	4,940,319	5,162,960	5,069,206	5,158,520	5,839,560	7,391,165
Municipal Income Taxes	24,435,672	22,555,188	23,090,347	22,359,573	24,315,337	22,994,810	22,527,179	24,124,792	24,286,649	26,227,696
Grants and Entitlements not Restricted to										
Specific Programs	2,332,890	2,576,299	2,189,349	3,061,866	4,458,718	6,874,711	5,885,372	6,460,923	5,647,600	3,846,566
Payments in Lieu of Taxes	330,248	259,991	261,567	304,822	179,400	174,801	172,310	123,164	72,269	68,730
Investment Income	168,425	64,882	90,253	107,136	94,986	173,483	451,410	921,534	1,303,442	1,163,865
Gain/Loss on Sale of Capital Assets	48,163	192,874	23,311	0	0	128,453	45,431	0	176,305	0
Miscellaneous	380,129	746,440	827,035	983,607	1,082,783	478,952	1,196,228	1,743,907	18,771	66,875
Transfers	(125,347)	0	0	0	420,923	(5,215)	0	667,820	286,456	286,456
Total Governmental Activities	32,257,298	31,142,343	31,247,499	31,715,840	35,492,466	35,982,955	35,347,136	39,200,660	37,631,052	39,051,353
Business-Type Activities										
Property Taxes	0	0	0	0	11,475	365,166	465,667	639,606	626,240	767,977
Grants and Entitlements not Restricted to										
Specific Programs	0	0	0	0	0	0	0	0	0	0
Investment Income	127	21	146	196	41,651	9,856	4,339	56,180	63,583	48,163
Miscellaneous	167	0	0	12,232	483,293	1,434,192	318,581	26,629	294	0
Transfers	125,347	0	0	0	(420,923)	5,215	0	(667,820)	(286,456)	(286,456)
Total Business-Type Activities	125,641	21	146	12,428	115,496	1,814,429	788,587	54,595	403,661	529,684
Total Primary Government General Revenues	32,382,939	31,142,364	31,247,645	31,728,268	35,607,962	37,797,384	36,135,723	39,255,255	38,034,713	39,581,037
Business-Type Activities										
Special Items	0	(26,263,065)	0	0	0	0	0	0	0	0
Total Primary Government General Revenues and Other Changes in Net Position	32,382,939	4,879,299	31,247,645	31,728,268	35,607,962	37,797,384	36,135,723	39,255,255	38,034,713	39,581,037
Change in Net Position										
Governmental Activities	(4,070,582)	(5,054,660)	(4,547,810)	(3,467,623)	4,006,425	5,373,907	(4,459,708)	(2,455,534)	(4,257,899)	4,247,235
Business-Type Activities	8,368,135	(16,421,429)	5,895,155	2,300,410	3,361,114	2,645,517	2,876,289	1,153,664	2,075,332	4,206,626
Total Primary Government Change in Net Position	\$ 4,297,553	\$ (21,476,089)	\$ 1,347,345	\$ (1,167,213)	\$ 7,367,539	\$ 8,019,424	\$ (1,583,419)	\$ (1,301,870)	\$ (2,182,567)	\$ 8,453,861

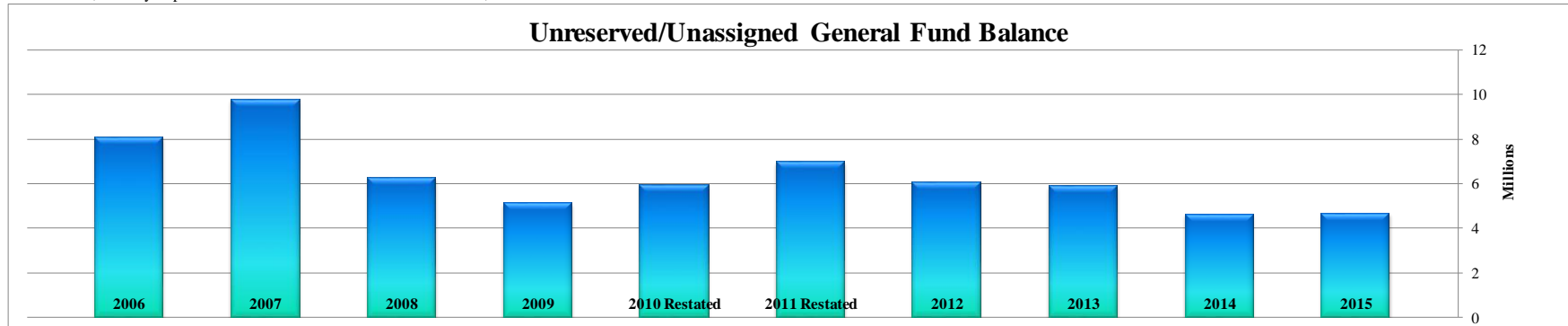
City of Euclid, Ohio

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

Table 3

	2015	2014	2013	2012	2011 Restated	2010 Restated	2009	2008	2007	2006
General Fund										
Nonspendable	\$ 1,059,658	\$ 1,077,737	\$ 1,278,550	\$ 1,323,212	\$ 1,367,748	\$ 1,460,576	\$ 0	\$ 0	\$ 0	\$ 0
Committed	127,031	107,724	63,128	73,615	183,472	216,334	0	0	0	0
Assigned	836,076	69,288	506,881	451,520	36,008	28,105	0	0	0	0
Unassigned	4,664,182	4,631,088	5,915,128	6,046,519	6,954,074	5,938,091	0	0	0	0
Reserved	0	0	0	0	0	0	1,389,906	1,529,833	97,896	99,257
Unreserved	0	0	0	0	0	0	5,143,251	6,220,960	9,782,186	8,076,295
Total General Fund	6,686,947	5,885,837	7,763,687	7,894,866	8,541,302	7,643,106	6,533,157	7,750,793	9,880,082	8,175,552
All Other Governmental Funds										
Nonspendable	93,182	173,105	152,190	159,191	95,779	71,887	0	0	0	0
Restricted	2,884,961	4,131,784	3,546,337	3,144,566	6,093,620	8,028,597	0	0	0	0
Committed	22,959	18,324	12,473	1,077	0	0	0	0	0	0
Unassigned	(419,411)	(408,930)	(3,851,205)	(1,170,048)	(1,542,936)	(438,584)	0	0	0	0
Reserved	0	0	0	0	0	0	498,970	728,790	1,257,678	346,199
Unreserved, Undesignated, Reported in:										
Special Revenue funds	0	0	0	0	0	0	1,281,141	1,425,191	1,787,192	1,684,898
Debt Service funds	0	0	0	0	0	0	2,767,975	2,708,149	3,775,688	2,947,437
Capital Projects funds	0	0	0	0	0	0	2,095,459	2,081,323	2,131,623	2,499,812
Total All Other Governmental Funds	2,581,691	3,914,283	(140,205)	2,134,786	4,646,463	7,661,900	6,643,545	6,943,453	8,952,181	7,478,346
Total Governmental Funds	\$ 9,268,638	\$ 9,800,120	\$ 7,623,482	\$ 10,029,652	\$ 13,187,765	\$ 15,305,006	\$ 13,176,702	\$ 14,694,246	\$ 18,832,263	\$ 15,653,898

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



City of Euclid, Ohio

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

Table 4

	2015	2014	2013	2012	2011 Restated	2010	2009	2008	2007	2006
Revenues										
Property and Other Local Taxes	\$ 4,684,888	\$ 4,733,723	\$ 4,758,699	\$ 5,223,856	\$ 5,014,254	\$ 4,908,989	\$ 4,863,732	\$ 5,317,922	\$ 6,511,494	\$ 6,213,540
Municipal Income Taxes	24,671,958	24,508,171	24,043,014	20,599,919	23,868,290	22,165,312	22,295,312	23,949,387	25,508,186	23,084,613
Charges for Services	6,113,352	6,082,512	5,376,589	6,912,556	6,048,437	6,120,126	4,396,344	4,468,421	5,011,318	4,357,413
Fees, Licenses and Permits	462,830	274,714	556,302	161,302	180,020	148,341	136,019	119,297	131,568	45,638
Fines and Forfeitures	1,931,591	2,049,775	2,294,990	1,975,305	1,607,230	1,778,448	1,849,083	2,115,947	1,843,132	1,760,313
Payments in Lieu of Taxes	330,248	259,991	261,566	304,822	179,400	174,801	172,310	123,164	72,269	68,730
Intergovernmental	5,984,434	5,479,675	6,638,542	7,468,739	9,113,247	13,061,780	9,702,823	10,781,759	8,544,675	8,123,702
Special Assessments	918,829	1,103,167	1,236,275	1,229,316	1,223,194	335,115	320,199	505,921	84,684	190,634
Rentals	54,197	74,938	142,242	136,385	220,757	205,560	928,741	378,566	438,302	370,186
Contributions and Donations	15,703	50,905	18,780	79,483	1,610,147	57,741	51,034	35,658	27,517	144,696
Interest	168,425	64,882	90,253	107,376	97,802	256,825	500,049	862,215	1,286,011	1,162,032
Miscellaneous	375,078	342,989	1,304,261	982,197	1,082,783	478,952	1,196,228	891,394	18,771	66,875
Total Revenues	45,711,533	45,025,442	46,721,513	45,181,256	50,245,561	49,691,990	46,411,874	49,549,651	49,477,927	45,588,372
Expenditures										
Current:										
General Government	13,389,106	13,590,209	12,871,946	12,087,105	13,489,522	13,904,635	12,846,810	13,255,819	12,389,735	11,367,827
Security of Persons and Property	20,172,947	20,997,711	20,885,109	20,379,045	20,598,229	20,337,564	20,493,264	22,504,755	20,876,789	20,107,626
Public Health	293,531	273,132	277,146	275,451	289,293	272,263	272,496	260,044	277,809	257,651
Leisure Time Activities	1,687,257	1,731,598	1,651,776	1,517,664	1,519,385	1,568,545	1,826,333	2,142,829	1,998,691	1,836,370
Community and Economic Development	2,491,988	2,603,656	2,830,876	2,999,577	2,908,927	2,863,379	2,728,006	3,084,899	2,613,273	2,743,472
Sanitation	2,163,084	2,412,938	2,303,563	2,067,356	2,180,946	1,916,687	2,251,317	2,506,683	2,204,171	1,857,975
Transportation	2,140,656	1,931,627	1,905,970	1,909,461	1,862,722	2,109,236	2,232,410	2,596,559	2,242,299	2,096,922
Capital Outlay	2,159,371	1,297,529	2,514,506	2,658,188	4,967,119	2,547,975	3,015,982	5,376,523	3,579,883	2,780,690
Debt Service:										
Principal Retirement	7,841,552	2,963,741	3,177,581	3,077,574	7,151,780	5,240,760	3,305,944	9,590,395	6,419,365	2,927,010
Interest and Fiscal Charges	741,042	643,280	964,494	1,151,530	1,070,780	1,311,229	1,367,743	1,492,737	1,529,377	1,518,668
Debt Issuance Costs	74,494	67,315	0	17,592	179,065	0	0	275,697	0	0
Advance Refund Escrow	0	148,751	0	0	123,978	0	0	0	0	0
Total Expenditures	53,155,028	48,661,487	49,382,967	48,140,543	56,341,746	52,072,273	50,340,305	63,086,940	54,131,392	47,494,211
Excess of Revenues Over (Under) Expenditures	(7,443,495)	(3,636,045)	(2,661,454)	(2,959,287)	(6,096,185)	(2,380,283)	(3,928,431)	(13,537,289)	(4,653,465)	(1,905,839)

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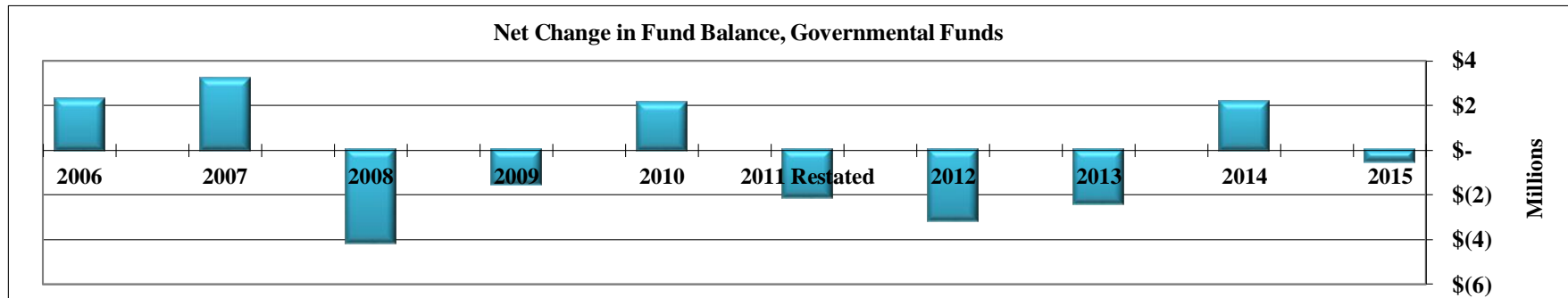
City of Euclid, Ohio

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

Last Ten Years

Table 4

	2015	2014	2013	2012	2011 Restated	2010	2009	2008	2007	2006
Other Financing Sources (Uses)										
Sale of Capital Assets	48,163	192,874	36,125	26,174	62,028	197,309	52,620	55,191	224,113	0
General Obligation Bonds Issued	0	0	0	0	4,316,000	0	0	10,625,000	0	0
Refunding Bonds Issued	6,999,000	6,548,507	0	0	5,482,000	0	0	0	0	0
Premium on Debt Issued	0	25,851	0	0	121,632	21,278	0	215,765	40,280	0
OPWC Loan	0	0	0	0	0	0	18,267	1,119,127	434,981	98,000
Notes Issued	0	5,265,000	0	0	0	4,290,000	2,340,000	0	6,846,000	3,816,000
Inception of Capital Lease	0	420,000	292,000	0	0	0	0	205,758	0	0
Insurance Recoveries	0	0	2,159	0	35,500	0	0	0	0	0
Transfers In	364,850	944,815	2,334,550	4,234,675	342,300	553,800	1,061,859	1,195,820	825,300	1,085,900
Transfers Out	(500,000)	(1,077,315)	(2,409,550)	(4,459,675)	(912,300)	(553,800)	(1,061,859)	(528,000)	(538,844)	(799,444)
Payment to Refunded Bond Escrow Agent	0	(6,507,049)	0	0	(5,468,216)	0	0	(3,489,389)	0	0
Total Other Financing Sources (Uses)	6,912,013	5,812,683	255,284	(198,826)	3,978,944	4,508,587	2,410,887	9,399,272	7,831,830	4,200,456
Net Change in Fund Balances	\$ (531,482)	\$ 2,176,638	\$ (2,406,170)	\$ (3,158,113)	\$ (2,117,241)	\$ 2,128,304	\$ (1,517,544)	\$ (4,138,017)	\$ 3,178,365	\$ 2,294,617
Debt Service as a Percentage of Noncapital Expenditures	16.38%	7.55%	8.74%	9.28%	16.20%	13.48%	9.70%	19.68%	15.38%	9.79%



City of Euclid, Ohio

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

Last Ten Years

Table 5

	Collection Year 2015	Collection Year 2014	Collection Year 2013	Collection Year 2012	Collection Year 2011	Collection Year 2010	Collection Year 2009	Collection Year 2008	Collection Year 2007	Collection Year 2006	Collection Year 2005
Unvoted Millage											
Bond Sinking Fund	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88
Total Unvoted Millage	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88
Voted Millage											
1964 Charter Current Expense	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72
1964 Charter Perm Improvement	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1964 Charter Recreational	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
1964 Charter Recreational	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
1976 Sewage Levy	0.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total Voted Millage	9.72	9.72	9.72	9.72	11.72	11.72	11.72	11.72	11.72	11.72	11.72
Total Millage	13.60	13.60	13.60	13.60	15.60	15.60	15.60	15.60	15.60	15.60	15.60
Overlapping Rates by Taxing District											
City of Euclid											
Residential/Agricultural Effective Rate	7.3102	7.2808	7.2595	6.3749	6.3560	6.8571	6.5566	6.5540	6.5523	6.8792	6.8787
Commerical/Industrial and Public Utility Effective Rate	10.2345	9.9585	9.9577	9.5791	9.4690	10.6120	10.3296	10.3634	10.3668	10.3549	9.9554
General Business and Public Utility Personal Property	13.6000	13.6000	13.6000	13.6000	13.6000	15.6000	15.6000	15.6000	15.6000	15.6000	15.6000
Euclid City Schools											
Residential/Agricultural Effective Rate	75.9075	74.7478	72.2593	53.3148	54.4667	54.4664	46.1446	39.1132	39.0934	43.0313	37.5124
Commerical/Industrial and Public Utility Effective Rate	88.8396	86.3873	84.0823	71.9537	72.7342	72.8014	66.1743	59.4467	59.4747	59.3941	51.2261
General Business and Public Utility Personal Property	101.6000	100.7000	98.4000	88.4000	89.8000	89.9000	85.2000	78.2000	78.2000	78.2000	72.8000
Cuyahoga County											
Residential/Agricultural Effective Rate	14.0500	14.0500	13.2200	13.1182	13.1866	13.1789	12.6607	11.8688	11.8655	11.7227	10.9754
Commerical/Industrial and Public Utility Effective Rate	14.0195	13.9495	12.9968	12.7846	12.8412	12.8457	12.8153	12.4535	12.4941	12.5881	11.9846
General Business and Public Utility Personal Property	14.0500	14.0500	13.2200	13.2200	13.3200	13.3200	13.3200	13.4200	13.4200	13.5200	13.5200
Special Taxing Districts (1)											
Residential/Agricultural Effective Rate	10.8643	9.9639	9.0635	9.0041	8.9900	7.9811	7.2832	7.2794	7.2761	7.7965	6.3793
Commerical/Industrial and Public Utility Effective Rate	10.8401	9.8843	8.9621	8.8649	8.8450	7.9119	7.8711	7.8782	7.8962	8.0597	6.7804
General Business and Public Utility Personal Property	10.8800	9.9800	9.0800	9.0800	9.0800	8.2800	8.2800	8.2800	8.2800	8.2800	7.2800

Source: Cuyahoga County Fiscal Officer

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

Charter millage is consistently applied to all types of property.

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

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

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

City of Euclid, Ohio

Assessed Valuations and Estimated Actual Values of Taxable Property

Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2015	\$ 396,231,090	\$ 164,449,260	\$ 1,601,943,857	\$ 20,085,560	\$ 22,824,500
2014	\$ 399,245,760	\$ 168,521,720	\$ 1,622,192,800	\$ 19,072,000	\$ 21,672,727
2013	\$ 401,745,490	\$ 168,140,380	\$ 1,628,245,343	\$ 17,368,880	\$ 19,737,364
2012	\$ 546,762,120	\$ 175,905,170	\$ 2,064,763,686	\$ 16,043,950	\$ 18,231,761
2011	\$ 551,393,850	\$ 179,899,430	\$ 2,089,409,371	\$ 15,476,470	\$ 17,586,898
2010	\$ 553,341,120	\$ 181,540,130	\$ 2,099,660,714	\$ 15,108,400	\$ 17,168,636
2009	\$ 615,910,790	\$ 183,124,340	\$ 2,282,957,514	\$ 13,964,270	\$ 15,868,489
2008	\$ 617,695,210	\$ 184,247,970	\$ 2,291,266,229	\$ 21,020,000	\$ 23,886,364
2007	\$ 549,090,850	\$ 185,048,420	\$ 2,097,540,771	\$ 22,108,400	\$ 25,123,182
2006	\$ 549,066,990	\$ 196,770,870	\$ 2,130,965,314	\$ 24,167,100	\$ 27,462,614

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

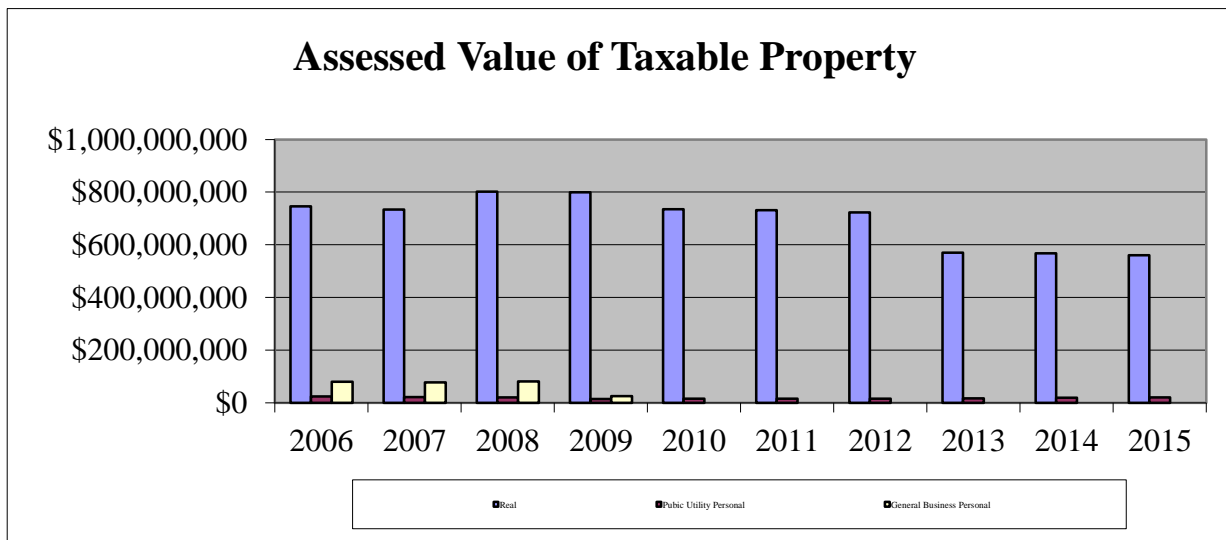
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General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

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

Source: Ohio Department of Taxation

Table 6

Tangible Personal Property General Business		Total		Ratio	Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$ -	\$ -	\$ 580,765,910	\$ 1,624,768,357	35.74%	0.0000
\$ -	\$ -	\$ 586,839,480	\$ 1,643,865,527	35.70%	8.2551
\$ -	\$ -	\$ 587,254,750	\$ 1,647,982,707	35.63%	8.2196
\$ -	\$ -	\$ 738,711,240	\$ 2,082,995,447	35.46%	7.2948
\$ -	\$ -	\$ 746,769,750	\$ 2,106,996,269	35.44%	7.2561
\$ -	\$ -	\$ 749,989,650	\$ 2,116,829,351	35.43%	7.9421
\$ 24,916,620	\$ 132,888,640	\$ 837,916,020	\$ 2,431,714,643	34.46%	7.8008
\$ 81,771,053	\$ 436,112,283	\$ 904,734,233	\$ 2,751,264,875	32.88%	8.3575
\$ 77,001,463	\$ 410,674,469	\$ 833,249,133	\$ 2,533,338,423	32.89%	8.4756
\$ 80,320,200	\$ 321,280,800	\$ 850,325,160	\$ 2,479,708,728	34.29%	8.7551



City of Euclid, Ohio

Property Tax Levies and Collections

Last Ten Years

Table 7

Year	Current Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Current Tax Levy
2015	\$ 5,201,241	\$ 4,641,127	89.23%	\$ 285,470	\$ 4,926,597	94.72%	\$ 948,843	18.24%
2014	\$ 5,242,049	\$ 4,612,167	87.98%	\$ 302,689	\$ 4,914,856	93.76%	\$ 946,613	18.06%
2013	\$ 5,176,102	\$ 4,667,849	90.18%	\$ 281,672	\$ 4,949,521	95.62%	\$ 933,666	18.04%
2012	\$ 5,752,944	\$ 5,173,294	89.92%	\$ 376,418	\$ 5,549,712	96.47%	\$ 926,729	16.11%
2011	\$ 6,884,315	\$ 5,171,119	75.11%	\$ 316,071	\$ 5,487,190	79.71%	\$ 433,724	6.30%
2010	\$ 7,526,417	\$ 5,778,277	76.77%	\$ 457,077	\$ 6,235,354	82.85%	\$ 496,190	6.59%
2009	\$ 7,636,772	\$ 5,849,893	76.60%	\$ 423,626	\$ 6,273,519	82.15%	\$ 547,502	7.17%
2008	\$ 7,755,667	\$ 6,345,313	81.82%	\$ 489,718	\$ 6,835,031	88.13%	\$ 511,356	6.59%
2007	\$ 8,248,325	\$ 6,773,525	82.12%	\$ 362,574	\$ 7,136,099	86.52%	\$ 426,602	5.17%
2006	\$ 8,161,127	\$ 6,759,330	82.82%	\$ 291,261	\$ 7,050,591	86.39%	\$ 659,193	8.08%
2005	\$ 6,571,871	\$ 5,470,854	83.25%	\$ 302,983	\$ 5,773,837	87.86%	\$ 552,594	8.41%

Source: Cuyahoga County Fiscal Officer

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

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

City of Euclid, Ohio

Principal Taxpayers – Real Estate Tax

2015 and 2006

Table 8

Taxpayer	2015	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleveland Electric Illum Co.	\$ 15,800,860	2.82 %
Niederst Indian Hills, LLC	10,748,540	1.92
Northpointe Towers LTD	7,546,010	1.35
Lincoln Electric Co	7,080,120	1.26
Harbor Crest LTD.	5,481,880	0.98
Horizon House LTD	3,088,270	0.55
Euclid Leasing Housing Associates 1, Ltd.	2,954,760	0.53
AE Portfolio, LLC	2,881,200	0.51
Gateway SNF Holdings, LLC	2,644,020	0.47
Normandy Towers East I & II, LLC	2,501,320	0.45
Total	<u>\$ 60,726,980</u>	<u>10.84 %</u>
Total Assessed Valuation	<u>\$ 560,680,350</u>	
Taxpayer	2006	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Lincoln Electric Co.	\$ 13,369,530	1.77 %
Cleveland Electric Illum Co.	10,538,280	1.40
Indian Hills Senior Community, Inc.	8,584,630	1.14
Northpointe Towers LTD	6,634,740	0.88
Ohio Bell Telephone Company	6,075,670	0.81
Argo Tech Corporation	5,814,310	0.77
Harbor Crest LTD.	5,510,970	0.73
AE Portfolio, LLC	4,372,550	0.58
Horizon House LTD	3,638,640	0.48
Depot Land Co., Ltd.	3,255,770	0.43
Total	<u>\$ 67,795,090</u>	<u>8.99 %</u>
Total Assessed Valuation	<u>\$ 751,895,150</u>	

Source: Cuyahoga County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2015 and 2006 collections

City of Euclid, Ohio

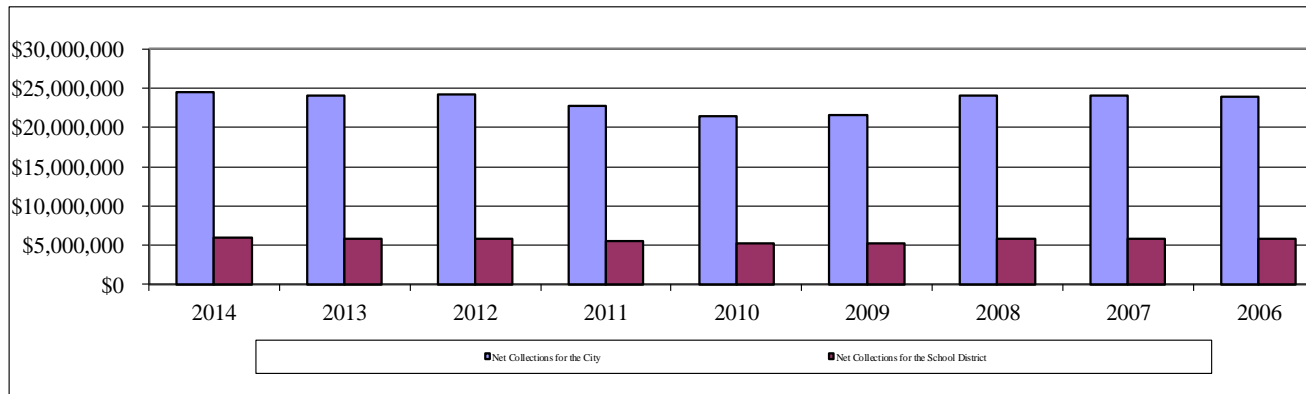
Income Tax Collection

Last Ten Years

Table 9

Year	Tax Rate	Individual	Net Profit	Payroll Withholding	Penalty and Interest	Miscellaneous Revenue	Gross Collections	Refunds and Adjustments	Net Collections	Net Collections for the City	Net Collections for the School District
2015	2.85%	\$4,876,343	\$4,567,901	\$21,697,241	\$600,040	\$2,024	\$31,743,549	(\$607,558)	\$31,322,400	\$24,954,644	\$6,367,756
2014	2.85%	\$4,864,917	\$3,645,543	\$22,189,891	\$605,852	\$32,405	\$31,338,608	(\$890,681)	\$30,447,927	\$24,486,985	\$5,960,942
2013	2.85%	\$4,730,185	\$3,149,071	\$22,024,374	\$535,721	\$177,761	\$30,617,112	(\$607,558)	\$30,009,554	\$24,145,781	\$5,863,773
2012	2.85%	\$4,791,973	\$3,880,111	\$21,381,656	\$595,097	\$199,002	\$30,847,839	(\$791,291)	\$30,056,548	\$24,163,169	\$5,893,379
2011	2.85%	\$5,024,705	\$3,148,360	\$19,758,688	\$625,900	\$187,785	\$28,745,438	(\$465,598)	\$28,279,840	\$22,732,211	\$5,547,629
2010	2.85%	\$5,082,908	\$3,567,641	\$17,882,748	\$586,113	\$92,518	\$27,211,928	(\$458,849)	\$26,753,079	\$21,511,064	\$5,242,015
2009	2.85%	\$5,571,815	\$2,205,169	\$19,127,921	\$501,077	\$139,475	\$27,545,457	(\$710,927)	\$26,834,530	\$21,570,417	\$5,264,113
2008	2.85%	\$5,613,660	\$3,506,412	\$20,750,925	\$658,185	\$31,777	\$30,560,960	(\$621,987)	\$29,938,973	\$24,076,487	\$5,862,486
2007	2.85%	\$5,828,145	\$3,057,660	\$21,195,076	\$562,751	\$37,298	\$30,680,930	(\$823,011)	\$29,857,919	\$24,021,190	\$5,836,729
2006	2.85%	\$5,875,202	\$2,250,314	\$21,436,836	\$533,447	\$103,748	\$30,199,547	(\$515,617)	\$29,683,931	\$23,914,232	\$5,769,698

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



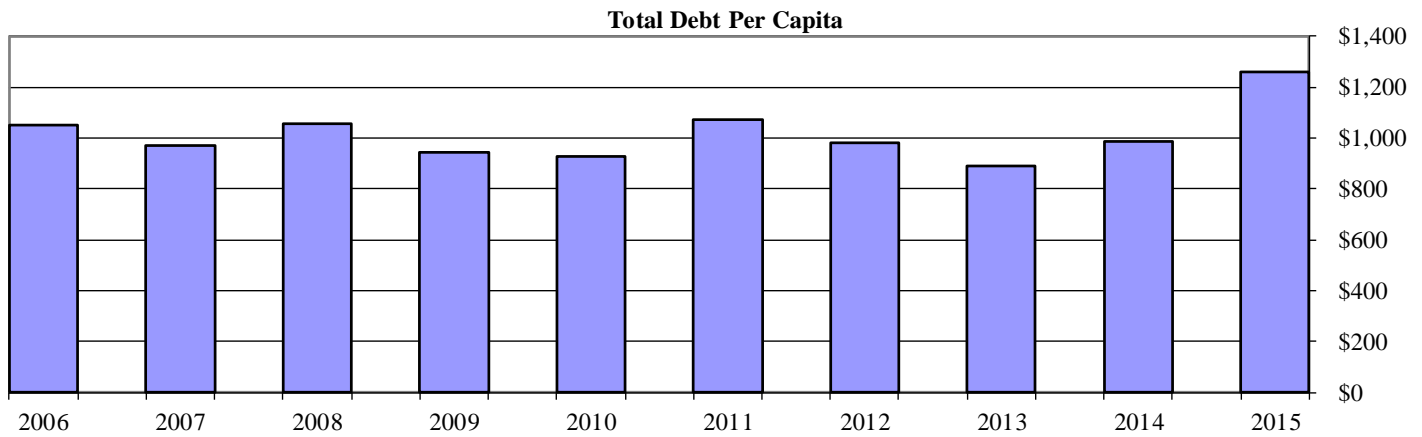
City of Euclid, Ohio

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

Last Ten Years

Table 10

Year	Governmental Activities							Business-Type Activities				Total Debt
	General Obligation Bonds (1)	Long-term Notes Payable (1)	Special Obligation Bonds	Special Assessment Bonds (1)	OPWC Loans	Capital Leases	Development Revenue Bonds (1)	General Obligation Bonds (1)	Capital Leases	OWDA Loans	OPWC Loans	
2015	\$ 15,757,778	\$ 0	\$6,999,000	\$ 398,863	\$ 1,169,261	\$ 461,253	\$ 185,000	\$ 9,426,897	\$ 546,182	\$ 18,253,817	\$ 8,515,622	\$ 61,713,673
2014	\$ 17,754,494	\$5,276,848	\$ 0	\$ 530,151	\$ 1,252,780	\$ 681,136	\$ 360,000	\$10,351,004	\$ 86,012	\$ 4,726,790	\$ 7,171,677	\$ 48,190,892
2013	\$ 19,975,891	\$ 0	\$ 0	\$ 570,111	\$ 1,336,299	\$ 375,358	\$ 419,000	\$11,098,452	\$ 4,751	\$ 2,523,453	\$ 7,177,596	\$ 43,480,911
2012	\$ 22,581,511	\$ 0	\$ 0	\$ 683,133	\$ 1,419,818	\$ 271,420	\$ 547,000	\$11,874,105	\$ 57,692	\$ 2,915,302	\$ 7,775,402	\$ 48,125,383
2011	\$ 25,114,131	\$ 0	\$ 0	\$ 786,155	\$ 1,503,337	\$ 286,628	\$ 665,000	\$12,612,758	\$108,395	\$ 3,184,851	\$ 8,134,229	\$ 52,395,484
2010	\$ 23,114,489	\$ 0	\$ 0	\$ 995,000	\$ 1,586,856	\$ 473,890	\$ 995,000	\$ 5,945,106	\$ 246,279	\$ 4,790,889	\$ 7,372,374	\$ 45,519,883
2009	\$ 25,667,580	\$ 0	\$ 0	\$ 1,080,000	\$ 1,670,375	\$ 653,131	\$ 1,120,000	\$ 6,537,151	\$ 357,699	\$ 6,779,135	\$ 5,971,616	\$ 49,836,687
2008	\$ 28,354,079	\$ 0	\$ 0	\$ 1,160,000	\$ 1,652,108	\$ 1,085,075	\$ 1,235,000	\$ 6,962,444	\$ 449,192	\$ 8,620,444	\$ 6,079,837	\$ 55,598,179
2007	\$ 23,007,141	\$ 0	\$ 0	\$ 1,235,000	\$ 532,981	\$ 1,304,712	\$ 1,340,000	\$ 6,546,909	\$ 502,859	\$ 10,328,970	\$ 6,352,551	\$ 51,151,123
2006	\$ 25,043,297	\$ 0	\$ 0	\$ 1,305,000	\$ 98,000	\$ 1,736,675	\$ 1,440,000	\$ 6,863,551	\$ 540,893	\$ 11,915,515	\$ 6,515,556	\$ 55,458,487



City of Euclid, Ohio

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

Table 11

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Net Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Net Bonded Debt Per Capita</u>
2015	48,920	\$ 1,624,768,357	\$20,457,885	1.26 %	\$ 418
2014	48,920	\$ 1,643,865,527	\$33,382,346	2.03 %	\$ 682
2013	48,920	\$ 1,647,982,707	\$31,074,343	1.89 %	\$ 635
2012	48,920	\$ 2,082,995,447	\$34,455,616	1.65 %	\$ 704
2011	48,920	\$ 2,106,996,269	\$34,936,226	1.66 %	\$ 714
2010	48,920	\$ 2,116,829,351	\$25,814,059	1.22 %	\$ 528
2009	52,717	\$ 2,431,714,643	\$28,608,582	1.18 %	\$ 543
2008	52,717	\$ 2,751,264,875	\$31,720,374	1.15 %	\$ 602
2007	52,717	\$ 2,533,338,423	\$25,778,362	1.02 %	\$ 489
2006	52,717	\$ 2,479,708,728	\$28,959,411	1.17 %	\$ 549

Sources:

(1) Source: U. S. Census

(a) Years 2005 through 2009 - 2000 Federal Census

(b) Years 2010 through 2014 - 2010 Federal Census

(2) Cuyahoga County Fiscal Officer

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt minus the debt

City of Euclid, Ohio

Computation of Direct and Overlapping Governmental Activities Debt

December 31, 2015

Table 12

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Euclid (2)			
General Obligation Bonds, net	\$ 15,757,778	100.00%	\$ 15,757,778
Special Obligation Bonds, net	6,999,000	100.00%	6,999,000
Special Assessment Bonds, net	398,863	100.00%	398,863
OPWC Loans	1,169,261	100.00%	1,169,261
Capital Leases	461,253	100.00%	461,253
Development Revenue Bonds, net	185,000	100.00%	185,000
Total Direct Debt	<u>24,971,155</u>		<u>24,971,155</u>
Overlapping			
Euclid City School District	40,025,364	100.00%	40,025,364
Cuyahoga County	243,900,000	2.02%	4,938,877
Regional Transit Authority	88,715,000	2.02%	1,796,443
Total Overlapping Debt	<u>372,640,364</u>		<u>46,760,684</u>
Total	<u>\$ 397,611,519</u>		<u>\$ 71,731,839</u>

Source: Cuyahoga County Fiscal Officer

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

(2) Amounts include associated premiums

City of Euclid, Ohio

Legal Debt Margin

Last Ten Years

	2015	2014	2013	2012	2011
Total Assessed Property Value	<u>\$ 580,765,910</u>	<u>\$ 586,839,480</u>	<u>\$ 587,254,750</u>	<u>\$ 738,711,240</u>	<u>\$ 746,769,750</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>60,980,421</u>	<u>61,618,145</u>	<u>61,661,749</u>	<u>77,564,680</u>	<u>78,410,824</u>
Debt Outstanding:					
General Obligation Bonds	\$ 15,757,778	\$ 17,754,494	\$ 20,245,532	\$ 22,890,262	\$ 25,114,131
General Obligation Bonds - Enterprise	9,426,897	10,351,004	11,249,954	12,051,810	12,612,758
Income Tax Special Obligation Bonds	6,999,000	0	0	0	0
Special Assessment Bonds	398,863	530,151	661,439	792,727	786,155
Notes	0	5,276,848	5,278,176	5,276,969	3,432,049
Notes - Enterprise	0	0	0	0	0
OPWC Loans	1,169,261	1,252,780	1,336,299	1,419,818	1,503,337
OPWC Loans - Enterprise	8,515,622	7,171,677	7,177,596	7,775,402	8,134,229
OWDA Loans	18,253,817	4,726,790	2,523,453	2,915,302	3,184,851
Industrial Development Revenue Bonds	185,000	360,000	530,000	695,000	665,000
Total Gross Indebtedness	<u>60,706,238</u>	<u>47,423,744</u>	<u>49,002,449</u>	<u>53,817,290</u>	<u>55,432,510</u>
Less:					
General Obligation Bonds - Enterprise	(9,426,897)	(10,351,004)	(11,249,954)	(12,051,810)	(12,612,758)
Income Tax Special Obligation Bonds	(6,999,000)	0	0	0	0
Special Assessment Bonds	(398,863)	(530,151)	(661,439)	(792,727)	(786,155)
Notes	0	0	0	0	0
Notes - Enterprise	0	0	0	0	0
OPWC Loans	(1,169,261)	(1,252,780)	(1,336,299)	(1,419,818)	(1,503,337)
OPWC Loans - Enterprise	(8,515,622)	(7,171,677)	(7,177,596)	(7,775,402)	(8,134,229)
OWDA Loans	(18,253,817)	(4,726,790)	(2,523,453)	(2,915,302)	(3,184,851)
Industrial Development Revenue Bonds	(185,000)	(360,000)	(530,000)	(695,000)	(665,000)
General Obligation Bond Retirement Fund Balance	0	0	0	0	(2,790,663)
Total Net Debt Applicable to Debt Limit	<u>15,757,778</u>	<u>23,031,342</u>	<u>25,523,708</u>	<u>28,167,231</u>	<u>25,755,517</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 45,222,643</u>	<u>\$ 38,586,803</u>	<u>\$ 36,138,041</u>	<u>\$ 49,397,449</u>	<u>\$ 52,655,307</u>
Legal Debt Margin as a Percentage of the Debt Limit	74.16%	62.62%	58.61%	63.69%	67.15%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 31,942,125</u>	<u>\$ 32,276,171</u>	<u>\$ 32,299,011</u>	<u>\$ 40,629,118</u>	<u>\$ 41,072,336</u>
Total Gross Indebtedness	<u>\$ 60,706,238</u>	<u>\$ 47,423,744</u>	<u>\$ 49,002,449</u>	<u>\$ 53,817,290</u>	<u>\$ 55,432,510</u>
Less:					
General Obligation Bonds - Enterprise	(9,426,897)	(10,351,004)	(11,249,954)	(12,051,810)	(12,612,758)
Income Tax Special Obligation Bonds	(6,999,000)	0	0	0	0
Special Assessment Bonds	(398,863)	(530,151)	(661,439)	(792,727)	(786,155)
Notes	0	0	0	0	0
Notes - Enterprise	0	0	0	0	0
OPWC Loans	(1,169,261)	(1,252,780)	(1,336,299)	(1,419,818)	(1,503,337)
OPWC Loans - Enterprise	(8,515,622)	(7,171,677)	(7,177,596)	(7,775,402)	(8,134,229)
OWDA Loans	(18,253,817)	(4,726,790)	(2,523,453)	(2,915,302)	(3,184,851)
Industrial Development Revenue Bonds	(185,000)	(360,000)	(530,000)	(695,000)	(665,000)
General Obligation Bond Retirement Fund Balance	0	0	0	0	(2,790,663)
Net Debt Within 5 ½ % Limitations	<u>15,757,778</u>	<u>23,031,342</u>	<u>25,523,708</u>	<u>28,167,231</u>	<u>25,755,517</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 16,184,347</u>	<u>\$ 9,244,829</u>	<u>\$ 6,775,303</u>	<u>\$ 12,461,887</u>	<u>\$ 15,316,819</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	50.67%	28.64%	20.98%	30.67%	37.29%

Source: City Financial Records

Table 13

2010	2009	2008	2007	2006
<u>\$ 749,989,650</u>	<u>\$ 837,916,020</u>	<u>\$ 904,734,233</u>	<u>\$ 833,249,133</u>	<u>\$ 850,325,160</u>
78,748,913	87,981,182	94,997,094	87,491,159	89,284,142
\$ 23,114,489	\$ 25,481,000	\$ 28,160,000	\$ 23,029,000	\$ 25,073,000
5,945,106	6,454,000	6,870,000	6,536,000	6,852,000
0	0	0	0	0
995,000	1,080,000	1,160,000	1,235,000	1,305,000
4,290,000	2,340,000	0	6,846,000	3,816,000
7,040,000	7,040,000	5,600,000	3,000,000	3,000,000
1,586,856	1,670,375	1,652,108	532,981	98,000
7,372,374	5,971,616	6,079,837	6,352,551	6,515,556
4,790,889	6,779,135	8,620,444	10,328,970	11,915,515
995,000	1,120,000	1,235,000	1,340,000	1,440,000
<u>56,129,714</u>	<u>57,936,126</u>	<u>59,377,389</u>	<u>59,200,502</u>	<u>60,015,071</u>
(5,945,106)	(6,454,000)	(6,870,000)	(6,536,000)	(6,852,000)
0	0	0	0	0
(995,000)	(1,080,000)	(1,160,000)	(1,235,000)	(1,305,000)
(4,290,000)	(2,340,000)	0	(6,846,000)	(3,816,000)
(7,040,000)	(7,040,000)	(5,600,000)	(3,000,000)	(3,000,000)
(1,586,856)	(1,670,375)	(1,652,108)	(532,981)	(98,000)
(7,372,374)	(5,971,616)	(6,079,837)	(6,352,551)	(6,515,556)
(4,790,889)	(6,779,135)	(8,620,444)	(10,328,970)	(11,915,515)
(995,000)	(1,120,000)	(1,235,000)	(1,340,000)	(1,440,000)
<u>(3,245,536)</u>	<u>(3,596,149)</u>	<u>(3,596,149)</u>	<u>(3,775,688)</u>	<u>(2,947,437)</u>
<u>19,868,953</u>	<u>21,884,851</u>	<u>24,563,851</u>	<u>19,253,312</u>	<u>22,125,563</u>
<u>\$ 58,879,960</u>	<u>\$ 66,096,331</u>	<u>\$ 70,433,243</u>	<u>\$ 68,237,847</u>	<u>\$ 67,158,579</u>
74.77%	75.13%	74.14%	77.99%	75.22%
<u>\$ 41,249,431</u>	<u>\$ 46,085,381</u>	<u>\$ 49,760,383</u>	<u>\$ 45,828,702</u>	<u>\$ 46,767,884</u>
\$ 56,129,714	\$ 57,936,126	\$ 59,377,389	\$ 59,200,502	\$ 60,015,071
(5,945,106)	(6,454,000)	(6,870,000)	(6,536,000)	(6,852,000)
0	0	0	0	0
(995,000)	(1,080,000)	(1,160,000)	(1,235,000)	(1,305,000)
(4,290,000)	(2,340,000)	0	(6,846,000)	(3,816,000)
(7,040,000)	(7,040,000)	(5,600,000)	(3,000,000)	(3,000,000)
(1,586,856)	(1,670,375)	(1,652,108)	(532,981)	(98,000)
(7,372,374)	(5,971,616)	(6,079,837)	(6,352,551)	(6,515,556)
(4,790,889)	(6,779,135)	(8,620,444)	(10,328,970)	(11,915,515)
(995,000)	(1,120,000)	(1,235,000)	(1,340,000)	(1,440,000)
<u>(3,245,536)</u>	<u>(3,596,149)</u>	<u>(3,596,149)</u>	<u>(3,775,688)</u>	<u>(2,947,437)</u>
<u>19,868,953</u>	<u>21,884,851</u>	<u>24,563,851</u>	<u>19,253,312</u>	<u>22,125,563</u>
<u>\$ 21,380,478</u>	<u>\$ 24,200,530</u>	<u>\$ 25,196,532</u>	<u>\$ 26,575,390</u>	<u>\$ 24,642,321</u>
51.83%	52.51%	50.64%	57.99%	52.69%

City of Euclid, Ohio

Pledged Revenue Coverage

Industrial Development Revenue Bonds – General Fund

Last Ten Years

Table 14

Year	Net Revenues (1)	Net Revenue Available for Debt Service	Debt Service			Coverage
			Principal	Interest	Total	
2015	\$ 109,336	\$ 109,336	\$ 175,000	\$ 15,660	\$ 190,660	0.57
2014	\$ 109,336	\$ 109,336	\$ 170,000	\$ 23,055	\$ 193,055	0.57
2013	\$ 109,336	\$ 109,336	\$ 165,000	\$ 30,233	\$ 195,233	0.56
2012	\$ 109,336	\$ 109,336	\$ 155,000	\$ 36,975	\$ 191,975	0.57
2011	\$ 109,336	\$ 109,336	\$ 165,000	\$ 33,114	\$ 198,114	0.55
2010	\$ 109,336	\$ 109,336	\$ 125,000	\$ 92,400	\$ 217,400	0.50
2009	\$ 109,336	\$ 109,336	\$ 115,000	\$ 101,888	\$ 216,888	0.50
2008	\$ 109,336	\$ 109,336	\$ 105,000	\$ 110,550	\$ 215,550	0.51
2007	\$ 109,335	\$ 109,335	\$ 100,000	\$ 118,800	\$ 218,800	0.50
2006	\$ 109,336	\$ 109,336	\$ 90,000	\$ 126,225	\$ 216,225	0.51

(1) Net revenues include principal and interest received from repayment of loan from Lincoln Electric Company

City of Euclid, Ohio

Principal Employers

2015 and 2006

Table 15

2015		
Employer	Number of W-2 Issued	Percentage of Total City Employment
Lincoln Electric	2,577	10.68%
Cleveland Clinic	1,506	6.24%
Euclid Board of Education	1,042	4.32%
University Hospital Health System	680	2.82%
City of Euclid	561	2.33%
Cuyahoga County	512	2.12%
Eaton Industrial Corporation	251	1.04%
Hose Masters	401	1.66%
Babcock & Wilcox Nuclear Operations	324	1.34%
HC Starck Incorporated	134	0.56%
Total	7,988	33.11%
Total Estimated Employment within the City	<u>24,124</u>	
2006 (1)		
Employer	Number of W-2 Issued	Percentage of Total City Employment
Lincoln Electric	2,771	11.07%
Euclid Board of Education	1,464	5.85%
Meridia Health Systems	1,282	5.12%
City of Euclid	680	2.72%
Cuyahoga County	598	2.39%
Argo Tech Corporation	437	1.75%
University Hospitals Health System	388	1.55%
Hose Masters	278	1.11%
Marine Mechanical Corp.	261	1.04%
GE Lighting, Inc.	160	0.64%
Total	8,319	33.24%
Total Estimated Employment within the City	<u>25,025</u>	

Source: City Income Tax Department

(1) Information prior to 2006 is not available

City of Euclid, Ohio

Demographic and Economic Statistics

Last Ten Years

Table 16

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2015	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,382	4.0%	\$ 57,125	\$ 580,765,910
2014	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,277	5.3%	\$ 51,752	\$ 586,839,480
2013	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,381	7.2%	\$ 56,716	\$ 587,254,750
2012	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,580	6.6%	\$ 54,872	\$ 738,711,240
2011	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,793	7.1%	\$ 50,265	\$ 746,769,750
2010	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	6,168	9.5%	\$ 71,632	\$ 749,989,650
2009	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,040	9.0%	\$ 69,136	\$ 837,916,020
2008	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,042	7.1%	\$ 81,777	\$ 904,734,233
2007	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,303	6.3%	\$ 99,664	\$ 833,249,133
2006	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,414	5.7%	\$ 107,011	\$ 850,325,160
2005	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,301	6.0%	\$ 111,934	\$ 865,435,613

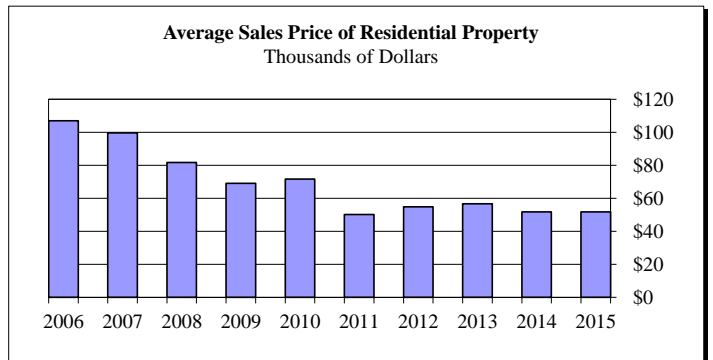
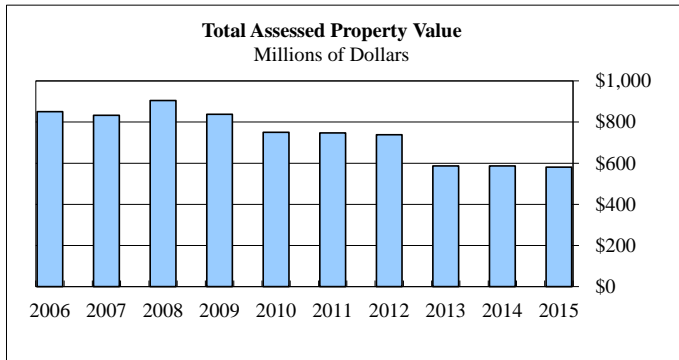
(1) Source: U. S. Census

(a) Years 2005 through 2009 - 2000 Federal Census

(b) Years 2010 through 2014 - 2010 Federal Census

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

(3) Source: County Planning Commission



City of Euclid, Ohio

Full-Time Equivalent City Employees by Function/Program

Last Ten Years

Table 17

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Council	10	11	11	10	10	10	11	11	11	11
Finance	9	9	11	11	12	14	15	16	15	13
Tax	5	8	8	8	8	8	10	10	10	7
Mayor	24	24	24	22	22	22	22	24	24	24
Law	6	7	10	9	11	11	10	9	9	10
Municipal Court	26	25	28	27	26	28	28	26	26	23
Public Service Administration	5	4	3	4	5	6	7	6	6	6
Engineer	1	3	7	6	6	6	2	3	3	3
Public Building	7	8	8	8	8	8	10	10	10	9
Security of Persons and Property										
Police	93	91	93	92	93	97	96	99	95	95
Police - Administration	12	12	11	11	11	11	11	9	7	7
Police - Records Room	5	6	4	5	5	6	6	6	6	6
Police - School Guards	9	10	11	11	11	11	11	10	10	10
Police - Communications	0	18	18	18	17	16	16	17	16	15
Police - Corrections	0	0	13	29	28	28	28	38	38	36
Police - Animal Control	1	1	1	2	2	2	2	3	2	2
Fire	83	77	76	80	81	79	79	82	82	80
Fire - Administration	2	2	0	0	0	0	0	0	0	0
Leisure Time Activities										
Recreation - Administration	4	4	5	4	4	4	4	5	4	4
Parks & Rec Maintenance	13	13	12	12	12	13	14	15	14	17
Recreation - Programs	67	59	56	56	56	75	75	75	75	75
Shore Cultural Center	0	0	0	0	0	0	0	4	4	4
Golf Course	0	0	0	0	0	0	27	34	34	34
Community Development										
Economic Development	5	6	7	6	7	6	6	8	7	6
Building	2	2	2	3	4	4	5	4	4	3
Housing	12	10	10	11	11	10	12	13	11	10
Weatherization	3	4	5	4	4	5	5	6	6	6
Senior Programs	10	10	11	12	11	8	15	23	21	20
Transportation										
Motor Maintenance	8	9	9	8	8	8	12	12	12	12
Traffic Maintenance	1	1	1	1	1	0	4	4	4	4
Street M&R	25	24	25	25	25	26	29	27	25	23
Basic Utility Services										
Wastewater	39	36	43	43	42	43	43	43	43	44
Totals:	<u>487</u>	<u>494</u>	<u>523</u>	<u>538</u>	<u>541</u>	<u>565</u>	<u>615</u>	<u>652</u>	<u>634</u>	<u>619</u>

Source: Annual Operating Budget - Employee Count (Appendix A)

City of Euclid, Ohio

Operating Indicators by Function/Program

Last Ten Years

Table 18

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
<i>Council and Clerk</i>										
Number of Ordinances & Resolutions Passed	170	141	150	198	183	178	218	250	258	220
<i>Finance Department</i>										
Number of checks/ vouchers issued	3,840	4,046	4,123	4,312	4,785	4,781	6,492	6,966	6,839	6,292
Amount of checks written	\$ 24,752,868	\$ 16,794,496	\$ 16,606,930	\$ 16,785,380	\$ 19,158,227	\$ 22,146,777	\$ 21,145,225	\$ 21,301,660	\$ 20,765,198	\$ 18,347,965
Interest earnings for fiscal year (cash basis)	\$ 148,230	\$ 84,071	\$ 97,847	\$ 91,462	\$ 114,879	\$ 261,703	\$ 578,273	\$ 970,513	\$ 1,393,041	\$ 968,963
Agency Ratings - Moody's Financial Services	Aa2	Aa2	Aa2	Aa2	A1	A1	A1	A1	A1	A1
Health Insurance Costs vs General Fund Expenditures %	16.03%	12.49%	13.68%	12.45%	11.90%	11.96%	9.89%	8.96%	8.81%	9.19%
General Fund Receipts (cash basis)	\$ 37,928,351	\$ 37,286,945	\$ 37,981,989	\$ 39,828,625	\$ 38,435,617	\$ 37,792,896	\$ 36,206,654	\$ 38,721,325	\$ 38,573,561	\$ 37,147,964
General Fund Expenditures (cash basis)	\$ 36,909,912	\$ 39,097,396	\$ 37,912,194	\$ 38,430,772	\$ 38,582,867	\$ 36,685,422	\$ 38,143,278	\$ 39,123,349	\$ 37,588,519	\$ 36,015,179
General Fund Cash Balances	\$ 3,324,922	\$ 2,306,483	\$ 4,116,934	\$ 4,047,139	\$ 2,591,536	\$ 2,796,536	\$ 1,689,062	\$ 3,625,687	\$ 4,027,711	\$ 3,042,669
<i>Income Tax Department</i>										
Number of Individual Returns	29,184	36,866	29,203	25,844	25,125	24,552	25,487	32,180	28,916	34,128
Number of Business Returns	3,351	3,414	4,362	3,214	3,168	2,950	2,958	2,928	2,638	2,853
Number of Business Withholding Accounts	3,773	3,514	3,800	3,050	3,022	2,979	3,043	3,050	3,117	3,131
Amount of Penalties and Interest Collected	\$ 600,040	\$ 605,852	\$ 535,721	\$ 595,147	\$ 625,900	\$ 586,113	\$ 501,077	\$ 658,185	\$ 562,411	\$ 533,448
Annual number of Corporate withholding forms processed	17,784	17,016	14,759	16,193	16,720	17,045	17,746	18,434	18,448	17,992
Annual number of balance due statements forms processed	22,695	27,357	22,180	21,563	10,926	7,471	6,484	7,779	6,914	7,033
Annual number of estimated payment forms processed	17,293	15,049	19,331	21,818	22,123	12,844	14,883	15,916	15,512	20,167
Annual number of reconciliations of withholdings processed	2,245	2,247	2,281	2,205	2,391	2,188	3,112	2,230	1,643	2,325
<i>Municipal Court</i>										
Number of Civil Cases	3,454	3,853	3,975	4,009	3,671	3,614	4,234	4,937	4,670	4,041
Number of Traffic/Criminal cases	5,474	7,592	7,862	7,643	6,720	7,430	7,510	8,718	7,573	6,398
<i>Vital Statistics</i>										
<i>Certificates Filed</i>										
Number of Births	1	5	5	2	0	4	2	1	2	2
Number of Deaths	404	423	414	368	366	404	430	491	406	440
<i>Certificates Issued</i>										
Number of Births	2,500	1,969	1,782	1,559	1,616	1,482	1,724	1,855	2,401	2,458
Number of Deaths	1,490	1,577	1,477	1,398	1,391	1,703	1,830	2,128	2,080	2,218
Burial Permits Issued	775	743	884	763	639	625	675	601	579	456
<i>Civil Service</i>										
Number of police entry tests administered	0	0	1	0	0	1	0	0	0	1
Number of fire entry tests administered	0	0	1	0	0	1	0	0	1	(a)
Number of police promotional tests administered	0	0	1	0	2	3	0	0	4	1
Number of fire promotional tests administered	0	0	0	4	0	3	0	3	0	4
Number of hires of Police Officers from certified lists	0	8	6	0	6	4	0	0	3	2
Number of hires of Fire/Medics from certified lists	7	7	5	5	10	0	0	0	5	(a)
Number of promotions from police certified lists	0	10	0	0	18	0	1	0	4	1
Number of promotions from fire certified lists	0	9	0	7	3	3	0	3	1	11
Number of Police Lateral Hires	5	0	1	6	n/a	n/a	n/a	n/a	n/a	n/a

(Continued)

City of Euclid, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 18

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
<i>Building Department Indicators</i>										
Estimated Value of Construction	\$ 21,058,012	\$ 7,816,356	\$ 22,572,868	\$ 14,571,894	\$ 10,879,053	\$ 22,004,556	\$ 17,632,080	\$ 19,829,373	\$ 19,199,769	\$ 14,337,881
Number of permits issued	3,066	3,419	2,909	3,667	2,978	2,504	2,964	2,430	2,194	2,294
Amount of Revenue generated from permits	\$ 449,442	\$ 418,511	\$ 430,184	\$ 421,875	\$ 1,271,562	\$ 325,992	\$ 231,664	\$ 221,555	\$ 268,817	\$ 218,779
Number of contractor registrations issued	927	875	3,863	1,056	989	794	969	919	910	808
<i>Housing Department Indicators</i>										
Total dwelling / housing units	26,050	26,053	26,111	26,153	26,181	26,205	26,235	26,235	26,265	26,284
Number of point of sale inspections	1,764	923	937	840	654	748	859	1,218	1,153	1,288
Number of rental inspections performed	13,663	11,779	11,845	11,129	11,126	11,138	10,890	10,435	9,482	9,761
Revenue generated from Housing Fees	\$ 1,072,447	\$ 968,029	\$ 846,802	\$ 799,942	\$ 729,035	\$ 735,200	\$ 839,055	\$ 876,234	\$ 732,683	\$ 720,042
Security of Persons & Property										
<i>Police</i>										
Total Crimes/Offenses	9,240*	11,584	11,288	12,594	13,956	18,130	15,592	17,187	19,789	21,446
Motor Vehicle Accidents	1,367	1,229	1,218	1,282	1,269	1,223	1,149	1,315	1,428	1,456
Fatalities from Motor Vehicle Accidents	3	2	2	2	3	2	1	3	3	1
Number of criminal arrests	2,514	3,017	2,874	3,249	2,665	2,988	2,654	3,201	2,942	2,883
Number of traffic citations issued	8,756	11,678	10,785	11,080	8,983	10,712	12,373	12,023	10,094	8,498
Number of parking citations issued	4,183	4,983	2,511	2,686	3,389	3,208	3,596	5,133	6,311	3,980
Narcotics & Vice Criminal Charges		1,295	2,043	2,060	1,457	1,760	1,798	2,524	2,277	2,710
Warrants Processed	3,169**	4,256	3,953	2,466	2,390	1,926	2,669	3,351	4,247	3,335
Emergency Response Team (ERT) calls for service	40	17	19	14	7	13	29	25	14	6
Police Dept. Auxiliary hours worked	1,241.75	1,506.15	1,590.00	2,014.00	2,573.00	1,912.75	2,088.00	2,330.00	2,818.75	2,976.50
Grant Awards	110,832.90	\$ 100,040	\$ 106,584	\$ 548,842	\$ 585,689	\$ 1,807,491	\$ 1,665,907	\$ 296,910	\$ 238,261	\$ 296,860
Prisoners (Total Jail Days)		699	10,090	17,390	14,482	20,957	19,166	30,364	29,591	29,339
Prisoner revenue		\$ -	\$ 292,111	\$ 399,663	\$ 385,031	\$ 719,895	\$ 469,059	\$ 678,661	\$ 997,818	\$ 519,437
Juvenile Diversion Program - referred	142	156	243	362	240	264	255	165	557	363
Juvenile Diversion Program - accepted	50	85	118	170	205	114	203	82	456	324
<i>Fire</i>										
EMS Calls	8,091	7,634	7,164	6,796	6,670	6,208	5,636	5,575	5,466	5,544
Ambulance Billing Collections (net)	\$ 1,541,848	\$ 1,107,475	\$ 1,310,616	\$ 1,475,553	\$ 1,370,438	\$ 1,231,380	\$ 1,228,840	\$ 1,178,278	\$ 1,175,599	\$ 1,174,427
Fire Calls	1,464	1,535	1,262	1,389	1,212	1,225	1,152	1,403	1,259	1,236
Fire Losses	\$ 867,217	\$ 1,698,670	\$ 1,427,400	\$ 1,756,825	\$ 3,409,405	\$ 1,256,000	\$ 380,450	\$ 1,585,500	\$ 1,119,925	\$ 917,200
Fire Safety Company Inspections	1,154	1,167	1,060	1,650	1,452	1,460	1,462	1,355	1,433	1,664
Fire Prevention Bureau Inspections	589	693	1,455	2,850	2,691	2,704	2,978	2,614	2,841	2,616
EMS Training (Man Hours)	826.00	1,920.00	1,920.00	1,500.00	1,450.00	1,255.00	1,452.75	1,334.50	1,996.75	1,917.75
Fire Training (Man Hours)	1,321.00	10,573.00	3,556.00	7,215.00	6,223.00	6,381.00	7,001.25	8,591.00	7,028.00	6,939.75
Public Health and Welfare										
Cemetery burials	0	0	3	2	5	1	3	1	0	0
Cemetery cremations	0	0	2	2	2	3	2	4	0	1
Cemetery sale of lots	0	0	0	0	0	0	0	0	0	0
Cemetery receipts	\$ -	\$ -	\$ 1,300	\$ 875	\$ 2,475	\$ 600	\$ 1,000	\$ 1,000	\$ 400	\$ 400

(Continued)

City of Euclid, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 18

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Leisure Time Activities										
<i>Recreation</i>										
Swimming pool receipts	\$ 55,748	\$ 62,021	\$ 82,524	\$ 85,166	\$ 91,655	\$ 96,334	\$ 98,348	\$ 98,716	\$ 102,644	\$ 98,214
Ice Arena receipts	\$ 95,140	\$ 130,171	\$ 129,006	\$ 124,809	\$ 141,293	\$ 115,074	\$ 141,666	\$ 178,106	\$ 173,572	\$ 174,213
Youth & Adult Sports receipts	\$ 110,187	\$ 123,931	\$ 146,593	\$ 142,412	\$ 159,667	\$ 177,020	\$ 179,836	\$ 210,318	\$ 222,765	\$ 231,549
Shore Cultural Facility rentals	\$ 293,480	\$ 285,183	\$ 254,085	\$ 306,324	\$ 360,401	\$ 290,623	\$ 117,887	\$ 211,921	\$ 229,676	\$ 195,479
<i>Golf</i>										
Rounds of Golf	31,943	28,800	30,800	38,691	31,169	31,856	35,118	40,486	44,636	44,742
Golf/Pro-shop receipts	\$ 619,465	\$ 584,158	\$ 642,322	\$ 701,977	\$ 569,643	\$ 601,983	\$ 623,533	\$ 679,953	\$ 658,739	\$ 673,323
Food & Beverage receipts	\$ 298,896	\$ 214,110	\$ 334,121	\$ 348,439	\$ 295,821	\$ 244,397	\$ 318,844	\$ 359,389	\$ 326,050	\$ 305,959
Community Development										
Grant amounts received due to Economic Development Dept.	\$ 7,428,017	\$ 1,617,312	\$ 1,850,449	\$ 1,260,262	\$ 2,292,241	\$ 3,157,430	\$ 1,245,302	\$ 1,244,705	\$ 1,663,793	\$ 1,165,922
Transportation										
Motor Maintenance - Number of vehicles & equip. maintained	499	509	499	493	512	542	544	513	509	501
Motor Maintenance - Repair Orders	1,459	1,462	2,026	1,277	1,777	1,905	2,151	2,332	2,437	3,031
Traffic Maintenance - No. of responses to EPD Signals/Signs	124.00	398.00	150.00	105.00	N/A	N/A	N/A	239.00	271.00	248.00
Snow & Ice Removal - Salt (tons)	6,306.74	5,642.00	7,259.00	4,451	4,483.51	6,763.83	5,261.25	9,572	8,902	4,405
Snow & Ice Removal - Salt (cost)	\$ 413,185	\$ 330,000	\$ 366,548	210,164.00	\$ 202,215	\$ 311,652	\$ 221,330	354,225.00	313,080.15	152,508.73
Street Repair Maintenance - Cold Patch (tons)	246.15	310.89	184.00	182.00	357.20	291.27	296.97	577	477	426
Street Repair Maintenance - Cold Patch (cost)	\$ 24,306	\$ 31,089	\$ 15,917	15,295.00	\$ 30,716	\$ 25,807	\$ 29,714	43,432.00	24,348.93	21,703.50
Street Repair Maintenance - Hot Mix (tons)	661.71	719.18	715.00	744	468.46	904.07	741.38	657	1,037	1,072
Street Repair Maintenance - Hot Mix (cost)	\$ 43,009	\$ 45,308	\$ 42,171	42,400	\$ 26,307	\$ 49,451	\$ 41,493	29,550	31,450	31,163
Street Repair Maintenance - Emulsion/Crack Sealer (gallons)	317	504	1,945	1,018	909	1,898	1,766	1,815	2,442	2,637
Street Repair Maintenance - Emulsion/Crack Sealer (cost)	\$ 729	\$ 1,159	\$ 4,863	2,545	\$ 2,518	\$ 5,542	\$ 4,681	3,936	4,533	4,199
Sewer Jet Cleaning - Sanitary Sewers (feet)	51,509	91,220	118,082	121,878	172,530	250,510	193,475	213,225	223,435	169,100
Sewer Jet Cleaning - Storm Sewers (feet)	0	0	0	0	2,000	20,390	2,100	5,225	4,635	4,320
Sewer Repairs (includes Water Department damage)	42	40	39	33	36	47	76	71	78	61
House Call Sewer Jobs/Residential & Business	1,163	1,154	1,361	1,006	1,431	1,058	1,185	1,139	1,195	1,595
Catch Basin Repairs	67	30	23	42	62	49	55	66	39	54
Catch Basin Cleaning	531	467	409	488	576	1,134	1,194	849	569	623
Man Hole Repairs	8	8	6	4	20	20	23	13	30	13
Sidewalk Repairs	10	7	11	10	16	14	16	9	25	12
Curb & Apron Repairs	37	39	53	88	40	52	80	31	50	17
Leaf Collection - Number of Loads	871	891	784	815	845	754	750	691	774	1,139
Street Sweeping - Number of Loads (dirt & debris)	303	434	352	401	248	381	386	471	321	582
Street Sweeping - Number of times whole city sweep	3	3	4	4	3	3	4	8	5	6
Water Hole Maintenance - New Water Openings	170	287	171	197	259	213	250	264	312	190
Water Hole Maintenance - Completed (cemented/asphalted)	185	234	250	314	265	326	288	265	195	221
Water Hole Maintenance - Total not completed	60	90	40	130	361	363	538	493	480	355
Fire Hydrants Painted	0	0	0	0	0	0	0	2,034	103	58

(Continued)

City of Euclid, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 18

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Wastewater Department										
Wastewater Rates for Water Consumption Based Customers (per 1000 MCF)										
Euclid	\$ 66.23	\$ 66.23	\$ 52.20	\$ 48.17	\$ 35.17	\$ 33.01	\$ 31.01	\$ 29.01	\$ 29.01	\$ 29.01
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)	35.19	35.19	34.19	33.49	29.21	29.05	29.05	29.05	29.05	29.49
Willoughby Hills	31.38	31.38	30.38	30.38	24.16	24.16	24.16	24.16	24.16	24.16
Waste Water Flow MGD (Million Gallons per Day)										
Euclid	\$ 13.02	\$ 14.46	\$ 13.88	\$ 12.86	\$ 15.50	\$ 11.70	\$ 10.59	\$ 13.80	\$ 16.74	\$ 15.58
Wickliffe	2.20	2.35	2.46	2.36	2.93	1.93	1.92	2.14	2.36	2.60
Willowick	1.73	1.75	1.82	1.72	2.25	1.70	1.88	2.08	1.85	2.00
Total	16.95	18.56	18.16	16.94	20.68	15.33	14.39	18.02	20.95	20.18
Water Line Construction Fund										
Euclid (charges included with wastewater billing) (per 1000 MCF)	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 8.00	\$ 7.00	\$ 6.00
Wastewater Rates										
Wickliffe & Willowick (master metered per 1,000 GA)										
Operating, Maintenance & Repairs	\$ 1.71	\$ 1.71	\$ 1.70	\$ 1.70	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39
Capital Costs	0.39	0.39	0.39	0.39	0.28	0.28	0.28	0.28	0.28	0.28
Lakeshore Trunk Sewer Line maintenance	0.00	0.00	0.00	0.00	0.06	0.06	0.06	0.06	0.06	0.06
Total	2.10	2.10	2.09	2.09	1.73	1.73	1.73	1.73	1.73	1.73
Willoughby Hills (per MCF of water consumption)										
Operating, Maintenance & Repairs	\$ 25.60	\$ 25.60	\$ 24.60	\$ 24.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	5.78	5.78	5.78	5.78	4.08	4.08	4.08	4.08	4.08	4.08
Satellite Sewer Discharge Program services	0.00	0.00	0.00	0.00	0.48	0.48	0.48	0.48	0.48	0.48
Total	31.38	31.38	30.38	30.38	24.16	24.16	24.16	24.16	24.16	24.16
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)										
Operating, Maintenance & Repairs	\$ 25.60	\$ 25.60	\$ 24.60	\$ 24.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	5.78	5.78	5.78	5.78	4.08	4.08	4.08	4.08	4.08	4.08
Satellite Sewer Discharge Program services	0.00	0.00	0.00	0.00	0.48	0.48	0.48	0.48	0.48	0.48
Equalization under billing (2nd quarter 2000)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.44
Equalization under billing (3rd quarter 2000)	0.00	0.00	0.00	0.00	1.94	1.94	1.94	1.94	1.94	1.94
Meter Reading/Billing Charges (City of Cleveland)	2.31	2.31	2.31	1.61	1.61	1.45	1.45	1.45	1.45	1.45
Administrative Expenses (City of Euclid)	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total	35.19	35.19	34.19	33.49	29.21	29.05	29.05	29.05	29.05	29.49
Euclid										
Operating, Maintenance & Repairs	\$ 25.60	\$ 25.60	\$ 24.60	\$ 24.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	9.95	9.95	9.41	8.08	4.08	4.08	4.08	4.08	4.08	4.08
Peterson Construction Fund	18.37	18.37	15.88	13.88	9.88	7.88	5.88	3.88	3.88	3.88
Meter Reading/Billing Charges	2.31	2.31	2.31	1.61	1.61	1.61	1.61	1.45	1.45	1.45
Total	56.23	56.23	52.20	48.17	35.17	33.17	31.17	29.01	29.01	29.01

Source: City Departments
(a) Test not administered
n/a Information not available

City of Euclid, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Table 19

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Square Footage Occupied	11,392	11,392	11,392	11,392	11,392	11,392	11,392	11,392	11,392	11,392
Administrative Vehicles	2	2	2	2	3	2	1	1	17	21
Inspection Vehicles	10	14	15	14	14	11	12	14	14	13
Municipal Court Vehicles	1	1	1	1	1	1	1	1	1	1
Lands & Buildings Vehicles	8	11	11	12	14	11	11	11	10	9
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Mini-stations	2	2	2	2	2	2	2	2	2	2
Square Footage of Buildings	58,384	58,384	58,384	58,384	58,384	58,384	58,384	58,384	58,384	58,384
Vehicles	62	62	65	64	63	63	64	64	66	69
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Square Footage of Buildings	27,389	27,389	27,389	27,389	27,389	27,389	27,389	27,389	27,389	27,389
Vehicles	18	19	18	18	18	13	16	18	18	18
Recreation										
Number of Parks	6	6	6	6	6	3	3	3	3	3
Acres of Parks	106	106	106	106	106	106	106	106	106	106
Acres of Playgrounds/Recreation	254	254	254	254	254	254	254	254	254	254
Number of Playgrounds	14	14	14	14	14	14	14	14	14	14
Number of Tennis Courts	6	6	6	6	6	6	6	6	6	6
Number of Skateboarding Areas	1	1	1	1	1	1	1	1	1	1
Number of Baseball Diamonds	9	9	9	9	9	9	9	9	9	9
Number of Soccer Fields	7	7	7	7	7	7	7	7	7	7
Number of Swimming Pools	4	4	4	4	4	5	6	6	6	6
Number of Spray Parks	1	1	1	0	0	0	0	0	0	0
Number of Ice Rinks	1	1	1	1	1	1	1	1	1	1
Acres of Golf Course	126	126	126	126	126	126	126	126	126	126
Square Footage of Shore Center Building	153,525	153,525	153,525	153,525	153,525	153,525	153,525	153,525	153,525	153,525
Vehicles	12	13	17	16	16	n/a	n/a	n/a	n/a	18
Other Public Works										
Streets (miles)	143.065	143.065	143.065	143.065	143.065	143.065	143.065	143.065	143.065	143.065
Service Vehicles	57	57	57	58	54	43	43	40	35	35
Wastewater										
Sanitary Sewers (miles)	262.38	262.38	262.38	262.38	262.38	262.38	262.38	262.38	262.38	262.38
Vehicles	13	11	10	10	10	11	10	11	20	13
Water Department										
Water Lines (miles)	139.65	139.65	139.65	139.65	139.65	139.65	139.65	139.65	139.65	139.65

Source: City Departments

**CITY OF EUCLID
SOLID WASTE TRANSFER FACILITY
CUYAHOGA COUNTY, OHIO**

**REPORT ON APPLYING
AGREED-UPON PROCEDURES**

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

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

**CITY OF EUCLID SOLID WASTE TRANSFER FACILITY
CUYAHOGA COUNTY, OHIO
REPORT ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

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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 ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

City of Euclid
Euclid, Ohio

Mr. Craig W. Butler
Ohio Environmental Protection Agency

We have audited, in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of Euclid, Cuyahoga County, Ohio (the City), for the year ended December 31, 2015, and have separately issued our unmodified report thereon dated June 29, 2016.

In a letter to the Ohio Environmental Protection Agency dated June 29, 2016 (the Letter), Kirsten Holzheimer Gail, Mayor of the City of Euclid, Ohio's Solid Waste Transfer Facility, specified that certain amounts disclosed in that Letter were derived from the independently audited financial statements referred to in the first paragraph above.

We have performed the procedures described below as agreed to by the City of Euclid, Ohio, and by the Ohio Environmental Protection Agency, solely to assist you in determining that certain amounts reported in the Letter agreed to, or can be computed from, amounts presented in the audited basic financial statements. The City of Euclid, Ohio's management is responsible for the information presented in the Letter. We followed the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements and applicable attestation engagement standards included in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of the procedures is solely the responsibility of the addressees. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

As required by Ohio Administrative Code Sections 3745-27-15(L)(5)c and 3745-27-16(L)(5)c, we have agreed the following amounts included in the Letter to the audited financial statements.

Alternative II, Line No.

5	Total assured environmental costs	\$ 146,450
6	Total annual revenue	\$ 62,876,066

The amount on line 6 agrees to the basic fund financial statements of the City, or can be computed from amounts appearing therein. We followed the definitions for line 6 included in the *State Support Document for the Local Government Financial Test*, issued November 27, 1996 by the USEPA. Line 5 includes total assured environmental costs reported in the fund financial statements following Governmental Accounting Statement Number 18.

We were not engaged to, and did not conduct an examination, the objective of which would be to express an opinion on the Letter. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This report is intended solely for the information and use of the addressees listed above and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James G. Zupka, CPA, Inc." The signature is written in a cursive style.

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

June 29, 2016



585 East 222nd Street, Euclid, OH 44123-2099

www.cityofeuclid.com

Kirsten Holzheimer Gail, Mayor

Phone: 216/289-2751

Fax: 216/289-2766

June 29, 2016

Mr. Craig W. Butler, Director
Ohio Environmental Protection Agency
P.O. Box 1049
Columbus, Ohio 43216-1049

Letter from the Mayor

Dear Mr. Butler:

I am the Mayor of the City of Euclid, whose City Hall is located at 585 East 222nd Street, Euclid Ohio 44123. This letter is in support of this local government's use of the financial test to demonstrate financial assurance, as specified in Chapter 3745-27 of the Administrative Code.

1. This local government is the owner or operator of the following facility for which financial assurance for final closure, post-closure care, or corrective measures is demonstrated through the financial test specified in Chapter 3745-27 of the Administrative Code and/or this local government is the owner or operator of the following facilities for which financial assurance for any other environmental obligations are assured by a financial test. The current final closure, post-closure, and/or corrective measures cost estimates, and any other environmental obligations provided for by a test are shown:

Name	City of Euclid Solid Waste Transfer Facility
Address	585 East 222 nd Street
City, State, Zip, County	Euclid, Ohio 44123, Cuyahoga County
Final Closure	None
Corrective Measures	None
Post Closure Care	\$146,450
Scrap Tire Transporter Final Closure	None
Other Environmental Obligations	None

Mr. Craig Butler, Director, Ohio EPA
 RE: City of Euclid
 June 29, 2016
 Page 2

- This local government is the owner or operator of the following facilities or scrap tire transporter for which financial assurance requirements for final closure, post-closure care, scrap tire transporter final closure, corrective measures, and/or any other environmental obligations are satisfied through a financial test other than that required by Chapter 3745-27 of the Administrative Code. The current final closure, post-closure care, scrap tire transporter final closure, and/or corrective measures cost estimates, and/or any environmental obligation covered by such financial assurance are shown for each facility or scrap tire transporter:

Name	City of Euclid
Address	Not Applicable
City, State, Zip, County	Not Applicable
Final Closure	None
Corrective Measures	None
Post Closure Care	None
Scrap Tire Transporter Final Closure	None
Other Environmental Obligations	None

The fiscal year of this local government ends on December 31. The figures for the following items marked with an asterisk are derived from this local government's independently audited year-end financial statements for the most recently completed fiscal year ended December 31, 2015.

ALTERNATIVE II

- Sum of final closure, post-closure care, scrap tire transporter, final closure, and/or corrective measures cost estimates, and any other environmental obligations assured by a financial test (total of all estimates shown in the two paragraphs above): \$146,450
- Current bond rating of most recent issuance and name of rating service Aa3: Moody's Investors Service - as of December 2015
- Date of issuance of bond December 8, 2004, refunded 2014
- Date of maturity of bond 2025
- Total assured environmental costs * \$146,450 *
- Total annual revenue * \$62,876,066 *
- Is line 5 divided by line 6 less than or equal to 0.43? Yes

Mr. Craig Butler, Director, Ohio EPA

RE: City of Euclid

June 29, 2016

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I hereby certify that the wording of this letter is identical to the wording specified in paragraph (H) of Rule 3745-27-17 of the Administrative Code as such rule was constituted on the date shown immediately below. I further certify the following: (1) that the local government's financial statements are prepared in conformity with generally accepted accounting principles for governments; (2) that the local government has not operated at a deficit equal to five percent or more of total annual revenue in either of the past two fiscal years; (3) that the local government is not in default on any outstanding general obligation bonds; and (4) that the local government does not have outstanding general obligations rated less than BBB as issued by "Standard and Poor's" or Baa as issued by "Moody's".

Sincerely,

A handwritten signature in cursive script that reads "Kirsten Holzheimer Gail".

Kirsten Holzheimer Gail

Mayor

City of Euclid

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Dave Yost • Auditor of State

CITY OF EUCLID

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 22, 2016