

**CITY OF LAKEWOOD  
CUYAHOGA COUNTY, OHIO**

**SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2016**

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





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Lakewood, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

June 27, 2017

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**CITY OF LAKEWOOD  
CUYAHOGA COUNTY, OHIO  
SINGLE AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2016**

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

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

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

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

The Honorable Dave Yost  
Auditor of State  
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 12, 2017, wherein we noted the Ohio Police and Fire Pension (OP&F) had made a revision to the total net pension liability based on the census file provided to its actuary. The City has restated its December 31, 2015 net position as a result.

***Internal Control Over Financial Reporting***

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

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

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lakewood'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 Lakewood's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

May 12, 2017



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

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

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

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

The Honorable Dave Yost  
Auditor of State  
State of Ohio

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

We have audited the City of Lakewood, Cuyahoga County, Ohio's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City of Lakewood's major federal program for the year ended December 31, 2016. The City of Lakewood's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the City of Lakewood'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 Lakewood's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the City of Lakewood, Cuyahoga County, 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, 2016.

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

Management of the City of Lakewood, 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 Lakewood's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Lakewood's internal control over compliance.

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

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Cuyahoga County, Ohio, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Lakewood's basic financial statements. We issued our report thereon dated May 12, 2017, which contained unmodified opinions on those financial statements, wherein we noted the Ohio Police and Fire Pension (OP&F) had made a revision to the total net pension liability based on the census file provided to its actuary. The City has restated its December 31, 2015 net position as a result. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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



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

May 12, 2017

**CITY OF LAKEWOOD  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Number</b>	<b>Pass-Through to Subrecipient</b>	<b>Expenditures</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
<i>Direct Programs</i>				
Community Development Block Grant Cluster				
Community Development Block Grant	14.218	B-10-MC-39-0007	\$ 164,267 *	\$ 1,964,819
Total Community Development Block Grant Cluster			<u>164,267</u>	<u>1,964,819</u>
Emergency Solutions Grant Program	14.231	S-10-MC-39-0007	0	121,952
<i>Total Direct Programs</i>			<u>164,267</u>	<u>2,086,771</u>
<i>Passed Through Cuyahoga County Housing Consortium</i>				
HOME Investment Partnerships Program Grant	14.239	CE-0400-354-01	0 *	326,376
<i>Passed Through Ohio Department of Development</i>				
Community Development block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	A-Z-08-282-1	0 *	5,284
<i>Total Passed Through Programs</i>			<u>0</u>	<u>331,660</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>0</u>	<u>2,418,431</u>
<b><u>U.S. Department of Justice</u></b>				
<i>Direct Program</i>				
JLEO-Joint Law Enforcement Operations-Overtime Reimbursement 16.111		n/a	0	38,938
<b>Total U. S. Department of Justice</b>			<u>0</u>	<u>38,938</u>
<b><u>U.S. Department of Transportation</u></b>				
<i>Passed Through the Ohio Department of Transportation</i>				
Highway Planning and Construction	20.205	PID82797	0	97,693
<b>Total U.S. Department of Transportation</b>			<u>0</u>	<u>97,693</u>
<b><u>U.S. Department of Health and Human Services</u></b>				
<i>Passed Through Western Reserve Area Agency on Aging</i>				
Special Programs for the Aging - Title III	93.044	n/a	0	66,652
<b>Total U.S. Department of Health and Human Services</b>			<u>0</u>	<u>66,652</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 164,267</u>	<u>\$ 2,621,714</u>

\* Includes program income.

See notes to the Schedule of Expenditures of Federal Awards.

**CITY OF LAKEWOOD  
CUYAHOGA COUNTY, OHIO  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

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**NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Lakewood, Ohio, under programs of the federal government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Lakewood, Ohio, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Lakewood, Ohio.

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

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

**NOTE 3: INDIRECT COST RATE**

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

**NOTE 4: SUBRECIPIENTS**

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

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

**CITY OF LAKEWOOD  
CUYAHOGA COUNTY, OHIO  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(CONTINUED)**

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**NOTE 5: MATCHING REQUIREMENTS**

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

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

The City has established a revolving loan program to provide low-interest loans to persons from low to moderate income households to rehabilitate their homes. The U.S. Department of Housing and Urban Development (HUD) grants monies for these loans directly to the City. The initial loan of these monies is recorded as a disbursement on the accompanying Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on this Schedule. These loans are collateralized by mortgages on the property. At December 31, 2016, the gross amount of loans outstanding under this program is \$1,374,928. The Emergency Shelter Grant and the Homelessness Prevention and Rapid Re-Housing Program Grant are directly received by the City. HUD's HOME Program grant is passed through the Cuyahoga County Housing Authority Consortium.

**NOTE 7: FOOD DISTRIBUTION**

The U.S. Department of Health and Human Services allocated \$66,652 to the City for the Congregate Meal Program and the Home Delivered Meal Program, and these funds were passed through the Western Reserve Area Agency on Aging. Meals received from the Western Reserve Area Agency on Aging are valued at \$4.74 for the Congregate Meal Program per meal served and \$4.93 for the Home Delivered Meal Program per meal served. For the year ended December 31, 2016, the City served 15,127 and 24,469 meals through the City's Office on Aging Congregate Meal Program and Home Delivered Meal Program, respectively.

**CITY OF LAKEWOOD  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED DECEMBER 31, 2016**

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**1. SUMMARY OF AUDITOR’S RESULTS**

2016(i)	Type of Financial Statement Opinion	Unmodified
2016(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2016(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2016(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2016(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2016(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2016(v)	Type of Major Programs’ Compliance Opinions	Unmodified
2016(vi)	Are there any reportable findings under 2 CFR 200.516(a)? No	
2016(vii)	Major Programs (list):  Community Development Block Grant Cluster - CFDA #14.218	
2016(viii)	Dollar Threshold: A/B Programs	Type A: \$750,000 Type B: All Others
2016(ix)	Low Risk Auditee?	Yes

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

None.

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

None.

**CITY OF LAKEWOOD  
CUYAHOGA COUNTY, OHIO  
STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

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The prior audit report, as of December 31, 2015, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.



# City of Lakewood, Ohio

## Comprehensive Annual Financial Report

*For the Year Ending December 31, 2016*



[www.onelakewood.com](http://www.onelakewood.com)



# CITY OF LAKEWOOD, OHIO



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2016

Issued by:

City of Lakewood  
Department of Finance

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

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# **INTRODUCTORY SECTION**



**City of Lakewood, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2016*  
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*Comprehensive Annual Financial Report*  
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12650 DETROIT AVENUE • 44107 • 216/529-6092 • FAX 216/529-6806

Jennifer R. Pae  
Director of Finance

May 12, 2017

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Lakewood (the “City”) for the year ended December 31, 2016.

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

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

The independent public accounting firm of James G. Zupka, C.P.A., Inc., has issued an unqualified (“clean”) opinion on the City of Lakewood’s financial statements for the year ended December 31, 2016. The Independent Auditor’s Report is located at the front of the financial section of this report.

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

### **City of Lakewood’s Profile**

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

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

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

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

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

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

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

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

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

### **Local Economy**

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

## **Employment**

The City's 2016 unemployment rate was 3.9 percent, compared to the Cuyahoga County rate of 5.1 percent. Throughout the year, all Cuyahoga County communities experienced unemployment trends that decreased from the previous year. Trends continue to suggest that unemployment rates will hold steady or slightly decrease in 2017. The City's largest employers continue to remain steady and show modest job growth. Two companies representing large year-over-year employment gains include University Tees & 717 Inc., which saw over 40 percent employment gain from 2014 to 2015; and Onix Networking, which saw 22 percent employment gain in that same period. Lakewood Hospital has begun its transition from an inpatient facility to an outpatient family health center with a 24/7/365 emergency department, and the move of New York Life Insurance from Lakewood to downtown Cleveland occurred in late 2016.

This is estimated to result in a net loss of 600 positions. However, it is anticipated that new developments explained further in this document will replace a significant amount of any lost revenue due to income tax withholding. Since most of the City's homeowners work outside the City, the regional economy has the largest impact on household income.

## **Retail**

The year 2016 marked another year during which retailers recognized value in Lakewood's commercial corridors, and this resulted in both openings and major expansions or renovations. A number of notable examples include: GiGi's Playhouse, L.B.M. Cocktail Bar, Two Men & a Vacuum, The Proper Pig Smokehouse, YUZU, Salt + a restaurant, Woodstock, Second Sole, Harlow's Pizza, Hops & Vines, and My Vacuum Store.

The City's retail occupancy held strong in 2016, and Detroit Avenue continues to have a strong retention rate and occupancy at over 90 percent. Additionally, Madison Avenue continues to show value to entrepreneurs and small business owners looking to make commercial real estate investment.

One trend the City continues to see is business owners recognizing and acting on the value in commercial real estate along Detroit and Madison Avenues. Both GV Art & Design and Bottlehouse Brewery were historically renters along Lakewood's commercial corridors. In 2016, both companies decided to purchase separate commercial properties to run their businesses and to invest in commercial real estate, which is a healthy trend for Lakewood's building stock and local economy.

Madison Avenue, the community's second major retail corridor, is seeing steady improvement. The resurfacing of the entirety of Madison coupled with the City's "Madison on the Move" initiative is proving to have benefitted as the pace of new business and building purchases have outpaced projections. Western Reserve Distillery, a craft organic distillery, is one example of a major renovation project at 14221 Madison Avenue that will house a tasting room, gift shop, bottle sales, and a restaurant. Other notable commercial development projects along the Madison Avenue corridor include the new daycare Kidzenia Learning Center, and the historic renovation of the Viktoria building, an original street-car era mixed use property that will have a cocktail bar and six modern apartments.

## **Commercial Office and Industrial**

The City's tech sector is holding strong and seeing gains with growth companies such as Decision Desk and Onix adding associates in 2016. Industrial companies make up a relatively small portion of the City's business community. However, companies such as Tempest, Ferry Cap & Screw and North American Switchgear continue to thrive as annual steady performers in the market while making significant capital investments in their physical facilities. In 2016, the remainder of the former Hinkley Lighting property was purchased and began its multi-million dollar transition into a storage facility for contractors and homeowners.

In late 2016, it was announced that Lakewood Center North office building would transition into the city's largest mixed-use building. Once completed, the building will feature 153 high-end apartments; the top two floors will remain commercial office space, and the first floor will remain retail, which is currently occupied by Forage Public House restaurant.

Roundstone Insurance ("Roundstone") finished renovating the former Christian Science Church in downtown Lakewood in 2016. The historically designated property has been vacant since 2009, and saw more than \$500,000 in improvements in 2016 to build out the space for the 45 person firm. With a payroll approaching \$4 million annually, Roundstone will revitalize the iconic church building and add to the vibrancy of the City's growing commercial core.

Additionally, Premier Physicians purchased, renovated and moved into the former Berger Village building, a mixed use office and commercial building on Detroit Avenue.

## **Residential**

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

To assist in supporting the next century of housing, the City launched Housing Forward in 2011 to better coordinate proactive code enforcement and residents reinvesting in their homes. The City completed its first city-wide housing survey in 2011, followed by a second city-wide survey in 2016. The 2016 survey helped to create strategic focus by identifying 1,200 properties that need to be brought into housing code compliance. Each property will be cited, consulted, and ultimately brought into compliance to continue to ensure high housing quality throughout the city.

The improvements in housing stock are being demonstrated in property value. The City saw an 8 percent growth in housing value as of the 2015 tri-annual reappraisal—one of only three communities in the County to see such an improvement. The single family home median sale price has increased from \$114,500 in 2011 to \$155,000 in 2016.

In addition to educating property owners on best practices to improve their homes, the City is making significant effort to connect these owners to resources for improvements through the Division of Community Development. In the years from 2014 to 2016, approximately 65 properties were improved using the City's low interest loan and grant programs.



Part of the Housing Forward initiative also includes the City’s purchase of dilapidated properties that have a negative impact on neighborhood stability and vibrancy. In 2017, the City will break ground on six new residential homes on lots that were previously dilapidated properties. The strategy remains to take the worst property on the block and make it the best.

## **Redevelopment**

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

The former McKinley Elementary School has been decommissioned and is a nearly three acre parcel. Through a creative partnership with the Board of Education, the City was able to find a developer for the parcel. McKinley townhomes began construction in August 2015, and Liberty Development will create a new infill neighborhood of 40 residential units on Lakewood’s West End. To date, 32 of the units have been sold, including all 12 of the units with first floor master bedrooms, a much needed housing style in the City. At the current sale prices, the project will have a post construction value of more the \$15 million and is expected to be substantially completed by the end of 2017. The former elementary school site will be returned to product use for the first time in nearly a decade.

On the east end of Detroit Avenue, the long stalled Rockport Square development broke ground on the final two phases at the end of 2015. Forest City Development—in partnership with Ryan Homes—will offer 51 new townhomes at this site. To date, 25 of the units have been sold. Post-development value is projected to be approximately \$13 million.

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

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

Concurrently, the City has begun the process of interviewing developers to reimagine an entire city block at the former hospital site across the street from the new Family Health Center. The redevelopment of the 5.7 acres is a once-in-a-50-year opportunity that will likely become a new mixed use development with tens of millions in post construction value.

## **Major Initiatives Going Forward**

During 2016, the City continued the visioning and strategic planning that began in 2013 as detailed in that year’s Comprehensive Annual Financial Report.

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

### **Vision**

*What the City Wants to Be / Achieve*

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

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

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

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

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

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

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

The following Objectives were developed for 2017 and beyond based on the City's focus:

- **Business Attraction and Development**
  - Former Lakewood Hospital site development
    - RFQ decision and partner picked
    - Development plans initiated
- **Citizen Quality of Life Improvement and Crime Prevention**
  - Upgrade of Computer Aided Dispatch and police reporting enterprise software
  - Parks Plans - Phase II
    - Develop long-term swimming pool plan
    - Master plans finished for Cove and Wagar Parks
- **Customer Service Improvement and Efficient Use of Resources**
  - Structurally balanced budget
    - New labor union agreements
  - Continue to improve civic engagement
    - Government data sharing/mobile platform access/citizen engagement
- **Health, Wellness and Environmental Stewardship**
  - Clean Water Lakewood plan development
    - Long Term Control Plan finalized
    - Sewer rate structure optimized
  - Community Health & Wellness improved
    - Wellness Foundation implementation
    - Age in Place Senior Citizen plans
      - Senior Center upgrade
      - Improved transportation programs

- **Housing Improvements**
  - Housing forward - Phase III
    - Higher standards of “3” 1,700 new 3’s
    - Cliffs development/Taft School
    - Rehab support/process improvement
    - LakewoodAlive partnership grown
- **Public Infrastructure Investment**
  - Infrastructure maintained and improved
    - Roads resurfacing
    - Urban forest improvement
    - Sidewalks program in year 5
    - Lake Ave resurfacing plan/lane designs developed

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

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

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

### **Recognition, Awards and Acknowledgements**

#### ***Recognition:***

- Lakewood received some high honors in *Cleveland Scene Magazine’s* 2016 Best of Cleveland Awards. The magazine named the city the “Best Place to Buy a Home” in its April 27, 2016, edition. In addition, Lakewood also received the “Best Dog Park” and the “Best Skate Park” designations.

#### ***Awards:***

- The City of Lakewood received the Auditor of State Award with Distinction for its 2015 Comprehensive Annual Financial Report for the third year in a row. A representative from the state auditor’s office stopped by the October 2, 2016, City Council meeting to present the award to city officials. The award is presented to the top five percent of governments that meet specific criteria during their financial audit. The Auditor of State Award with Distinction is given to entities that file an annual CAFR and timely financial reports, as well as receive a “clean” audit report. The clean audit report means that Lakewood’s financial audit did not contain findings for recovery, material citations, material weaknesses, significant deficiencies, Single Audit findings or any questioned costs.

- The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lakewood for its (CAFR) for the year ended December 31, 2015. This was the 35th consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

***Acknowledgements:***

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

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

Respectfully submitted,



Michael P. Summers  
Mayor



Jennifer R. Pae  
**Director of Finance**



Government Finance Officers Association

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

Presented to

**City of Lakewood  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO

**City of Lakewood, Ohio**  
*Elected Officials*  
*December 31, 2016*

Mayor..... Michael Summers  
Municipal Court Judge..... Patrick Carroll  
City Council At Large..... Thomas Bullock  
City Council At Large..... Cindy Marx  
City Council At Large..... Ryan Nowlin

City Council by Wards:

Ward 1..... David Anderson  
Ward 2..... Sam O’Leary, Council President  
Ward 3..... John Litten  
Ward 4..... Daniel O’Malley

**City of Lakewood, Ohio**

*Appointed Officials*

*December 31, 2016*

**Office of Council**

Clerk of Council..... Mary Hagan

**Municipal Court**

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

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

**Department of Law**

Director of Law ..... Kevin Butler

**Department of Finance**

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

**Department of Public Works**

Director of Public Works .....Joseph Beno

**Department of Public Safety**

Chief of Fire..... Scott Gilman

Chief of Police ..... Timothy Malley

**Department of Human Services**

Director of Human Services.....Antoinette Gelsomino

**Department of Planning and Community Development**

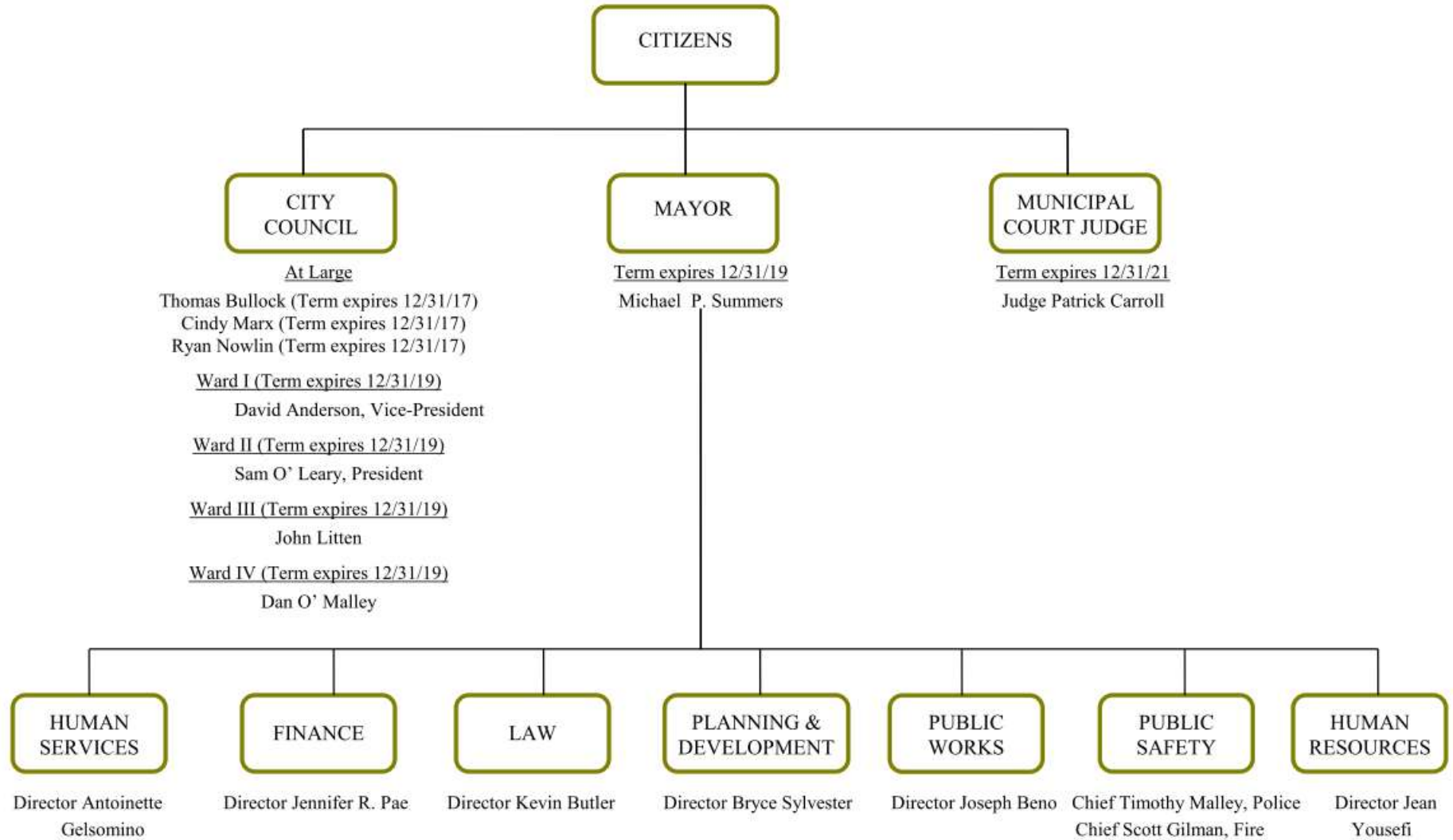
Director of Planning and Development .....Bryce Sylvester

**Department of Human Resources**

Director of Human Resources..... Jean Yousefi

**City of Lakewood, Ohio**  
*Organizational Chart*  
*December 31, 2016*

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# **FINANCIAL SECTION**



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

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

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

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

The Honorable Dave Yost  
Auditor of State  
State of Ohio

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Cuyahoga County, Ohio, as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and the Police and Fire Pension Fund, Community Development Block Grant Fund and Lakewood Hospital Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

As described in Note 3 to the basic financial statements, the Ohio Police and Fire Pension (OP&F) had made a revision to the total net pension liability based on the census file provided to its actuary. The City has restated its December 31, 2015 net position as a result. 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 Lakewood's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2017, on our consideration of the City of Lakewood'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 Lakewood's internal control over financial reporting and compliance.



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

May 12, 2017

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**City of Lakewood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*Unaudited*

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The discussion and analysis of the City of Lakewood's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2016. 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 2016 are as follows:

- Overall, governmental activities revenues (including transfers) of \$56,782,685 did not exceed the expenses which came in at \$58,136,304 resulting in a decrease in net position by \$1,356,619 for the year 2016. The total governmental activities' net position was \$46,354,234 compared to \$47,710,853 in the previous year.
- Overall, business-type activities revenues of \$24,176,499 exceeded the expenses (including transfers) which came in at \$18,817,290 resulting in an increase in net position by \$5,359,209 for the year 2016. The total business-type activities' net position was \$75,338,429 compared to \$69,979,220 in the previous year.
- The City issued bond anticipation notes during 2016 for roadway improvements to sixteen streets, various park improvements, sidewalk improvements, and building improvements.
- The City is committed to providing the Citizens of Lakewood with the highest quality of services while maintaining efficiency and cost effectiveness. The City actively pursues grants to offset costs of providing services and to offer new programs.

**Overview of the Financial Statements**

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

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

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

**City of Lakewood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*Unaudited*

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

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

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

The government-wide financial statements can be found starting on page 19 of this report.

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

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

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

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



**City of Lakewood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*Unaudited*

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

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

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

The basic proprietary fund financial statements can be found on pages 30-33 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 statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

**Notes to the Financial Statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-86 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the financial statements, the required supplementary information related to the net pension liability, the combining statements referred to earlier in connection with non-major governmental and proprietary funds are presented, as well as individual detailed budgetary comparisons for non-major funds. This information can be found on pages 88-163 of the report.

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

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question "How did we do financially during 2016?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

**The City of Lakewood as a Whole**

Recall that the Statement of Net Position looks at the City as a whole. The following table on page 9 provides a summary of the City's net position for 2016 compared to 2015.

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	Governmental Activities		Business-Type Activities		Total	
	2016	2015 *	2016	2015	2016	2015 *
<b>ASSETS</b>						
Current and other assets	\$74,321,370	\$71,686,087	\$25,442,191	\$22,324,126	\$99,763,561	\$94,010,213
Capital assets, net	82,628,258	80,016,026	98,689,723	89,620,223	181,317,981	169,636,249
Net Pension Asset	24,216	14,237	5,974	3,512	30,190	17,749
<b>Total Assets</b>	<b>156,973,844</b>	<b>151,716,350</b>	<b>124,137,888</b>	<b>111,947,861</b>	<b>281,111,732</b>	<b>263,664,211</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferral on Refunding Pension	269,137	256,302	321,095	62,603	590,232	318,905
	16,177,649	6,172,596	1,449,738	474,083	17,627,387	6,646,679
<b>Total Deferred Outflows of Resources</b>	<b>16,446,786</b>	<b>6,428,898</b>	<b>1,770,833</b>	<b>536,686</b>	<b>18,217,619</b>	<b>6,965,584</b>
<b>LIABILITIES</b>						
Current and other liabilities	3,258,635	2,166,589	1,968,653	1,556,335	5,227,288	3,722,924
Long-term liabilities:						
Due within one year	11,683,566	19,702,192	9,621,495	6,653,248	21,305,061	26,355,440
Due in more than one year:						
Net Pension Liability	57,239,043	44,831,354	3,780,091	2,671,986	61,019,134	47,503,340
Other Amounts	40,529,280	29,999,006	33,561,475	30,058,317	74,090,755	60,057,323
<b>Total Liabilities</b>	<b>112,710,524</b>	<b>96,699,141</b>	<b>48,931,714</b>	<b>40,939,886</b>	<b>161,642,238</b>	<b>137,639,027</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes	11,824,956	11,684,577	1,535,708	1,517,428	13,360,664	13,202,005
Payments in Lieu of Taxes	482,859	456,076	0	0	482,859	456,076
Pension	648,057	194,601	102,870	48,013	750,927	242,614
Promissory Note	1,400,000	1,400,000	0	0	1,400,000	1,400,000
<b>Total Deferred Inflows of Resources</b>	<b>14,355,872</b>	<b>13,735,254</b>	<b>1,638,578</b>	<b>1,565,441</b>	<b>15,994,450</b>	<b>15,300,695</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	42,035,922	41,107,537	55,855,430	54,036,529	97,891,352	95,144,066
Restricted	24,398,129	23,629,545	221,408	1,127,533	24,619,537	24,757,078
Unrestricted	(20,079,817)	(17,026,229)	19,261,591	14,815,158	(818,226)	(2,211,071)
<b>Total Net Position</b>	<b>\$46,354,234</b>	<b>\$47,710,853</b>	<b>\$75,338,429</b>	<b>\$69,979,220</b>	<b>\$121,692,663</b>	<b>\$117,690,073</b>

\* - 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.

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

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Under the 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.

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

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$121,692,663 at the close of 2016.

The largest portion of the City's total net position (80 percent) reflects investments in capital assets (e.g. construction in progress, land, land improvements, buildings and improvements, furniture and equipment, vehicles, and various infrastructure), less any related debt to acquire those assets that is still outstanding along with any related deferred outflows/inflows of resources.

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The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets and deferred outflows of resources increased by \$28,699,556 from 2015 to 2016, while the City's total liabilities and deferred inflows of resources increased by \$24,696,966. Total net position increased \$4,002,590 with governmental activities comprising (\$1,356,619) and business-type activities comprising \$5,359,209 of that amount.

In order to further understand what makes up the changes in net position for the current year, the following table on page 12 gives readers further details regarding the results of activities for the current year compared to prior year.

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$8,699,511	\$7,912,193	\$20,538,998	\$19,958,989	\$29,238,509	\$27,871,182
Operating Grants and Contributions	4,855,648	11,842,752	0	0	4,855,648	11,842,752
Capital Grants and Contributions	1,118,577	4,381,256	0	1,171,927	1,118,577	5,553,183
<b>Total Program Revenues</b>	<b>14,673,736</b>	<b>24,136,201</b>	<b>20,538,998</b>	<b>21,130,916</b>	<b>35,212,734</b>	<b>45,267,117</b>
General Revenues:						
Property Taxes	12,100,838	11,798,429	1,571,541	1,530,516	13,672,379	13,328,945
Municipal Income Taxes	23,236,281	22,563,434	0	0	23,236,281	22,563,434
Payments in Lieu of Taxes	499,544	448,815	0	0	499,544	448,815
Grants and Entitlements	3,685,616	3,719,128	1,686,943	643,502	5,372,559	4,362,630
Investment Income	192,986	100,437	52,435	40,366	245,421	140,803
All Other Revenues	914,982	468,120	326,582	96,122	1,241,564	564,242
<b>Total General Revenues</b>	<b>40,630,247</b>	<b>39,098,363</b>	<b>3,637,501</b>	<b>2,310,506</b>	<b>44,267,748</b>	<b>41,408,869</b>
<b>Total Revenues</b>	<b>55,303,983</b>	<b>63,234,564</b>	<b>24,176,499</b>	<b>23,441,422</b>	<b>79,480,482</b>	<b>86,675,986</b>
<b>EXPENSES</b>						
Program Expenses:						
Security of Persons and Property:						
Police and Others	15,636,103	13,677,739	0	0	15,636,103	13,677,739
Fire	12,492,447	10,740,998	0	0	12,492,447	10,740,998
Public Health Services	1,895,266	1,824,905	0	0	1,895,266	1,824,905
Leisure Time Activities	2,827,356	2,474,236	0	0	2,827,356	2,474,236
Community Environment	5,942,684	5,135,801	0	0	5,942,684	5,135,801
Basic Utility Services	3,645,449	3,525,439	0	0	3,645,449	3,525,439
Transportation	4,208,095	3,518,156	0	0	4,208,095	3,518,156
General Government	10,038,205	9,341,967	0	0	10,038,205	9,341,967
Interest and Fiscal Charges	1,453,699	1,293,602	0	0	1,453,699	1,293,602
Water	0	0	9,792,697	10,437,438	9,792,697	10,437,438
Sewer	0	0	6,658,898	6,448,991	6,658,898	6,448,991
Parking Facilities	0	0	412,670	355,917	412,670	355,917
Winterhurst Ice Rink	0	0	474,323	470,683	474,323	470,683
<b>Total Expenses</b>	<b>58,139,304</b>	<b>51,532,843</b>	<b>17,338,588</b>	<b>17,713,029</b>	<b>75,477,892</b>	<b>69,245,872</b>
Change in Net Position before Transfers	(2,835,321)	11,701,721	6,837,911	5,728,393	4,002,590	17,430,114
Transfers	1,478,702	1,697,350	(1,478,702)	(1,697,350)	0	0
Change in Net Position	(1,356,619)	13,399,071	5,359,209	4,031,043	4,002,590	17,430,114
Net Position - Beginning of Year, Restated	47,710,853	34,311,782	69,979,220	65,948,177	117,690,073	100,259,959
<b>Net Position - End of Year</b>	<b>\$46,354,234</b>	<b>\$47,710,853</b>	<b>\$75,338,429</b>	<b>\$69,979,220</b>	<b>\$121,692,663</b>	<b>\$117,690,073</b>

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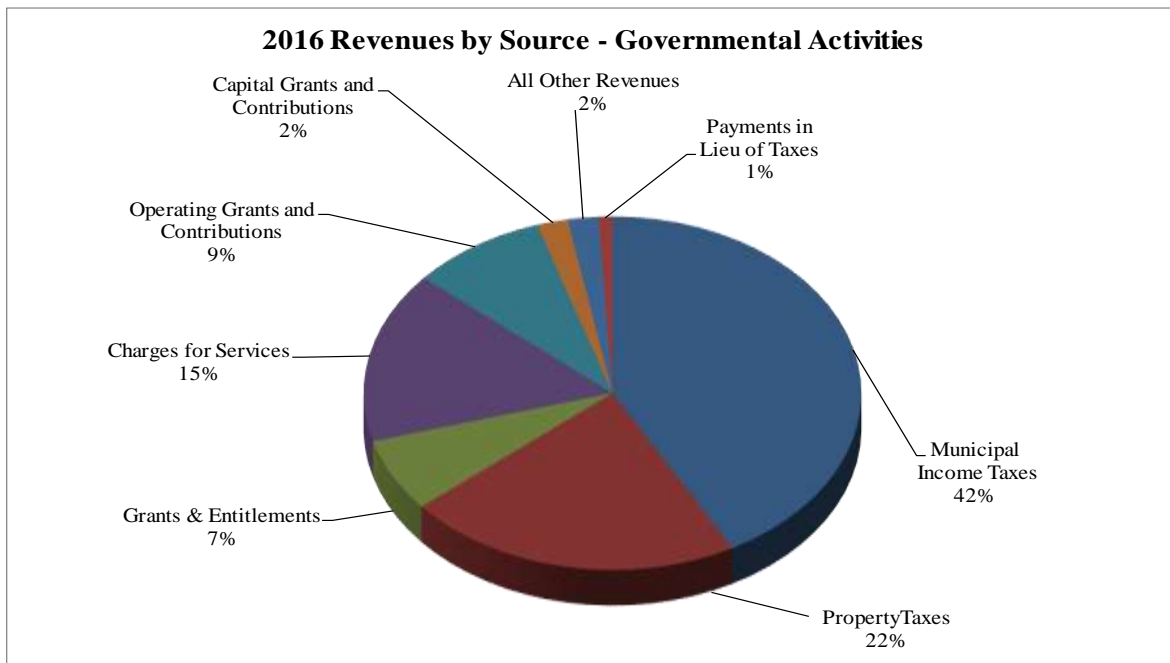
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**Governmental Activities**

Several types of revenues fund the City's governmental activities, with the City's municipal income tax being the biggest contributor. The income tax rate was 1.5 percent in 2016. Both residents and non-residents who work inside the City are subject to the income tax.

However, residents of the City are granted a credit for income taxes paid to other municipalities to a maximum of one-half of one percent of income earned outside the City. The income tax revenue for 2016 was \$23,236,281. Of the \$55,303,983 in total governmental revenues, income tax accounts for 42 percent of that total. Property taxes and payment in lieu of taxes of \$12,600,382 account for 23 percent of total revenues. Operating/capital grants and contributions, and general revenues from grants and entitlements account for 18 percent of total revenues, and charges for services, investment income and other revenue make up the remaining 17 percent.

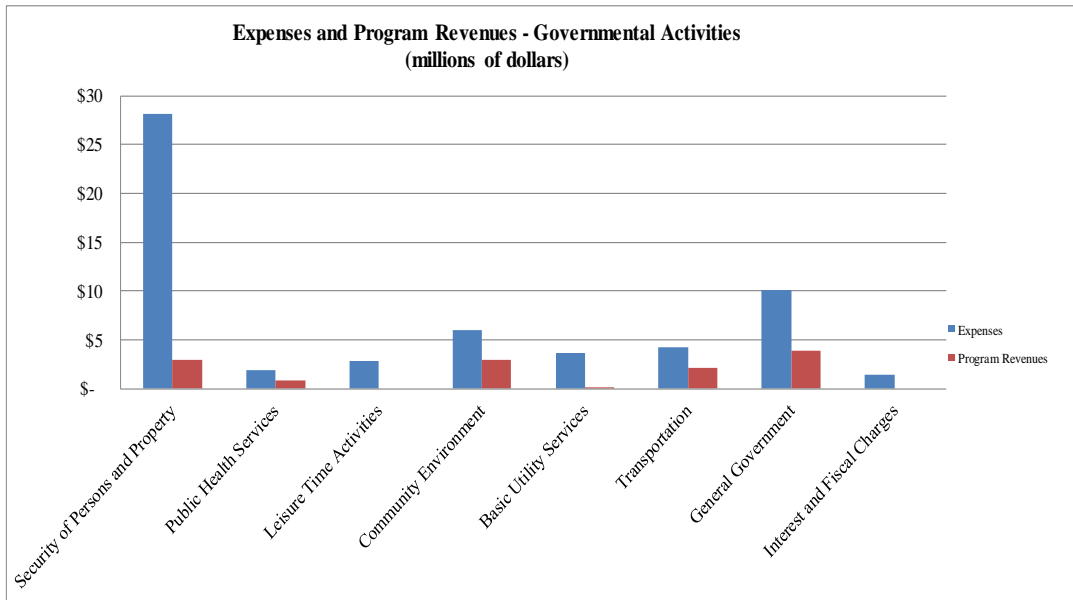
General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its sources of revenues very closely for fluctuations, especially income tax.



Operating grants and contributions experienced the largest decrease of \$6,987,104, which was due to the timing of the execution of Master Agreement between the City and the Cleveland Clinic Foundation signed on December 15, 2015 which outlined the wind down of Lakewood Hospital and the dissolution of the Lakewood Hospital Association, which also impacted the Capital Grants and Contributions decrease of \$3,262,679. Municipal income taxes and all other revenue experienced an increase of \$672,847 and \$446,862, respectively, due to the implementation of HB5, which accelerated the timing of estimated income tax payments in 2016. Other revenue increased due to the receipt of building permit fees associated with the construction of four new schools.

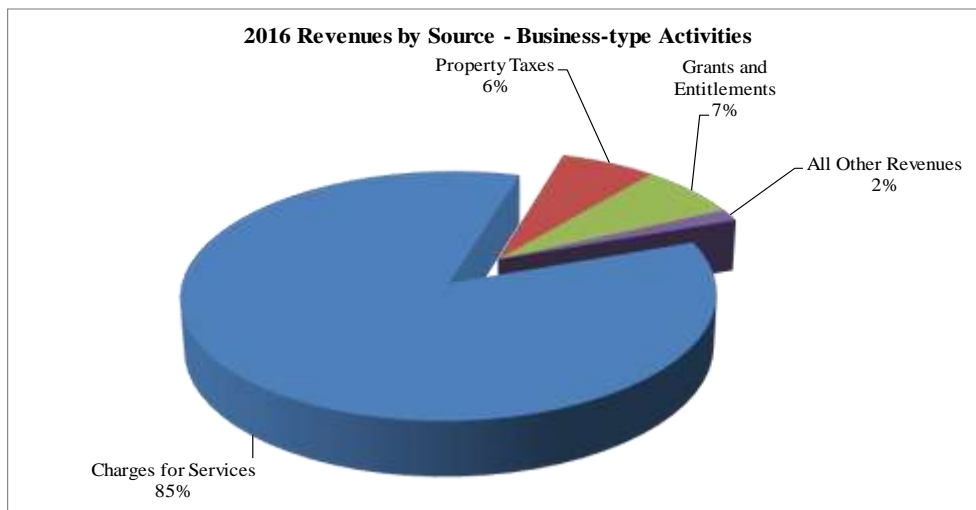
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Total expenses of governmental activities for 2016 were \$58,139,304. The largest program function for the City relates to Security of Persons and Property, which includes the Police and Fire departments. Total Security of Persons and Property accounted for program expenses of \$28,128,550, which is 48 percent of the program expenses for governmental activities. General Government is the next largest program expense at 17 percent, followed by Community Environment expenses of 10 percent.

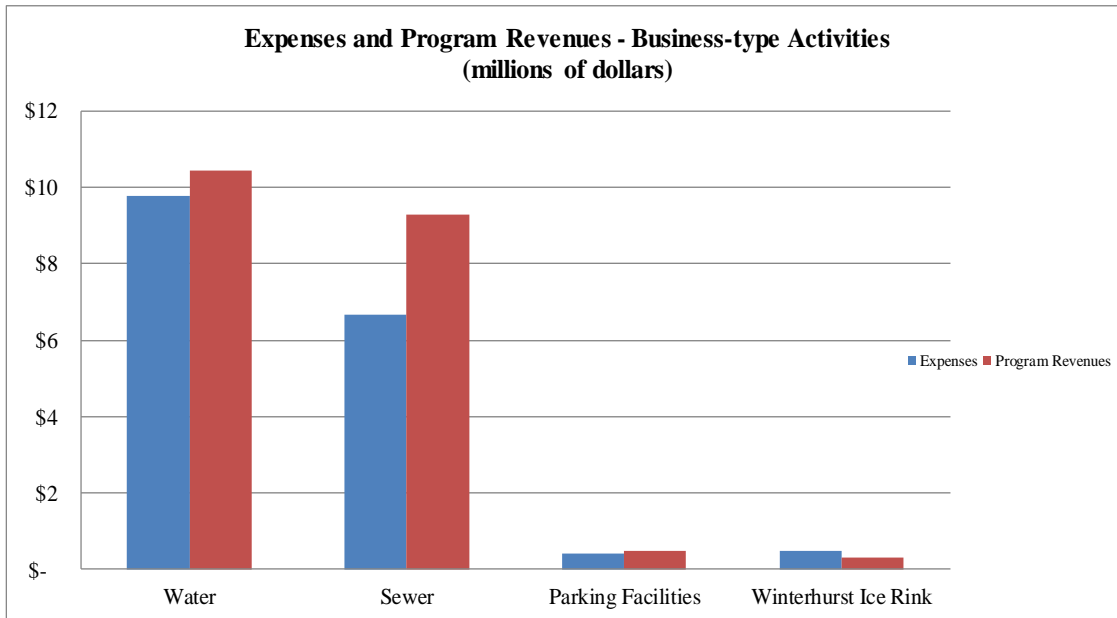


**Business-Type Activities**

Business-type activities increased the City's net position by \$45,359,209. The increase is due primarily to increased capital grants and contributions coupled with the City's efforts to keep expenses in line with revenues. Total expenses of business-type activities were \$17,388,588, with the Water Department comprising 56 percent of that amount followed by the Sewer Department at 38 percent.



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

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

***Governmental Funds***

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance serves as a useful measure of a government's net resource available for spending at the end of the fiscal year. Information about the City's governmental funds begins on page 22. These funds are accounted for using the modified accrual basis of accounting.

As of December 31, 2016, the City's governmental funds reported combined ending fund balances of \$38,566,047, a \$1,084,219 increase from 2015. Of that amount, \$7,416,327 constitutes unassigned fund balances, which are available for spending at the government's discretion. The remainder of fund balance is classified as nonspendable, restricted, committed or assigned to indicate that it is not available for new spending and will be used for loans and to liquidate contracts and purchases of the prior period.

The General Fund had total revenues of \$38,382,076 and expenditures of \$39,781,744 (not including other financing sources and uses) leaving a decrease in fund balance after other financing sources and uses of \$602,940. This decrease is primarily due to decreased intergovernmental revenues coupled with higher expenditures.



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The General Fund is the chief operating fund of the City. At the end of the current year, the unassigned fund balance of the General Fund was \$7,480,460, while the total fund balance reached \$14,230,080. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 18 percent of total General Fund expenditures (including other financing uses), while total fund balance represents 34 percent of that same amount.

The Police and Fire Pension Fund had total revenues of \$2,940,751 and expenditures of \$2,971,747 with a net change in fund balance after other financing uses of (\$30,996). The decrease is insignificant compared to the fund balance at year end.

The Community Development Block Grant Fund had total revenues of \$1,821,756 and expenditures of \$1,965,633 with a net change in fund balance of (\$143,877). The decrease is due to the City recognizing more expenditures than the grant revenues recorded during 2016.

The Lakewood Hospital Fund had total revenues of \$3,991,980 and expenditures of \$2,722,476 with a net change in fund balance of \$1,268,304. The increase was mainly due to receipts from the sale of the medical office building and parking garage as outlined in the December 15, 2015 Master agreement with the Cleveland Clinic Foundation.

The Debt Service Fund had total revenues of \$3,625,102, expenditures of \$16,472,170, and a net change in fund balance after other financing sources and uses of \$893,313. The fund balance's increase was due to the issuance and refunding of debt in 2016.

***Proprietary Funds***

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of all enterprise funds at the end of the year amounted to \$19,261,591. The City's Water and Sewer Funds experienced increases in net position during 2016. The City's efforts to keep utility rates sufficient to cover expenses are evident in the increases in net position for 2016.

**General Fund Budgetary Highlights**

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of 2016, the City amended its General Fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for Ordinance enactment on the change. The legal level of budgetary control is at the object level (i.e. personnel costs). Adjustments to the budget can only be made within a department and then within each category. The General Fund supports many of our major activities such as the Police, Fire and Refuse departments, as well as most legislative and executive activities. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

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For the General Fund, original and final budgeted revenues were \$39,277,747. Actual revenues were \$40,009,678. The main differences between budgeted and actual revenues are property taxes and income tax revenues. Due to economic factors during the year, property taxes, income taxes, licenses, permits and fees and interest increased in 2016 over 2015 while charges for services, fines and forfeitures, intergovernmental and miscellaneous decreased in 2016 compared to 2015.

Original General Fund budgeted expenditures were \$43,115,990 and the final amended budget was \$43,829,663. Actual General Fund expenditures were \$43,394,233 or \$435,430 less than budgeted due to operating expenditures less than originally estimated in all programs of the General Fund. The City's ending unencumbered cash balance in the General Fund of \$6,357,751 was \$1,167,361 above the final budgeted amount of \$5,190,390.

**Capital Assets and Debt Administration**

**Capital Assets** - The City's investment in capital assets for governmental and business-type activities as of December 31, 2016, amounts to \$181,317,981 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, land improvements, furniture and equipment, vehicles, roads, traffic signals, sidewalks, curbing, water lines, and sewer lines.

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$6,139,702	\$6,139,702	\$78,140	\$78,140	\$6,217,842	\$6,217,842
Construction in progress	1,346,691	1,191,597	8,007,108	7,641,073	9,353,799	8,832,670
<b>Total Non-Depreciable</b>	<b>7,486,393</b>	<b>7,331,299</b>	<b>8,085,248</b>	<b>7,719,213</b>	<b>15,571,641</b>	<b>15,050,512</b>
Land improvements	6,073,514	5,502,987	663,879	737,516	6,737,393	6,240,503
Buildings and improvements	12,764,671	12,738,487	14,842,840	12,175,866	27,607,511	24,914,353
Furniture and equipment	2,024,979	2,068,740	3,288,026	3,541,004	5,313,005	5,609,744
Vehicles	7,003,767	7,017,467	1,584,939	1,540,924	8,588,706	8,558,391
Infrastructure:						
Roads	38,694,140	37,836,553	0	0	38,694,140	37,836,553
Traffic Signals	4,516,781	3,403,891	0	0	4,516,781	3,403,891
Sidewalks	3,196,242	3,236,208	64,467	65,118	3,260,709	3,301,326
Curbing	867,771	880,394	0	0	867,771	880,394
Water Lines	0	0	45,157,481	38,774,150	45,157,481	38,774,150
Sewer Lines	0	0	25,002,843	25,066,432	25,002,843	25,066,432
<b>Total Depreciable,</b>						
<b>Net of Depreciation</b>	<b>75,141,865</b>	<b>72,684,727</b>	<b>90,604,475</b>	<b>81,901,010</b>	<b>165,746,340</b>	<b>154,585,737</b>
<b>Total Capital Assets,</b>						
<b>Net of Depreciation</b>	<b>\$82,628,258</b>	<b>\$80,016,026</b>	<b>\$98,689,723</b>	<b>\$89,620,223</b>	<b>\$181,317,981</b>	<b>\$169,636,249</b>

The total increase in the City's capital assets for the current fiscal year was \$11,681,732, a \$2,612,232 increase for governmental activities and a \$9,069,500 increase for business-type activities. The most significant increase in capital assets came in the Land Improvement, Roads and Traffic Signals categories within the governmental activities. The most significant increase in capital assets came in the Buildings and Improvements and Water Lines categories within the business-type activities.

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

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**Debt** – As of December 31, 2016, the City had \$87,993,554 in bonds, notes, loans, and capital leases outstanding. Of this amount, \$17,571,058 is due within one year.

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Notes -						
Long-term	\$4,105,445	\$13,563,426	\$6,495,052	\$3,845,140	\$10,600,497	\$17,408,566
General Obligation Notes -						
Short-term	0	0	0	0	0	0
General Obligation Bonds	34,201,316	22,422,104	26,749,900	5,286,175	60,951,216	27,708,279
Revenue Bonds	0	0	865,000	19,597,867	865,000	19,597,867
OPWC Loan	61,600	92,400	3,453,861	2,047,894	3,515,461	2,140,294
Capital Leases	6,740,329	7,124,506	5,261,051	5,574,792	12,001,380	12,699,298
<b>Total Outstanding Debt</b>	<b>\$45,108,690</b>	<b>\$43,202,436</b>	<b>\$42,824,864</b>	<b>\$36,351,868</b>	<b>\$87,933,554</b>	<b>\$79,554,304</b>

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

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

Revenue Bonds outstanding are payable from the revenues derived from the Water and Sewer funds.

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

The City's overall legal debt margin was \$60,005,567 at December 31, 2016.

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

**Current Financial Related Activities**

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

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

**City of Lakewood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*Unaudited*

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Assets transferred by the Lakewood Hospital Association to the City on February 22, 2016 include the following:

- “Curtis Block” (corner of Marlowe Ave. and Detroit Ave.)
- Three residential properties on Belle Ave. and St. Charles Ave.

Assets transferred by the City to the Cleveland Clinic on February 22, 2016 include the following:

- Medical office building located at 14601 Detroit Ave.
- Parking garage located at 1422 Belle Ave.

The City also received \$1,576,000 for the above two properties.

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

Concurrently, the City has begun the process of interviewing developers to reimagine an entire city block at the former hospital site across the street from the new Family Health Center. The redevelopment of the 5.7 acres is a once-in-a-50-year opportunity that will likely become a new mixed use development with tens of millions in post construction value.

**Contacting the City's Finance Department**

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

**City of Lakewood, Ohio**  
*Statement of Net Position*  
*December 31, 2016*

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$36,279,791	\$18,805,257	\$55,085,048
Cash and Cash Equivalents:			
In Segregated Accounts	363,445	370,528	733,973
With Fiscal Agents	441,238	211,556	652,794
Held by Trustee	0	221,408	221,408
With Escrow Agents	201,545	0	201,545
Materials and Supplies Inventory	598,109	471,943	1,070,052
Accounts Receivable	760,315	4,012,521	4,772,836
Less: Allowance for Doubtful Accounts	0	(79,076)	(79,076)
Accrued Interest Receivable	58,730	23,502	82,232
Intergovernmental Receivable	2,690,521	243,627	2,934,148
Internal Balances	439,523	(439,523)	0
Prepaid Items	302,373	8,049	310,422
Municipal Income Taxes Receivable	14,017,552	0	14,017,552
Property Taxes Receivable	12,271,536	1,592,399	13,863,935
Special Assessments Receivable	684,285	0	684,285
Payments in Lieu of Taxes Receivable	554,321	0	554,321
Loans Receivable	1,374,927	0	1,374,927
Assets Held for Resale	1,545,600	0	1,545,600
Notes Receivable	1,737,559	0	1,737,559
Net Pension Asset	24,216	5,974	30,190
Nondepreciable Capital Assets	7,486,393	8,085,248	15,571,641
Depreciable Capital Assets	75,141,865	90,604,475	165,746,340
<b>Total Assets</b>	<b>156,973,844</b>	<b>124,137,888</b>	<b>281,111,732</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferral on Refunding	269,137	321,095	590,232
Pension	16,177,649	1,449,738	17,627,387
<b>Total Deferred Outflows of Resources</b>	<b>16,446,786</b>	<b>1,770,833</b>	<b>18,217,619</b>
<b>LIABILITIES</b>			
Accounts Payable	1,850,303	1,274,516	3,124,819
Accrued Wages and Benefits	515,178	58,723	573,901
Intergovernmental Payable	522,925	40,902	563,827
Matured Compensated Absences Payable	63,864	0	63,864
Accrued Interest Payable	162,286	82,962	245,248
Retainage Payable	84,079	511,550	595,629
Notes Payable	60,000	0	60,000
Long-term Liabilities:			
Due within one year	11,683,566	9,621,495	21,305,061
Due in more than one year:			
Net Pension Liability (See Note 16)	57,239,043	3,780,091	61,019,134
Other Amounts	40,529,280	33,561,475	74,090,755
<b>Total Liabilities</b>	<b>112,710,524</b>	<b>48,931,714</b>	<b>161,642,238</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	11,824,956	1,535,708	13,360,664
Payments in Lieu of Taxes	482,859	0	482,859
Pension	648,057	102,870	750,927
Promissory Note	1,400,000	0	1,400,000
<b>Total Deferred Inflows of Resources</b>	<b>14,355,872</b>	<b>1,638,578</b>	<b>15,994,450</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	42,035,922	55,855,430	97,891,352
Restricted for:			
Capital Projects	5,061,630	0	5,061,630
Debt Service	3,308,652	25,330	3,333,982
Replacement and Improvement	0	196,078	196,078
Streets and Highways	1,212,235	0	1,212,235
Community Development	1,437,046	0	1,437,046
Indigent Drivers Alcohol Treatment	154,911	0	154,911
Lakewood Hospital	11,577,340	0	11,577,340
Other Purposes	1,646,315	0	1,646,315
Unrestricted	(20,079,817)	19,261,591	(818,226)
<b>Total Net Position</b>	<b>\$46,354,234</b>	<b>\$75,338,429</b>	<b>\$121,692,663</b>

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

**City of Lakewood, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2016

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary Government:</b>				
<b>Governmental activities:</b>				
Security of Persons and Property:				
Police and Others	\$15,636,103	\$538,241	\$27,668	\$0
Fire	12,492,447	2,342,043	77,243	0
Public Health Services	1,895,266	72,057	123,854	617,438
Leisure Time Activities	2,827,356	0	0	0
Community Environment	5,942,684	15,558	2,554,869	412,057
Basic Utility Services	3,645,449	3,500	0	0
Transportation	4,208,095	0	2,072,014	89,082
General Government	10,038,205	5,728,112	0	0
Interest and Fiscal Charges	1,453,699	0	0	0
<b>Total Governmental activities</b>	<b>58,139,304</b>	<b>8,699,511</b>	<b>4,855,648</b>	<b>1,118,577</b>
<b>Business-type activities:</b>				
Water	9,792,697	10,449,847	0	0
Sewer	6,658,898	9,277,971	0	0
Parking Facilities	412,670	487,715	0	0
Winterhurst Ice Rink	474,323	323,465	0	0
<b>Total Business-type activities</b>	<b>17,338,588</b>	<b>20,538,998</b>	<b>0</b>	<b>0</b>
<b>Total Primary Government</b>	<b>\$75,477,892</b>	<b>\$29,238,509</b>	<b>\$4,855,648</b>	<b>\$1,118,577</b>

**General Revenues:**

Property Taxes levied for:  
General Purposes  
Debt Service Purpose  
Police and Fire Pension  
Sewer  
Municipal Income Taxes levied for:  
General Purposes  
Payments in Lieu of Taxes  
Grants & Entitlements not restricted to specific programs  
Investment Income  
All Other Revenues  
Transfers  
Total General Revenues and Transfers  
Change in Net Position  
Net Position - Beginning of Year, Restated  
**Net Position - End of Year**

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

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

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
(\$15,070,194)	\$0	(\$15,070,194)
(10,073,161)	0	(10,073,161)
(1,081,917)	0	(1,081,917)
(2,827,356)	0	(2,827,356)
(2,960,200)	0	(2,960,200)
(3,641,949)	0	(3,641,949)
(2,046,999)	0	(2,046,999)
(4,310,093)	0	(4,310,093)
(1,453,699)	0	(1,453,699)
<u>(43,465,568)</u>	<u>0</u>	<u>(43,465,568)</u>
0	657,150	657,150
0	2,619,073	2,619,073
0	75,045	75,045
0	(150,858)	(150,858)
<u>0</u>	<u>3,200,410</u>	<u>3,200,410</u>
<u>(43,465,568)</u>	<u>3,200,410</u>	<u>(40,265,158)</u>
6,796,884	0	6,796,884
2,726,623	0	2,726,623
2,577,331	0	2,577,331
0	1,571,541	1,571,541
23,236,281	0	23,236,281
499,544	0	499,544
3,685,616	1,686,943	5,372,559
192,986	52,435	245,421
914,982	326,582	1,241,564
1,478,702	(1,478,702)	0
<u>42,108,949</u>	<u>2,158,799</u>	<u>44,267,748</u>
(1,356,619)	5,359,209	4,002,590
<u>47,710,853</u>	<u>69,979,220</u>	<u>117,690,073</u>
<u>\$46,354,234</u>	<u>\$75,338,429</u>	<u>\$121,692,663</u>

**City of Lakewood, Ohio**  
*Balance Sheet*  
**Governmental Funds**  
*December 31, 2016*

	General	Police and Fire Pension	Community Development Block Grant	Lakewood Hospital	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>							
Equity in Pooled Cash and Cash Equivalents	\$11,406,008	\$842,034	\$64,911	\$9,797,950	\$2,264,207	\$8,820,605	\$33,195,715
Cash and Cash Equivalents:							
In Segregated Accounts	231,792	0	7,419	47,574	0	76,660	363,445
With Fiscal Agents	441,238	0	0	0	0	0	441,238
With Escrow Agents	0	0	0	201,545	0	0	201,545
Materials and Supplies Inventory	414,374	0	0	0	0	183,735	598,109
Accrued Interest Receivable	55,433	0	0	0	3,215	82	58,730
Accounts Receivable	327,239	0	0	418,062	0	15,014	760,315
Interfund Receivable	492,000	0	0	0	0	0	492,000
Intergovernmental Receivable	1,331,812	170,754	48,056	0	180,645	959,254	2,690,521
Prepaid Items	284,324	0	1,685	16,364	0	0	302,373
Municipal Income Taxes Receivable	14,017,552	0	0	0	0	0	14,017,552
Property Taxes Receivable	6,887,127	2,611,536	0	0	2,772,873	0	12,271,536
Special Assessments Receivable	171,519	0	0	14,071	498,695	0	684,285
Notes Receivable	337,559	0	0	1,400,000	0	0	1,737,559
Payments in Lieu of Taxes Receivable	0	0	0	0	0	554,321	554,321
Loans Receivable	0	0	1,374,927	0	0	0	1,374,927
Assets Held for Resale	0	0	0	1,545,600	0	0	1,545,600
<b>Total Assets</b>	<b>36,397,977</b>	<b>3,624,324</b>	<b>1,496,998</b>	<b>13,441,166</b>	<b>5,719,635</b>	<b>10,609,671</b>	<b>71,289,771</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts Payable	\$809,302	\$0	\$244,973	\$232,345	\$0	\$563,683	\$1,850,303
Accrued Wages and Benefits	454,018	0	6,746	16,755	0	37,659	515,178
Intergovernmental Payable	146,995	330,968	4,739	11,819	0	28,404	522,925
Matured Compensated Absences Payable	63,864	0	0	0	0	0	63,864
Retainage Payable	0	0	7,419	0	0	76,660	84,079
Interfund Payable	553,278	0	43,384	18,612	0	134,300	749,574
Notes Payable	0	0	0	0	0	60,000	60,000
<b>Total Liabilities</b>	<b>2,027,457</b>	<b>330,968</b>	<b>307,261</b>	<b>279,531</b>	<b>0</b>	<b>900,706</b>	<b>3,845,923</b>
<b>Deferred Inflows of Resources:</b>							
Property Taxes and Payments in Lieu of Taxes	6,641,939	2,518,563	0	0	2,664,454	482,859	12,307,815
Promissory Note	0	0	0	1,400,000	0	0	1,400,000
Unavailable Revenue - Delinquent Property Taxes and Payments in Lieu of Taxes	245,188	92,973	0	0	98,359	71,462	507,982
Unavailable Revenue - Income Taxes	12,075,064	0	0	0	0	0	12,075,064
Unavailable Revenue - Other	1,178,249	170,754	0	14,071	689,400	534,466	2,586,940
<b>Total Deferred Inflows of Resources</b>	<b>20,140,440</b>	<b>2,782,290</b>	<b>0</b>	<b>1,414,071</b>	<b>3,452,213</b>	<b>1,088,787</b>	<b>28,877,801</b>
<b>Fund Balances:</b>							
Nonspendable	1,528,257	0	1,685	0	0	183,735	1,713,677
Restricted	0	511,066	1,188,052	11,747,564	2,267,422	3,427,377	19,141,481
Committed	0	0	0	0	0	5,073,199	5,073,199
Assigned	5,221,363	0	0	0	0	0	5,221,363
Unassigned (Deficit)	7,480,460	0	0	0	0	(64,133)	7,416,327
<b>Total Fund Balances</b>	<b>14,230,080</b>	<b>511,066</b>	<b>1,189,737</b>	<b>11,747,564</b>	<b>2,267,422</b>	<b>8,620,178</b>	<b>38,566,047</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$36,397,977</b>	<b>\$3,624,324</b>	<b>\$1,496,998</b>	<b>\$13,441,166</b>	<b>\$5,719,635</b>	<b>\$10,609,671</b>	<b>\$71,289,771</b>

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



**City of Lakewood, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 December 31, 2016*

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**Total Governmental Funds Balance** \$38,566,047

*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 82,628,258

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

Delinquent property taxes	436,520	
Delinquent payments in lieu of taxes	71,462	
Municipal income taxes	12,075,064	
Special assessments	494,334	
Intergovernmental	2,092,606	
Total	15,169,986	15,169,986

In the Statement of Activities, interest is accrued on outstanding  
 bonds, whereas in Governmental funds, an interest expenditure  
 is reported when due. (162,286)

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

Net position	3,082,103	
Claims payable	699,070	
Total	3,781,173	3,781,173

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	16,177,649	
Deferred Inflows - Pension	(648,057)	
Net Pension Liability/Asset	(57,214,827)	
Total	(41,685,235)	(41,685,235)

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

Long-term notes payable	(4,099,000)	
General obligation bonds	(32,706,489)	
Unamortized debt premiums	(1,501,272)	
Deferrals on refunding	269,137	
OPWC loans	(61,600)	
Capital leases	(6,740,329)	
Claims payable	(699,070)	
Compensated absences	(6,405,086)	
Total	(51,943,709)	(51,943,709)

**Net Position of Governmental Activities** \$46,354,234

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

**City of Lakewood, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
**Governmental Funds**  
*For the Year Ended December 31, 2016*

	General	Police and Fire Pension	Community Development Block Grant	Lakewood Hospital	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Property Taxes	\$6,854,673	\$2,599,244	\$0	\$0	\$2,749,805	\$0	\$12,203,722
Municipal Income Taxes	22,890,653	0	0	0	0	0	22,890,653
Payments in Lieu of Taxes	0	0	0	0	0	482,858	482,858
Intergovernmental	2,865,182	341,507	1,821,756	75,790	467,074	2,997,311	8,568,620
Interest	181,791	0	0	0	11,026	169	192,986
Fees, Licenses, and Permits	2,732,469	0	0	0	0	0	2,732,469
Fines and Forfeitures	1,423,879	0	0	0	0	221,944	1,645,823
Charges for Services	1,281,457	0	0	2,818,038	0	87,982	4,187,477
Contributions and Donations	0	0	0	574,000	0	69,860	643,860
Special Assessments	0	0	0	12,129	373,506	9,976	395,611
All Other Revenues	151,972	0	0	512,023	23,691	227,296	914,982
<b>Total Revenues</b>	<b>38,382,076</b>	<b>2,940,751</b>	<b>1,821,756</b>	<b>3,991,980</b>	<b>3,625,102</b>	<b>4,097,396</b>	<b>54,859,061</b>
<b>EXPENDITURES</b>							
Security of Persons and Property:							
Police and Other	11,667,768	1,503,451	0	0	0	171,278	13,342,497
Fire	7,702,384	1,468,296	0	1,722,015	0	0	10,892,695
Public Health Services	424,965	0	0	376,868	0	901,277	1,703,110
Leisure Time Activities	2,238,870	0	0	0	0	0	2,238,870
Community Environment	2,467,854	0	1,965,633	445,290	0	891,479	5,770,256
Basic Utility Services	3,046,025	0	0	0	0	0	3,046,025
Transportation	0	0	0	0	0	2,488,825	2,488,825
General Government	8,855,658	0	0	45,347	0	166,626	9,067,631
Capital Outlay	1,709,354	0	0	0	0	4,235,650	5,945,004
Debt Service:							
Principal Retirement	1,493,113	0	0	108,287	15,175,284	275,470	17,052,154
Interest and Fiscal Charges	175,753	0	0	24,669	1,157,183	99,289	1,456,894
Debt Issuance Costs	0	0	0	0	139,703	0	139,703
<b>Total Expenditures</b>	<b>39,781,744</b>	<b>2,971,747</b>	<b>1,965,633</b>	<b>2,722,476</b>	<b>16,472,170</b>	<b>9,229,894</b>	<b>73,143,664</b>
Excess of Revenues (Under) Expenditures	(1,399,668)	(30,996)	(143,877)	1,269,504	(12,847,068)	(5,132,498)	(18,284,603)
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of Capital Assets	167,186	0	0	0	0	22,219	189,405
Inception of Capital Lease	1,217,224	0	0	0	0	0	1,217,224
General Obligation Bonds Issued	0	0	0	0	13,857,336	3,111,784	16,969,120
Bond Anticipation Notes Issued	0	0	0	0	0	4,099,000	4,099,000
Premium on Debt Issuance	0	0	0	0	1,370,057	86,695	1,456,752
Payment to Refunded Bond Escrow Account	0	0	0	0	(1,543,048)	(3,151,785)	(4,694,833)
Transfers In	1,668,866	0	0	0	2,004,152	690,000	4,363,018
Transfers Out	(2,256,548)	0	0	(1,200)	(1,948,116)	(25,000)	(4,230,864)
<b>Total Other Financing Sources (Uses)</b>	<b>796,728</b>	<b>0</b>	<b>0</b>	<b>(1,200)</b>	<b>13,740,381</b>	<b>4,832,913</b>	<b>19,368,822</b>
Net Change in Fund Balances	(602,940)	(30,996)	(143,877)	1,268,304	893,313	(299,585)	1,084,219
Fund Balances - Beginning of Year	14,833,020	542,062	1,333,614	10,479,260	1,374,109	8,919,763	37,481,828
<b>Fund Balances - End of Year</b>	<b>\$14,230,080</b>	<b>\$511,066</b>	<b>\$1,189,737</b>	<b>\$11,747,564</b>	<b>\$2,267,422</b>	<b>\$8,620,178</b>	<b>\$38,566,047</b>

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

**City of Lakewood, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2016*

**Net Change in Fund Balances-Total Governmental Funds** \$1,084,219

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

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

Capital Outlay	5,945,004	
Depreciation	(2,744,600)	
Total		3,200,404

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. (588,172)

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

Delinquent property taxes	(102,884)	
Delinquent payments in lieu of taxes	16,686	
Municipal income taxes	345,628	
Special assessments	23,620	
Intergovernmental	161,872	
Total		444,922

Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the inception of capital leases and the issuance of Bond Anticipation Notes and General Obligation Bonds and the respective premiums issued. (23,742,096)

Repayment of principal on capital leases, bonds, notes, and loans are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 21,664,220

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows 4,256,885

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (7,102,997)

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	(123,096)	
Accrued interest on bonds	41,208	
Amortization of bond premiums	171,621	
Amortization of loss on refunding	12,835	
Total		102,568

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. (676,572)

**Change in Net Position of Governmental Activities** (\$1,356,619)

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

**City of Lakewood, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances –  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2016*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property Taxes	\$6,561,369	\$6,561,369	\$6,854,673	\$293,304
Municipal Income Taxes	21,601,159	21,601,159	23,866,022	2,264,863
Charges for Services	1,366,553	1,366,553	1,301,121	(65,432)
Licenses, Permits and Fees	2,510,975	2,510,975	2,732,469	221,494
Fines and Forfeitures	1,773,173	1,773,173	1,505,614	(267,559)
Intergovernmental	2,954,231	2,954,231	2,889,869	(64,362)
Interest	125,000	125,000	277,250	152,250
Miscellaneous	717,941	717,941	84,474	(633,467)
<i>Total Revenues</i>	<u>37,610,401</u>	<u>37,610,401</u>	<u>39,511,492</u>	<u>1,901,091</u>
<b>Expenditures</b>				
<b>Current:</b>				
General Government	11,958,875	12,406,920	12,222,118	184,802
Security of Persons and Property	19,793,405	19,123,458	18,997,055	126,403
Public Health Services	610,068	431,710	419,069	12,641
Community Environment	4,193,573	4,030,713	3,982,043	48,670
Basic Utility Services	3,076,889	2,917,668	2,896,029	21,639
Leisure Time Activities	2,387,016	2,227,194	2,189,371	37,823
<i>Total Expenditures</i>	<u>42,019,826</u>	<u>41,137,663</u>	<u>40,705,685</u>	<u>431,978</u>
<i>Excess of Revenues Over Expenditures</i>	<u>(4,409,425)</u>	<u>(3,527,262)</u>	<u>(1,194,193)</u>	<u>2,333,069</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital assets	197,827	197,827	167,186	(30,641)
Advance In	1,469,519	1,469,519	331,000	(1,138,519)
Transfers Out	(1,096,164)	(2,260,000)	(2,256,548)	3,452
Advance Out	0	(432,000)	(432,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>571,182</u>	<u>(1,024,654)</u>	<u>(2,190,362)</u>	<u>(1,165,708)</u>
<i>Net Change in Fund Balance</i>	(3,838,243)	(4,551,916)	(3,384,555)	1,167,361
<i>Fund Balance Beginning of Year</i>	5,883,761	5,883,761	5,883,761	0
<i>Prior Year Encumbrances Appropriated</i>	<u>3,858,545</u>	<u>3,858,545</u>	<u>3,858,545</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$5,904,063</u>	<u>\$5,190,390</u>	<u>\$6,357,751</u>	<u>\$1,167,361</u>

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

**City of Lakewood, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances –  
 Budget (Non-GAAP Basis) and Actual  
 Police and Fire Pension Fund  
 For the Year Ended December 31, 2016*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property Taxes	\$2,488,014	\$2,488,014	\$2,599,244	\$111,230
Intergovernmental	338,067	323,153	341,507	18,354
<i>Total Revenues</i>	<u>2,826,081</u>	<u>2,811,167</u>	<u>2,940,751</u>	<u>129,584</u>
<b>Expenditures</b>				
<b>Current:</b>				
Fringe Benefits Police	1,488,345	1,500,000	1,482,904	17,096
Fringe Benefits Fire	1,559,624	1,475,000	1,460,816	14,184
Security of Persons and Property	3,047,969	2,975,000	2,943,720	31,280
<i>Net Change in Fund Balance</i>	(221,888)	(163,833)	(2,969)	160,864
<i>Fund Balance Beginning of Year</i>	<u>845,003</u>	<u>845,003</u>	<u>845,003</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$623,115</u></u>	<u><u>\$681,170</u></u>	<u><u>\$842,034</u></u>	<u><u>\$160,864</u></u>

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

**City of Lakewood, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances –  
 Budget (Non-GAAP Basis) and Actual  
 Community Development Block Grant Fund  
 For the Year Ended December 31, 2016*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$2,058,749	\$2,058,749	\$2,080,848	\$22,099
<b>Expenditures</b>				
<b>Current:</b>				
Community Environment:	1,978,844	2,011,329	1,957,400	53,929
<i>Excess of Revenues Over (Under) Expenditures</i>	79,905	47,420	123,448	76,028
<b>Other Financing Sources (Uses)</b>				
Advances In	426,519	426,519	40,000	(386,519)
Advances Out	(426,519)	(130,000)	(130,000)	0
<i>Total Other Financing (Uses)</i>	0	296,519	(90,000)	(386,519)
<i>Net Change in Fund Balance</i>	79,905	343,939	33,448	(310,491)
<i>Fund Balance Beginning of Year</i>	38,882	38,882	38,882	0
<i>Fund Balance End of Year</i>	\$118,787	\$382,821	\$72,330	(\$310,491)

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

**City of Lakewood, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances –  
 Budget (Non-GAAP Basis) and Actual  
 Lakewood Hospital Fund  
 For the Year Ended December 31, 2016*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$2,308,484	\$2,832,484	\$2,844,251	\$11,767
Special Assessments	16,456	16,456	12,129	(4,327)
Intergovernmental	0	0	75,790	75,790
Miscellaneous	6,800,750	750	1,200	450
<i>Total Revenues</i>	<u>9,125,690</u>	<u>2,849,690</u>	<u>2,933,370</u>	<u>83,680</u>
<b>Expenditures</b>				
<b>Current:</b>				
Security of Persons and Property	2,165,046	1,582,242	1,560,457	21,785
Public Health Services	346,017	387,399	373,990	13,409
Community Environment	2,818,313	192,323	191,219	1,104
Debt Service:				
Principal Retirement	289,250	108,330	108,287	43
Interest and Fiscal Charges	0	24,670	24,669	1
<i>Total Expenditures</i>	<u>5,618,626</u>	<u>2,294,964</u>	<u>2,258,622</u>	<u>36,342</u>
<i>Excess of Revenues Over Expenditures</i>	<u>3,507,064</u>	<u>554,726</u>	<u>674,748</u>	<u>120,022</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	1,576,000	1,576,000	0
Transfers Out	0	(751,200)	(1,200)	750,000
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>824,800</u>	<u>1,574,800</u>	<u>750,000</u>
<i>Net Change in Fund Balance</i>	3,507,064	1,379,526	2,249,548	870,022
<i>Fund Balance Beginning of Year</i>	<u>7,595,976</u>	<u>7,595,976</u>	<u>7,595,976</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$11,103,040</u></u>	<u><u>\$8,975,502</u></u>	<u><u>\$9,845,524</u></u>	<u><u>\$870,022</u></u>

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

**City of Lakewood, Ohio**  
*Statement of Net Position*  
*Proprietary Funds*  
*December 31, 2016*

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Nonmajor Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>					
<b>Current Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$7,460,911	\$10,670,547	\$673,799	\$18,805,257	\$3,084,076
Cash and Cash Equivalents:					
In Segregated Accounts	19,838	350,690	0	370,528	0
With Fiscal Agents	0	211,556	0	211,556	0
Materials and Supplies Inventory	66,591	309,581	95,771	471,943	0
Accrued Interest Receivable	23,502	0	0	23,502	0
Accounts Receivable	1,855,143	1,699,308	458,070	4,012,521	0
Less: Allowance for Doubtful Accounts	(43,094)	(35,982)	0	(79,076)	0
Interfund Receivable	0	0	0	0	697,097
Intergovernmental Receivable	0	243,627	0	243,627	0
Prepaid Items	8,049	0	0	8,049	0
Property Taxes Receivable	0	1,592,399	0	1,592,399	0
<b>Total Current Assets</b>	<b>9,390,940</b>	<b>15,041,726</b>	<b>1,227,640</b>	<b>25,660,306</b>	<b>3,781,173</b>
<b>Noncurrent Assets:</b>					
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	221,408	0	0	221,408	0
Net Pension Asset	1,724	3,999	251	5,974	0
Capital Assets:					
Land	0	1,010	77,130	78,140	0
Construction in Progress	75,014	7,932,094	0	8,007,108	0
Depreciable Assets, Net of Depreciation	46,894,695	38,512,954	5,196,826	90,604,475	0
<b>Total Noncurrent Assets</b>	<b>47,192,841</b>	<b>46,450,057</b>	<b>5,274,207</b>	<b>98,917,105</b>	<b>0</b>
<b>Total Assets</b>	<b>56,583,781</b>	<b>61,491,783</b>	<b>6,501,847</b>	<b>124,577,411</b>	<b>3,781,173</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferral on Refunding	90,361	203,434	27,300	321,095	0
Pension	418,293	970,644	60,801	1,449,738	0
<b>Total Deferred Outflows of Resources</b>	<b>508,654</b>	<b>1,174,078</b>	<b>88,101</b>	<b>1,770,833</b>	<b>0</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	678,468	447,828	148,220	1,274,516	0
Accrued Wages and Benefits	16,131	40,261	2,331	58,723	0
Retainage Payable	160,860	350,690	0	511,550	0
Intergovernmental Payable	10,974	28,095	1,833	40,902	0
Interfund Payable	21,996	54,143	363,384	439,523	0
Compensated Absences Payable	28,043	89,513	561	118,117	0
Accrued Interest Payable	30,663	51,226	1,073	82,962	0
Claims Payable	0	0	0	0	699,070
General Obligation Bonds Payable	390,412	1,125,589	137,786	1,653,787	0
Notes Payable	1,642,543	4,852,509	0	6,495,052	0
Revenue Bonds Payable	195,000	0	0	195,000	0
OPWC Loans Payable	380,904	34,486	0	415,390	0
Capital Leases Payable	325,242	278,537	140,370	744,149	0
<b>Total Current Liabilities</b>	<b>3,881,236</b>	<b>7,352,877</b>	<b>795,558</b>	<b>12,029,671</b>	<b>699,070</b>
<b>Noncurrent Liabilities:</b>					
Compensated Absences Payable	55,598	178,193	6,198	239,989	0
General Obligation Bonds Payable	7,419,651	17,445,307	231,155	25,096,113	0
Revenue Bonds Payable	670,000	0	0	670,000	0
OPWC Loans Payable	2,491,976	546,495	0	3,038,471	0
Capital Leases Payable	3,156,877	1,272,516	87,509	4,516,902	0
Net Pension Liability	1,090,668	2,530,885	158,538	3,780,091	0
<b>Total Noncurrent Liabilities</b>	<b>14,884,770</b>	<b>21,973,396</b>	<b>483,400</b>	<b>37,341,566</b>	<b>0</b>
<b>Total Liabilities</b>	<b>18,766,006</b>	<b>29,326,273</b>	<b>1,278,958</b>	<b>49,371,237</b>	<b>699,070</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	0	1,535,708	0	1,535,708	0
Pension	29,681	68,874	4,315	102,870	0
<b>Total Deferred Inflows of Resources</b>	<b>29,681</b>	<b>1,604,582</b>	<b>4,315</b>	<b>1,638,578</b>	<b>0</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	30,297,104	21,102,175	4,456,151	55,855,430	0
Restricted for:					
Debt Service	25,330	0	0	25,330	0
Replacement and Improvement	196,078	0	0	196,078	0
Unrestricted	7,778,236	10,632,831	850,524	19,261,591	3,082,103
<b>Total Net Position</b>	<b>\$38,296,748</b>	<b>\$31,735,006</b>	<b>\$5,306,675</b>	<b>\$75,338,429</b>	<b>\$3,082,103</b>

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



**City of Lakewood, Ohio**  
*Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Proprietary Funds*  
*For the Year Ended December 31, 2016*

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Water</u>	<u>Sewer</u>	<u>Nonmajor</u>	<u>Total</u>	<u>Internal</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>		<u>Service</u>
					<u>Funds</u>
<b>OPERATING REVENUES</b>					
Charges for Services	\$10,392,859	\$9,247,914	\$811,180	\$20,451,953	\$4,377,503
Miscellaneous	0	245,082	81,500	326,582	953,907
<b>Total Operating Revenues</b>	<u>10,392,859</u>	<u>9,492,996</u>	<u>892,680</u>	<u>20,778,535</u>	<u>5,331,410</u>
<b>OPERATING EXPENSES</b>					
Salaries	1,159,632	2,807,844	172,702	4,140,178	0
Property Taxes	0	0	106,051	106,051	0
Materials and Supplies	304,765	365,512	51,427	721,704	0
Utilities	39,183	249,482	286,813	575,478	0
Contractual Services	580,358	732,137	55,886	1,368,381	186,002
Purchased Water	5,913,546	0	0	5,913,546	0
Depreciation	613,407	858,665	120,510	1,592,582	0
Claims	0	0	0	0	7,168,528
Other	550,622	687,096	52,595	1,290,313	0
<b>Total Operating Expense</b>	<u>9,161,513</u>	<u>5,700,736</u>	<u>845,984</u>	<u>15,708,233</u>	<u>7,354,530</u>
Operating Income (Loss)	<u>1,231,346</u>	<u>3,792,260</u>	<u>46,696</u>	<u>5,070,302</u>	<u>(2,023,120)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Gain (Loss) on Sale of Capital Assets	(4,246)	(9,385)	(4,230)	(17,861)	0
Interest	21,621	30,814	0	52,435	0
Interest and Fiscal Charges	(626,938)	(948,777)	(36,779)	(1,612,494)	0
Property Taxes	0	1,571,541	0	1,571,541	0
Intergovernmental	0	1,686,943	0	1,686,943	0
Special Assessments	56,988	30,057	0	87,045	0
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(552,575)</u>	<u>2,361,193</u>	<u>(41,009)</u>	<u>1,767,609</u>	<u>0</u>
Transfers In	0	0	279,250	279,250	1,346,548
Transfers Out	(15,252)	(1,678,200)	(64,500)	(1,757,952)	0
Change in Net Position	<u>663,519</u>	<u>4,475,253</u>	<u>220,437</u>	<u>5,359,209</u>	<u>(676,572)</u>
Net Position - Beginning of Year	<u>37,633,229</u>	<u>27,259,753</u>	<u>5,086,238</u>	<u>69,979,220</u>	<u>3,758,675</u>
<b>Net Position - End of Year</b>	<u>\$38,296,748</u>	<u>\$31,735,006</u>	<u>\$5,306,675</u>	<u>\$75,338,429</u>	<u>\$3,082,103</u>

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

**City of Lakewood, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2016

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Nonmajor Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Charges for Services	\$10,368,489	\$9,064,308	\$734,197	\$20,166,994	\$3,892,980
Cash Received from Other Operating Sources	0	245,082	81,500	326,582	953,907
Cash Payments for Employee Services and Benefits	(1,076,325)	(2,642,010)	(161,454)	(3,879,789)	0
Cash Payments for Goods and Services	(6,773,461)	(1,413,715)	(499,634)	(8,686,810)	(186,002)
Cash Payments for Claims	0	0	0	0	(6,686,230)
Cash Payments for Other Operating Expenses	(550,622)	(687,096)	(52,595)	(1,290,313)	0
Net Cash Provided by (Used in) Operating Activities	<u>1,968,081</u>	<u>4,566,569</u>	<u>102,014</u>	<u>6,636,664</u>	<u>(2,025,345)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Intergovernmental Revenue	0	1,541,839	0	1,541,839	0
Property Taxes	0	1,584,903	0	1,584,903	0
Special Assessments	68,209	38,216	0	106,425	0
Advances In	0	0	300,000	300,000	0
Advances Out	0	0	(155,000)	(155,000)	0
Transfers In	0	0	256,924	256,924	1,346,548
Transfers Out	(15,252)	(1,678,200)	(64,500)	(1,757,952)	0
Net Cash Provided by Noncapital Financing Activities	<u>52,957</u>	<u>1,486,758</u>	<u>337,424</u>	<u>1,877,139</u>	<u>1,346,548</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal Paid on Debt	(8,891,098)	(17,976,617)	(257,051)	(27,124,766)	0
Interest Paid on Debt	(712,111)	(1,109,214)	(33,488)	(1,854,813)	0
Payments for Capital Acquisitions	(2,593,468)	(6,866,355)	0	(9,459,823)	0
Bond Anticipation Notes issued	1,353,504	417,102	0	1,770,606	0
Refunding Bonds Issued	8,674,055	20,187,141	0	28,861,196	0
Premium on Debt Issued	868,637	1,745,647	0	2,614,284	0
Net Cash (Used in) Capital and Related Financing Activities	<u>(1,300,481)</u>	<u>(3,602,296)</u>	<u>(290,539)</u>	<u>(5,193,316)</u>	<u>0</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on Investments	9,107	30,814	0	39,921	0
Net Cash Provided by Investing Activities	<u>9,107</u>	<u>30,814</u>	<u>0</u>	<u>39,921</u>	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents	729,664	2,481,845	148,899	3,360,408	(678,797)
Cash and Cash Equivalents - Beginning of Year	6,972,493	8,539,392	524,900	16,036,785	3,762,873
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$7,702,157</u></u>	<u><u>\$11,021,237</u></u>	<u><u>\$673,799</u></u>	<u><u>\$19,397,193</u></u>	<u><u>\$3,084,076</u></u>

(Continued)

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

**City of Lakewood, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
For the Year Ended December 31, 2016

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Nonmajor Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$1,231,346	\$3,792,260	\$46,696	\$5,070,302	(\$2,023,120)
Adjustments:					
Depreciation	613,407	858,665	120,510	1,592,582	0
(Increase) Decrease in Assets and Deferred Outflows of Resources:					
Accounts Receivable	(24,370)	(183,606)	(76,983)	(284,959)	0
Interfund Receivable	0	0	0	0	(484,523)
Materials and Supplies Inventory	(42,844)	30,803	994	(11,047)	0
Net Pension Asset	(710)	(1,648)	(104)	(2,462)	0
Deferred Outflows of Resources	(281,506)	(653,231)	(40,918)	(975,655)	0
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:					
Accounts Payable	107,235	(97,387)	(451)	9,397	0
Accrued Wages and Benefits	5,331	12,717	667	18,715	0
Compensated Absences Payable	8,236	(10,126)	299	(1,591)	0
Interfund Payable	15,401	37,909	2,369	55,679	0
Intergovernmental Payable	1,006	1,575	160	2,741	0
Net Pension Liability	319,721	741,910	46,474	1,108,105	482,298
Deferred Inflows of Resources	15,828	36,728	2,301	54,857	0
<b>Net Cash Provided by (Used In) Operating Activities</b>	<b>\$1,968,081</b>	<b>\$4,566,569</b>	<b>\$102,014</b>	<b>\$6,636,664</b>	<b>(\$2,025,345)</b>

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

**City of Lakewood, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Fiduciary Funds*  
*December 31, 2016*

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	<u>Agency Funds</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$2,568,175</u>
<b>Liabilities</b>	
Deposits Held and Due to Others	<u>\$2,568,175</u>

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

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

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

***Reporting Entity***

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

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

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

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

**Note 2 - Summary of Significant Accounting Policies**

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

***A. Basis of Presentation***

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

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

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

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

***B. Fund Accounting***

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

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

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

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

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

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

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

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

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

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

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

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

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

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

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

**C. Measurement Focus**

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

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

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

**D. Basis of Accounting**

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



**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

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

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

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

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 16.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, promissory note (see Note 22) 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, 2016, but which were levied to finance year 2017 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes (\$436,520) and delinquent payment in lieu of taxes (\$71,462), municipal income taxes (\$12,075,064), intergovernmental grants and entitlements (\$2,092,606), and special assessments (\$494,334). These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 16)

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

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

***E. Cash and Cash Equivalents***

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

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

The City utilizes a trustee to hold monies set aside for replacement and improvement, debt service and unspent bond proceeds under the provisions of the bond indenture. The balances in these accounts are presented on the statement of fund net position as, "cash and cash equivalents held by trustee."

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

The City has entered into an agreement with North Point Realty Inc. to manage the Community Health Center and residential properties associated with the December 15, 2015 Master Agreement between the City and the Cleveland Clinic Foundation. As of December 31, 2016, the cash balance held with the escrow agent is \$201,545.

The City has invested in the State Treasury Asset Reserve of Ohio (STAROhio), municipal bond securities, U.S. debt securities, negotiable CDs, and money market mutual funds during 2016. The City's investment in State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The city measures their investment in STAR Ohio as the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2016, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

Interest earnings are allocated to City funds according to State statutes, City Charter, grant requirements or debt related restrictions. Interest revenue is distributed to the General Fund, Federal Forfeiture Fund, Debt Service Fund, Water Fund and Sewer Fund. Interest revenue credited to the General Fund during 2016 amounted to \$181,791 that includes \$122,768 assigned from other City funds.

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

***F. Restricted Assets***

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

***G. Inventory***

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

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

Inventory consists of expendable supplies held for consumption.

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

Assets held for resale represents assets consisting of homes purchased and repaired which will be resold through Planning and Development and homes reverted back to the City through the dissolution of Lakewood Hospital Association. See Note 22 for further information regarding Lakewood Hospital.

***I. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2016, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

***J. Capital Assets***

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

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

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

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

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

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

***K. Interfund Balances***

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

***L. Compensated Absences***

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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**Note 2 - Summary of Significant Accounting Policies (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 (those employees who will be eligible to receive termination payments in the next ten years). The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy.

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

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

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

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

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

***N. Pensions***

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

***O. Fund Balance***

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

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

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

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

Legal enforceability means that the City can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

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

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

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

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

***P. Net Position***

Net Position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position that is restricted for other purposes includes police and fire pensions, Lakewood Hospital, litter control, juvenile programs, and an emergency shelter program. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted components of net position are available.

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

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

***R. Contributions of Capital***

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

***S. Interfund Activity***

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

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

***T. Bond Premium***

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

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

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

***V. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2016.

***W. Estimates***

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

***X. Budgetary Process***

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



**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2016.

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

**Note 3 – Changes in Accounting Principles and Restatement of Net Position**

**Changes in Accounting Principles**

GASB Statement No. 72, *Fair Value Measurement of Application*. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurement. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also clarifies the application of certain provisions of GASB Statements 67 and 68.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP).

GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

These GASB Statements did not have an effect on the City's financial statements.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools.

**Restatement of Net Position**

Ohio Police and Fire Pension Fund (OP&F) had to make a revision to the census file provided to its actuary. The revisions are due to the information reported late that impacted the January 1, 2014 census file used to determine the total net pension liability. As a result of the additional information, the December 31, 2014 and January 1, 2014 numbers presented have been restated by OP&F.

The restatement had the following impact on net position as reported December 31, 2015:

	Governmental Activities
Net Position as of December 31, 2015	\$48,528,827
Adjustments:	
Net Pension Liability	(817,974)
Restated Net Position December 31, 2015	\$47,710,853

**Note 4 – Compliance and Accountability**

**Accountability**

Fund balances at December 31, 2016 included the following individual fund deficits:

	Deficit
Nonmajor Governmental Funds:	
Emergency Shelter Grant	\$23,378
Family to Family Fund	40,755
Total	\$64,133

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

**Note 5 – Budgetary Basis of Accounting**

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

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

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

	General Fund	Police and Fire Pension Fund	Community Development Block Grant Fund	Lakewood Hospital
GAAP Basis	\$ (602,940)	\$ (30,996)	\$ (143,877)	\$ 1,268,304
Net Adjustment for Revenue Accruals	(1,752,974)	\$0	\$259,092	\$517,390
Advances In	331,000	\$0	\$40,000	\$0
Net Adjustment for Expenditure Accruals	4,290,967	\$28,027	\$8,233	\$463,854
Advances Out	(432,000)	\$0	(\$130,000)	\$0
Excess of Revenues over Expenditures:				
Community Festival Fund	266	\$0	\$0	\$0
Outstanding Encumbrances	(5,218,874)	\$0	\$0	\$0
Budget Basis	<u>\$ (3,384,555)</u>	<u>\$ (2,969)</u>	<u>\$ 33,448</u>	<u>\$ 2,249,548</u>

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

**Note 6 – Fund Balance**

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

<b>Fund Balances</b>	<b>General</b>	<b>Police and Fire Pension</b>	<b>Community Development Block Grant</b>	<b>Lakewood Hospital</b>	<b>Debt Service</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<i>Nonspendable</i>							
Prepaid Items	\$284,324	\$0	\$1,685	\$0	\$0	\$0	\$286,009
Materials and Supplies Inventory	414,374	0	0	0	0	183,735	598,109
Interfund Balances	492,000	0	0	0	0	0	492,000
Notes Receivable	337,559	0	0	0	0	0	337,559
<b>Total Nonspendable</b>	<b>1,528,257</b>	<b>0</b>	<b>1,685</b>	<b>0</b>	<b>0</b>	<b>183,735</b>	<b>1,713,677</b>
<i>Restricted for</i>							
Streets and Highway Improvements	0	0	0	0	0	687,578	687,578
Police and Fire Pension	0	511,066	0	0	0	0	511,066
Community Development	0	0	1,188,052	0	0	0	1,188,052
Senior Programs	0	0	0	0	0	75,513	75,513
Law Enforcement	0	0	0	0	0	271,207	271,207
Lakewood Municipal Court	0	0	0	0	0	735,167	735,167
HOME Investment Program	0	0	0	0	0	15,465	15,465
FEMA	0	0	0	0	0	2,781	2,781
Neighborhood Stabilization	0	0	0	0	0	272,271	272,271
Litter Control Projects	0	0	0	0	0	5,709	5,709
Debt Service Payments	0	0	0	0	2,267,422	322,179	2,589,601
Capital Improvements	0	0	0	0	0	1,039,507	1,039,507
Hospital Transition	0	0	0	11,747,564	0	0	11,747,564
<b>Total Restricted</b>	<b>0</b>	<b>511,066</b>	<b>1,188,052</b>	<b>11,747,564</b>	<b>2,267,422</b>	<b>3,427,377</b>	<b>19,141,481</b>
<i>Committed to</i>							
Land Acquisition	0	0	0	0	0	5,000,000	5,000,000
Other Purposes	0	0	0	0	0	73,199	73,199
<b>Total Committed</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,073,199</b>	<b>5,073,199</b>
<i>Assigned to</i>							
Community Festival Projects	2,489	0	0	0	0	0	2,489
Purchases on Order	5,218,874	0	0	0	0	0	5,218,874
<b>Total Assigned</b>	<b>5,221,363</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,221,363</b>
<i>Unassigned (Deficit)</i>	7,480,460	0	0	0	0	(64,133)	7,416,327
<b>Total Fund Balances</b>	<b>\$14,230,080</b>	<b>\$511,066</b>	<b>\$1,189,737</b>	<b>\$11,747,564</b>	<b>\$2,267,422</b>	<b>\$8,620,178</b>	<b>\$38,566,047</b>

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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**Note 7 - Deposits and Investments**

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

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

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

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

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

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

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

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

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

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

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

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

**Deposits**

**Custodial Credit Risk:** Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year end, \$9,359,873 of the City's bank balance of \$36,574,218 was uninsured but collateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

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

STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. Fair value is determined by quoted market prices and acceptable other pricing methodologies. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The following identify the City's recurring fair value measurement as of December 31, 2016. As previously discussed Star Ohio is reported at its net asset value. All other investments of the City are valued using quoted market prices (Level 1 inputs). As of December 31, 2016, the City had investments in STAROhio with a net asset value of \$125,219 with a weighted average maturity of 52 days; investments in various municipal bond securities with a total fair value of \$10,039,468 and had maturities of less than three years; investments in various U.S. debt securities with a total fair value of \$6,158,005 and had maturities of less than three years; and investments in negotiable certificates of deposit with a total fair value of \$6,087,894 and had maturities of less than three years. In addition, investments held in money market mutual funds with a trustee and fiscal agent had fair values of \$221,421 and \$652,795, respectively. Both money market mutual funds had an average maturity of less than one year.

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

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

**Custodial Credit Risk:** Custodial credit risk for investments is the risk that in the event of bank failure, the City will not be able to recover investments or collateral securities that are in possession of an outside party. At year end, the City's investment in negotiable certificates of deposit of \$6,087,894 was fully covered by the FDIC.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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**Note 8 - Receivables**

Receivables at December 31, 2016, consisted primarily of accounts (billings for user charged services), intergovernmental receivables arising from grants, entitlements and shared revenues, municipal income taxes, property taxes, loans (Community Development Block Grant monies loaned to local businesses), special assessments and interfunds.

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

Allowance for doubtful accounts has been recorded at \$43,094 in the Water Fund and \$35,982 in the Sewer Fund.

Loans receivable to be collected in more than one-year amount to \$1,374,927 in the Community Development Block Grant Fund.

Notes receivable to be collected in more than one-year amount to \$1,400,000 in the Lakewood Hospital Fund. See Note 22 for further information.

Special assessments expected to be collected in more than one-year amount to \$684,285 in the various governmental funds. The amount of delinquent special assessments at December 31, 2016 was \$13,082.

**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 2016 for real and public utility property taxes represents collections of 2015 taxes.

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

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

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



**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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**Note 8 – Receivables (Continued)**

The full tax rate for all City operations for the year ended December 31, 2016, was \$17.40 per \$1,000 of assessed value. The assessed values of real property, public utility tangible property upon which 2016 property tax receipts were based, are as follows:

Category	Assessed Value
Real Estate:	
Residential and Agricultural	\$ 731,662,600
Commercial/Industrial/Public Utility	147,852,940
Public Utility	15,963,540
Total Assessed Value	\$ 895,479,080

The Cuyahoga County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Lakewood. The County Fiscal Officer periodically remits to the City its portion of the taxes. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies, which are measurable as of December 31, 2016, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been deferred since current taxes were not levied to finance 2016 operations, and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, collectible delinquent property taxes have been recorded as revenue while on the modified accrual basis the revenue has been deferred.

***B. Income Tax***

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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**C. Intergovernmental Receivables**

A summary of the principal items of intergovernmental receivables follows:

	Amount
<b>Governmental Activities:</b>	
Homestead and Rollback	\$ 801,707
Local Government	878,971
Gasoline Tax	679,624
Federal Grant Reimbursements	48,056
Motor Vehicle License Registration	130,149
State Grant Reimbursements	124,407
Permissive Motor Vehicle License Tax	25,074
Other	2,533
<i>Total Governmental Activities</i>	2,690,521
 <b>Business-Type Activities:</b>	
Homestead and Rollback	104,118
State Grant Reimbursements	138,509
<i>Total Business-Type Activities</i>	242,627
<i>Total Entity-wide</i>	\$ 2,933,148

**D. Payments in Lieu of Taxes**

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

**Note 9 - Contingencies**

**A. Grants**

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

**Note 9 – Contingencies (Continued)**

**B. Litigation**

Several claims and lawsuits are pending against the City. The amount of the liability, if any, cannot be reasonably estimated at this time. However, in the opinion of management, any such claims and lawsuits will not have a material adverse effect on the overall financial position of the City at December 31, 2016.

**Note 10 - Capital Assets**

Capital asset activity for the year ended December 31, 2016, was as follows:

	Balance December 31, 2015	Additions	Deletions	Balance December 31, 2016
<b>Governmental Activities</b>				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$6,139,702	\$0	\$0	\$6,139,702
Construction in Progress	1,191,597	4,773,639	(4,618,545)	1,346,691
<i>Total Capital Assets, Not Being Depreciated</i>	<u>7,331,299</u>	<u>4,773,639</u>	<u>(4,618,545)</u>	<u>7,486,393</u>
<i>Capital Assets, Being Depreciated:</i>				
Land Improvements	8,308,539	835,420	0	9,143,959
Buildings and Improvements	19,155,827	281,111	0	19,436,938
Furniture and Equipment	5,074,859	297,978	(494,262)	4,878,575
Vehicles	13,614,001	839,034	(704,778)	13,748,257
Infrastructure:				
Roads	52,190,373	2,277,179	(997,108)	53,470,444
Traffic Signals	6,271,775	1,259,188	0	7,530,963
Sidewalks	4,426,640	0	0	4,426,640
Curbing	1,434,304	0	0	1,434,304
<i>Total Capital Assets, Being Depreciated</i>	<u>110,476,318</u>	<u>5,789,910</u>	<u>(2,196,148)</u>	<u>114,070,080</u>
Less Accumulated Depreciation:				
Land Improvements	(2,805,552)	(264,893)	0	(3,070,445)
Buildings	(6,417,340)	(254,927)	0	(6,672,267)
Furniture and Fixtures	(3,006,119)	(200,508)	353,031	(2,853,596)
Vehicles	(6,596,534)	(790,235)	642,279	(6,744,490)
Infrastructure:				
Roads	(14,353,820)	(1,035,150)	612,666	(14,776,304)
Traffic Signals	(2,867,884)	(146,298)	0	(3,014,182)
Sidewalks	(1,190,432)	(39,966)	0	(1,230,398)
Curbing	(553,910)	(12,623)	0	(566,533)
<i>Total Accumulated Depreciation</i>	<u>(37,791,591)</u>	<u>(2,744,600) *</u>	<u>1,607,976</u>	<u>(38,928,215)</u>
Total Capital Assets, Being Depreciated, Net	<u>72,684,727</u>	<u>3,045,310</u>	<u>(588,172)</u>	<u>75,141,865</u>
<b>Governmental Activities Capital Assets, Net</b>	<u><u>\$80,016,026</u></u>	<u><u>\$7,818,949</u></u>	<u><u>(\$5,206,717)</u></u>	<u><u>\$82,628,258</u></u>

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

	Balance December 31, 2015	Additions	Deletions	Balance December 31, 2016
<b>Business-Type Activities</b>				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$78,140	\$0	\$0	\$78,140
Construction in Progress	7,641,073	10,427,924	(10,061,889)	8,007,108
<i>Total Capital Assets, Not Being Depreciated</i>	<u>7,719,213</u>	<u>10,427,924</u>	<u>(10,061,889)</u>	<u>8,085,248</u>
<i>Capital Assets, Being Depreciated:</i>				
Land Improvements	2,025,447	0	0	2,025,447
Buildings	18,427,864	2,893,838	0	21,321,702
Furniture and Equipment	10,016,210	30,366	(34,901)	10,011,675
Vehicles	2,705,034	221,652	(210,808)	2,715,878
Infrastructure:				
Sidewalks	65,172	0	0	65,172
Water Lines	54,743,807	6,914,254	0	61,658,061
Sewer Lines	33,184,825	253,798	0	33,438,623
<i>Total Capital Assets, Being Depreciated</i>	<u>121,168,359</u>	<u>10,313,908</u>	<u>(245,709)</u>	<u>131,236,558</u>
Less Accumulated Depreciation:				
Land Improvements	(1,287,931)	(73,637)	0	(1,361,568)
Buildings	(6,251,998)	(226,864)	0	(6,478,862)
Furniture and Fixtures	(6,475,206)	(278,750)	30,307	(6,723,649)
Vehicles	(1,164,110)	(164,370)	197,541	(1,130,939)
Infrastructure:				
Sidewalks	(54)	(651)	0	(705)
Water Lines	(15,969,657)	(530,923)	0	(16,500,580)
Sewer Lines	(8,118,393)	(317,387)	0	(8,435,780)
<i>Total Accumulated Depreciation</i>	<u>(39,267,349)</u>	<u>(1,592,582) *</u>	<u>227,848</u>	<u>(40,632,083)</u>
Total Capital Assets, Being Depreciated, Net	<u>81,901,010</u>	<u>8,721,326</u>	<u>(17,861)</u>	<u>90,604,475</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u><u>\$89,620,223</u></u>	<u><u>\$19,149,250</u></u>	<u><u>(\$10,079,750)</u></u>	<u><u>\$98,689,723</u></u>

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

Governmental Activities		Business-Type Activities	
Security of Persons and Property - Police	\$159,355	Water Fund	\$613,407
Security of Persons and Property - Fire	262,832	Sewer Fund	858,665
Public Health Services	21,854	Parking Facilities Fund	39,392
Leisure Time Activities	413,566	Winterhurst Ice Rink Fund	81,118
Community Environment	10,490	Total Depreciation Expense	<u><u>\$1,592,582</u></u>
Basic Utility Services	298,256		
Transportation	1,381,934		
General Government	196,313		
Total Depreciation Expense	<u><u>\$2,744,600</u></u>		

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

**Note 11 – Conduit Debt Obligations**

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

On October 23, 2000, the City issued Educational Facilities Revenue Bonds for the purpose of providing funds to pay costs of acquiring and constructing additional facilities for St. Edward High School. The aggregate principal amount of conduit debt obligations for St. Edward High School was \$10,800,000. As of December 31, 2016, the aggregate principal amount of conduit debt obligation outstanding for St. Edward High School was \$7,770,000. These bonds do not constitute a debt or pledge of the full faith and credit of the City and, therefore, are not reported in the financial statements.

**Note 12- Short-Term Obligations**

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

	Balance December 31, 2015	Additions	Deletions	Balance December 31, 2016
<b>Notes Payable</b>				
<i>Governmental Activities</i>				
2016 Various Purpose - 1.25%	\$0	\$60,000	\$0	\$60,000
<b>Total Notes Payable</b>	<u>\$0</u>	<u>\$60,000</u>	<u>\$0</u>	<u>\$60,000</u>

On April 5, 2016, the City issued 10,644,000 in various purpose bond anticipation notes to provide resources for future capital improvements at an annual interest rate of 1.25 percent that will mature April 4, 2017. \$60,000 of these notes are considered short-term and the remaining \$10,584,000 are considered long-term.

**Note 13- Long-Term Obligations**

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

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
<i>Governmental Activities</i>				
<i>Notes</i>				
Various Purpose	2015	1.000%	13,535,000	April 7, 2016
Various Purpose	2016	1.250%	4,099,000	April 4, 2017

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
<b>Governmental Activities (continued)</b>				
<b>General Obligation Bonds</b>				
Various Purpose	2005	3.00-5.00%	6,095,637	December 1, 2025
Various Purpose Refunding-2007	2007	4.00-5.25%	10,520,000	December 1, 2026
Various Purpose Refunding-2011	2011	2.00-5.00%	3,075,268	December 1, 2028
Various Purpose	2011	2.00-5.00%	7,770,000	December 1, 2028
Various Purpose Refunding-2012	2012	2.00-5.00%	3,097,660	December 1, 2023
Various Purpose Refunding and Improvement Bonds Series 2016A-2005 GO Refunding	2016	1.60-5.00%	1,554,760	December 1, 2025
Various Purpose Refunding and Improvement Bonds Series 2016A	2016	1.60-5.00%	12,417,260	December 1, 2036
Refunding Bonds Series 2016B Rockport Square-2004	2016	2.50-3.00%	2,890,000	July 1, 2024
Various Purpose Refunding and Improvement Bonds Series 2016A-2005 GO Refunding Vedda	2016	1.60-5.00%	221,784	December 1, 2025
<b>OPWC Loan</b>				
Forest and Clifton Road	1999	0%	616,000	December 1, 2019
<b>Business-Type Activities</b>				
<b>Notes</b>				
<b>Sewer</b>				
Various Purpose	2015	1.00%	3,840,000	April 7, 2016
Various Purpose	2016	1.25%	4,845,000	April 4, 2017
<b>Revenue Bonds</b>				
<b>Water</b>				
Water Main Improvements	1995	4.40-6.60%	2,850,000	December 1, 2020
Water Main Improvements	2005	3.00-5.00%	609,829	December 1, 2025
Water Main Improvements	2006	4.00-4.50%	10,285,000	December 1, 2031
<b>Sewer</b>				
Sewer Construction	2006	4.00-4.50%	14,320,000	December 1, 2031
<b>General Obligation Bonds</b>				
<b>Sewer</b>				
Sewer Construction	2005	3.00-5.00%	3,811,430	December 1, 2025
Sewer Construction Refunding	2012	2.00%	2,347,340	December 1, 2023
Various Purpose Refunding and Improvement Bonds Series 2016A-2005 GO Refunding	2016	1.60-5.00%	2,494,401	December 1, 2025
Various Purpose Refunding and Improvement Bonds Series 2016A-2006 Sewer Improvements Bon	2016	1.60-5.00%	9,325,000	December 1, 2031
Various Purpose Refunding and Improvement Series 2016A	2016	1.60-5.00%	3,522,740	December 1, 2036
<b>Winterhurst</b>				
Winterhurst Recreational Facility	2005	3.00-5.00%	203,276	December 1, 2025
Winterhurst Recreational Facility Refunding	2011	2.00-5.00%	929,732	December 1, 2028
Various Purpose Refunding and Improvement Bonds Series 2016A-2005 GO Refunding	2016	1.60-5.00%	114,684	December 1, 2025
<b>Parking</b>				
Meter Replacement	2007	4.00-5.25%	355,000	December 1, 2026
<b>OPWC Loans</b>				
<b>Water</b>				
Water Main Replacements	1999	0%	1,248,464	December 1, 2019
Water Main Replacements	2001	0%	1,944,012	December 1, 2021
Water Main Replacements	2003	0%	994,614	July 1, 2023
Water Main Replacements	2003	0%	1,592,840	July 1, 2023
Belle Avenue Improvements	2003	0%	484,637	December 1, 2023
Water Main Replacements	2015	0%	677,004	July 1, 2036
Water Main Replacements *	2016	0%	676,500	December 1, 2036
<b>Sewer</b>				
West Clifton Storm Sewer Rehab.	2000	0%	115,101	December 1, 2020
Edgewater Drive-Sewer Separation	2002	0%	604,258	December 1, 2022
West End Sewer Separation *	2016	0%	428,399	December 1, 2025

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

	Restated Balance December 31, 2015	Additions	Deletions	Balance December 31, 2016	Amount Due in One Year
<i>Governmental Activities</i>					
<b>Notes Payable</b>					
Various Purpose-2016	\$0	\$4,099,000	\$0	\$4,099,000	\$4,099,000
Unamortized Premium	0	23,870	17,425	6,445	0
Various Purpose-2015	13,535,000	0	13,535,000	0	0
Unamortized Premium	28,426	0	28,426	0	0
<i>Total Notes Payable</i>	<u>13,563,426</u>	<u>4,122,870</u>	<u>13,580,851</u>	<u>4,105,445</u>	<u>4,099,000</u>
<b>General Obligation Bonds</b>					
Various Purpose-2005	1,525,886	0	1,525,886	0	0
Unamortized Premium	34,135	0	34,135	0	0
Various Purpose Refunding-2007	6,450,000	0	775,000	5,675,000	740,000
Unamortized Premium	31,895	0	2,899	28,996	0
Rockport Square Development-2004	2,855,000	0	2,855,000	0	0
Unamortized Premium	13,927	0	13,927	0	0
Vedda Printing-2005	235,000	0	235,000	0	0
Unamortized Premium	350	0	350	0	0
Various Purpose-2011	7,745,000	0	5,000	7,740,000	5,000
Unamortized Premium	2,007	0	1,003	1,004	0
Various Purpose Refunding-2011	675,715	0	341,697	334,018	334,018
Unamortized Premium	39,783	0	3,060	36,723	0
Various Purpose Refunding-2012	2,747,788	0	318,585	2,429,203	327,118
Unamortized Premium	65,618	0	8,202	57,416	0
Various Purpose Improvement Bonds and Refunding Series 2016A-2005 GO	0	1,440,076	165,382	1,274,694	148,220
Unamortized Premium	0	123,899	9,292	114,607	0
Various Purpose Improvement Bonds and Refunding Series 2016A-2005 Vedda	0	221,784	25,470	196,314	22,827
Unamortized Premium	0	19,082	1,431	17,651	0
Various Purpose Improvement Bonds and Refunding Series 2016A	0	12,417,260	0	12,417,260	444,030
Unamortized Premium	0	1,222,287	45,836	1,176,451	0
Refunding Bonds Series 2016B	0	2,890,000	250,000	2,640,000	300,000
Unamortized Premium	0	67,614	5,635	61,979	0
<i>Total General Obligation Bonds</i>	<u>22,422,104</u>	<u>18,402,002</u>	<u>6,622,790</u>	<u>34,201,316</u>	<u>2,321,213</u>
<b>Other Long-Term Obligations</b>					
OPWC Loan-Forest and Clifton Road-1999	92,400	0	30,800	61,600	30,800
Claims Payable	216,772	7,588,696	7,106,398	699,070	699,070
Compensated Absences Payable	6,281,990	3,157,585	3,034,489	6,405,086	2,906,764
Capital Lease Payable	7,124,505	1,217,224	1,601,400	6,740,329	1,626,719
Net Pension Liability					
OPERS	10,829,712	4,491,217	0	15,320,929	0
OP&F	34,001,642	7,916,472	0	41,918,114	0
Total Net Pension Liability	<u>44,831,354</u>	<u>12,407,689</u>	<u>0</u>	<u>57,239,043</u>	<u>0</u>
<i>Total Other Long-Term Obligations</i>	<u>58,547,021</u>	<u>24,371,194</u>	<u>11,773,087</u>	<u>71,145,128</u>	<u>5,263,353</u>
<i>Total Governmental Activities</i>	<u>\$94,532,551</u>	<u>\$46,896,066</u>	<u>\$31,976,728</u>	<u>\$109,451,889</u>	<u>\$11,683,566</u>

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

	Balance December 31, 2015	Additions	Deletions	Balance December 31, 2016	Amount Due in One Year
<i>Business-Type Activities</i>					
<b>Notes</b>					
<i>Water</i>					
Water Main Improvements-2016	\$0	\$1,640,000	\$0	\$1,640,000	\$1,640,000
Unamortized Premium	0	9,416	6,873	2,543	2,543
<i>Sewer</i>					
Various Purpose-2015	3,840,000	0	3,840,000	0	0
Unamortized Premium	5,140	0	5,140	0	0
Various Purpose-2016	0	4,845,000	0	4,845,000	4,845,000
Unamortized Premium	0	27,812	20,303	7,509	7,509
<i>Total Notes Payable</i>	<u>3,845,140</u>	<u>6,522,228</u>	<u>3,872,316</u>	<u>6,495,052</u>	<u>6,495,052</u>
<b>Revenue Bonds</b>					
<i>Water</i>					
Water Main Improvements-1995	1,050,000	0	185,000	865,000	195,000
Water Main Improvements-2005	364,559	0	364,559	0	0
Unamortized Premium	263	0	263	0	0
Water Main Improvements-2006	7,655,000	0	7,655,000	0	0
Unamortized Discount	(77,981)	0	(77,981)	0	0
Unamortized Premium	13,244	0	13,244	0	0
<i>Sewer</i>					
Sewer Construction-2006	10,670,000	0	10,670,000	0	0
Unamortized Discount	(108,754)	0	(108,754)	0	0
Unamortized Premium	31,536	0	31,536	0	0
<i>Total Revenue Bonds</i>	<u>19,597,867</u>	<u>0</u>	<u>18,732,867</u>	<u>865,000</u>	<u>195,000</u>
<b>General Obligation Bonds</b>					
<i>Water</i>					
Various Purpose Improvement Bonds and Refunding Series 2016A	0	344,055	39,512	304,543	35,412
Unamortized Premium	0	29,601	2,220	27,381	0
Various Purpose Improvement Bonds and Refunding Series 2016A	0	6,690,000	0	6,690,000	355,000
Unamortized Premium	0	829,620	41,481	788,139	0
<i>Sewer</i>					
Sewer Construction-2005	2,643,039	0	2,643,039	0	0
Unamortized Premium	1,946	0	1,946	0	0
Sewer Construction Refunding Bonds- 2012	2,082,212	0	241,415	1,840,797	247,882
Unamortized Premium	49,725	0	6,215	43,510	0
Various Purpose Improvement Bonds and Refunding Series 2016A	0	2,494,401	286,465	2,207,936	256,737
Unamortized Premium	0	214,610	16,096	198,514	0
Various Purpose Improvement Bonds and Refunding Series 2016A	0	9,325,000	0	9,325,000	495,000
Unamortized Premium	0	1,156,467	57,823	1,098,644	0
Various Purpose Improvement Bonds and Refunding Series 2016A	0	3,522,740	0	3,522,740	125,970
Unamortized Premium	0	346,758	13,003	333,755	0
<i>Winterhurst</i>					
Recreational Facility Bonds -2005	121,519	0	121,519	0	0
Unamortized Premium	84	0	84	0	0
Recreational Facility Refunding Bonds- 2011	204,285	0	103,303	100,982	100,982
Unamortized Premium	12,028	0	925	11,103	0
Various Purpose Improvement Bonds and Refunding Series 2016A	0	114,684	13,171	101,513	11,804
Unamortized Premium	0	9,867	740	9,127	0
<i>Parking</i>					
Meter Replacement-2007	170,000	0	25,000	145,000	25,000
Unamortized Premium	1,337	0	121	1,216	0
<i>Total General Obligation Bonds</i>	<u>\$5,286,175</u>	<u>\$25,077,803</u>	<u>\$3,614,078</u>	<u>\$26,749,900</u>	<u>\$1,653,787</u>

continued



**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

	Balance December 31, 2015	Additions	Deletions	Balance December 31, 2016	Amount Due in One Year
<b>OPWC Loans</b>					
<i>Water Fund</i>					
Water Main Replacements-1999	\$187,265	\$0	\$62,423	\$124,842	\$62,423
Water Main Replacements-2001	486,000	0	97,201	388,799	97,201
Water Main Replacements-2003	372,978	0	49,730	323,248	49,730
Water Main Replacements-2003	597,316	0	79,642	517,674	79,642
Belle Avenue Improvements-2003	205,970	0	24,232	181,738	24,232
Water Main Replacements-2015	0	677,004	16,925	660,079	33,850
Water Main Replacements-2016	0	676,500	0	676,500	33,826
<i>Total Water Fund</i>	<u>1,849,529</u>	<u>1,353,504</u>	<u>330,153</u>	<u>2,872,880</u>	<u>380,904</u>
<i>Sewer</i>					
West Clifton Storm Sewer Rehabilitation-2000	17,088	0	4,273	12,815	4,273
Edgewater Drive-Sewer Separation-2002	181,277	0	30,213	151,064	30,213
West End Sewer Separation-2016	0	417,102	0	417,102	0
<i>Total Sewer Fund</i>	<u>198,365</u>	<u>417,102</u>	<u>34,486</u>	<u>580,981</u>	<u>34,486</u>
<i>Total OPWC Loans</i>	<u>2,047,894</u>	<u>1,770,606</u>	<u>364,639</u>	<u>3,453,861</u>	<u>415,390</u>
<b>Other Long-Term Obligations</b>					
Compensated Absences Payable	359,697	132,117	133,708	358,106	118,117
Capital Lease Payable	5,574,792	399,776	713,517	5,261,051	744,149
Net Pension Liability - OPERS	2,671,986	1,108,105	0	3,780,091	0
<i>Total Other Long-Term Obligations</i>	<u>8,606,475</u>	<u>1,639,998</u>	<u>847,225</u>	<u>9,399,248</u>	<u>862,266</u>
<i>Total Business-Type Activities</i>	<u>\$39,383,551</u>	<u>\$35,010,635</u>	<u>\$27,431,125</u>	<u>\$46,963,061</u>	<u>\$9,621,495</u>

**Governmental Activities**

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

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

The bonds were sold at a premium of \$57,987. Net proceeds of \$4,844,725 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the various bonds. As a result, \$4,495,000 of these bonds is considered defeased and the liability for the refunded portion of these bonds has been removed from the City's financial statements. The amount still outstanding at December 31, 2016 is \$5,845,000.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

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

The bonds were sold at a premium of \$87,222. Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 1998 Various Purpose bonds. As a result, \$4,445,100 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. The amount still outstanding at December 31, 2016 is \$435,000.

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

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

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

On April 9, 2015, the City issued \$17,375,000 in various purpose and refunding bond anticipation notes at 1.0 percent that will mature April 17, 2016. \$6,202,000 of the proceeds was used to retire previously issued notes, and \$6,690,000 of the proceeds was used to provide resources for capital improvements within the Governmental Activities and Sewer Fund.

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

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

***Business-Type Activities***

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

In 1995, the City issued \$2,850,000 in Water Main Improvement Revenue Bonds with interest rates varying from 4.40 percent to 6.60 percent. Proceeds were used to improve the City's water mains. The revenue bonds included serial bonds. Restricted assets for debt service relating to the water main improvement revenue bonds held with a trustee at December 31, 2016, were \$25,329. At December 31, 2016, \$865,000 of the debt remained outstanding.

The bonds maturing on or after July 1, 2001 are subject to redemption at the sole option of the City, either in whole on any date, or in part on any interest payment date on or after July 1, 2001, in multiples of \$5,000, at 100 percent of the redemption price plus accrued interest as of July 1, 2004 and thereafter. Restricted assets relating to the Refunding Water Revenue Bonds held with trustee at December 31, 2016, were \$196,078 for replacement and improvement.

In 2006, the City issued \$10,285,000 in Water Main Improvement Revenue Bonds with interest rates varying from 4.00 percent to 4.50 percent to improve the City's water mains. The Revenue Bonds included Serial Bonds. Issuance included a premium of \$21,352 and discount of \$124,937.

In 2006, the City issued \$14,320,000 in Sewer and Wastewater Improvement Revenue Bonds with interest rates varying from 4.00 percent to 4.50 percent to improve the City's sewer mains. The Revenue Bonds included Serial Bonds. Issuance included a premium of \$50,527 and discount of \$174,240.

On May 26, 2005, the City issued \$1,945,000 in Sewer Construction Refunding Bonds at interest rates varying from 3.00 percent to 5.00 percent. Proceeds were used to refund \$2,040,000 of the outstanding 1995 various purpose general obligation bonds.

The City has pledged future revenues to repay revenue bonds and OPWC loans in the Water Fund. The debt is payable solely from net revenues and is payable through 2031. Annual principal and interest payments on the bonds and loans are expected to require less than 60 percent of net revenues and less than 16 percent of total revenues. The total principal and interest remaining to be paid on the bonds and loans is \$3,061,389. Principal and interest paid for the current year were \$576,578, total net revenues were \$1,923,362, and total revenues were \$10,471,468.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

The City has pledged future revenues to repay the OPWC loans in the Sewer Fund. The debt is payable solely from net revenues and is payable through 2021. Annual principal and interest payments on the debt is expected to require less than 4.00 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$163,884. Principal and interest paid for the current year were \$34,486, total net revenues were \$6,398,739, and total revenues were \$11,240,810.

The City's overall legal debt margin was \$60,005,567 at December 31, 2016.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2016, are as follows:

	<b>Governmental Activities</b>					
	General Obligation Bonds		OPWC Loans	Total		
	Principal	Interest	Principal	Principal	Interest	
2017	\$2,321,213	\$1,230,928	\$30,800	\$2,352,013	\$1,230,928	
2018	2,609,275	1,164,915	30,800	2,640,075	1,164,915	
2019	2,677,398	1,089,410	0	2,677,398	1,089,410	
2020	2,775,869	1,003,102	0	2,775,869	1,003,102	
2021	2,813,633	908,864	0	2,813,633	908,864	
2022-2026	10,413,076	3,165,475	0	10,413,076	3,165,475	
2027-2028	9,096,025	1,825,696	0	9,096,025	1,825,696	
	<u>\$32,706,489</u>	<u>\$10,388,390</u>	<u>\$61,600</u>	<u>\$32,768,089</u>	<u>\$10,388,390</u>	

	<b>Business Type Activities</b>						
	Revenue Bonds		General Obligation Bonds		OPWC Loans	Total	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2017	\$195,000	\$50,603	\$1,653,787	\$859,085	\$415,390	\$2,264,177	\$909,688
2018	210,000	39,195	1,585,725	824,400	415,390	2,211,115	863,595
2019	225,000	26,910	1,612,601	792,085	352,967	2,190,568	818,995
2020	235,000	13,747	1,664,130	745,993	348,694	2,247,824	759,740
2021	0	0	1,626,367	698,381	251,494	1,877,861	698,381
2022-2026	0	0	7,631,927	2,682,037	593,020	8,224,947	2,682,037
2027-2031	0	0	7,315,880	1,193,713	338,381	7,654,261	1,193,713
2032-2036	0	0	1,148,094	139,922	321,423	1,469,517	139,922
	<u>\$865,000</u>	<u>\$130,455</u>	<u>\$24,238,511</u>	<u>\$7,935,616</u>	<u>\$3,036,759</u>	<u>\$28,140,270</u>	<u>\$8,066,071</u>

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

**Note 14 – Leases**

**A. Capital Leases**

In 2016, the City entered into a lease for the acquisition of police vehicles, street vehicles, forestry vehicles, fire vehicles, technology equipment, body cameras, and sewer vehicles for various City departments. In prior years, the City entered into leases for the acquisition of police vehicles, fiber optic network, refuse vehicles, street vehicles, fire vehicles, forestry vehicles, computer hardware, copier equipment, building HVAC improvements, sewer flow meters, and water meters. The assets of such agreement are recorded in the Governmental Activities and Business-Type Activities as shown on the Statement of Net Position.

The following is a schedule of the future minimum lease payments for capital leases and the present value of net minimum lease payments as of December 31, 2016:

	Governmental Activities	Business-Type Activities
Building and Improvements	\$2,100,000	\$3,496,028
Equipment Machinery and Furniture	319,076	310,125
Vehicles	8,170,109	1,311,350
Total Capital Leases, being depreciated	10,589,185	5,117,503
Less Accumulated Depreciation		
Building and Improvements	1,890,000	1,273,537
Equipment Machinery and Furniture	287,169	199,153
Vehicles	5,066,765	895,996
Total Accumulated Depreciation	7,243,934	2,368,686
Capital Leases, Net	\$3,345,251	\$2,748,817
	Governmental Activities	Business-Type Activities
2017	\$1,778,174	\$873,594
2018	1,481,780	785,570
2019	841,249	694,051
2020	774,807	694,051
2021	578,065	562,110
2022-2026	1,458,748	1,613,852
2027-2031	375,885	667,450
Total minimum lease payments	7,288,708	5,890,678
Less: amount representing interest	(548,379)	(629,627)
Total	\$6,740,329	\$5,261,051

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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**Note 15 - Risk Management**

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

Errors and omissions for public officials and police professional liability are \$1,000,000 per occurrence, and have a \$2,000,000 annual aggregate. Vehicles are covered for \$1,000,000 per each occurrence, no aggregate, with a \$5,000 deductible for comprehensive, \$5,000 deductible for collision.

The boiler and machinery is covered at \$136,143,930 with a \$10,000 deductible for all property.

Coverage for the City's buildings, furniture, fixtures, and contents has a limit of \$136,143,930, with a \$10,000 deductible. Inland marine coverage for all City property that moves has coverage of \$3,675,071 with a \$500 deductible and EDP equipment is covered at \$1,262,146 with a \$10,000 deductible.

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

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

The City maintains the Hospitalization Internal Service Fund to finance the cost of employee hospitalization and medical claims on a cost reimbursement basis. The City offers two plans to its employees that are funded through a third party administrator. Under these plans the third party administrator processes claims on behalf of the employees and bills the City for the amount of actual claims plus administrative costs. The City is liable for claims up to \$1,000,000. A specific excess loss coverage (stop loss) insurance policy covers claims in excess of \$1,000,000 per year.

At December 31, 2016, \$683,723 was accrued for hospitalization and medical claims, representing an estimate of the amount to be paid for claims that have been incurred but not reported based on the requirements of GASB Statement No. 30, which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the balances of claims liabilities during the past two years are as follows:

	2016	2015
Estimated claims payable January 1	\$187,734	\$443,408
Plus: Current year claims	6,894,179	6,002,888
Less: Claim payments	(6,398,190)	(6,258,562)
Estimated claims payable December 31	\$683,723	\$187,734

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

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

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

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

At December 31, 2016, \$15,347 has been accrued for workers' compensation claims. The claims represent estimates of amounts to be paid for reported claims and incurred but not reported claims. It is calculated using trends in actual claims experience based on the requirements of GASB Statement No. 30, which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the balance of claims liabilities during the past two years are as follows:

	2016	2015
Estimated claims payable January 1	\$29,038	\$121,160
Plus: Current year claims	274,349	129,473
Less: Claim payments	(288,040)	(221,595)
Estimated claims payable December 31	\$15,347	\$29,038

**Note 16 - Defined Benefit Pension Plans**

**A. Net Pension Liability**

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

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

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

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

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

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

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

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



**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

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

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

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

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

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

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

	State and Local
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2016 Actual Contribution Rates</b>	
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 \$1,698,067 for 2016. Of this amount, \$172,123 is reported as an intergovernmental payable.

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

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

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

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

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

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

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

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

	Police	Firefighters
<b>2016 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 <b>2016 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$2,894,865 for 2016. Of this amount, \$330,968 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2015, 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, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. 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.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

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

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Police	OP&F Fire	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.111944%	0.046096%	0.326986%	0.313574%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	<u>0.110275%</u>	<u>0.062040%</u>	<u>0.324326%</u>	<u>0.327278%</u>	
Change in Proportionate Share	<u>-0.001669%</u>	<u>0.015944%</u>	<u>-0.002660%</u>	<u>0.013704%</u>	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 19,101,020	\$ (30,190)	\$ 20,864,107	\$ 21,054,007	\$ 60,988,944
Pension Expense	\$ 2,683,861	\$ 15,918	\$ 2,422,587	\$ 2,569,204	\$ 7,691,570

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F Police	OP&F Fire	Total
<b>Deferred Outflows of Resources</b>				
Net difference between projected and actual earnings on pension plan investments	\$5,627,542	\$3,395,877	\$3,426,785	\$12,450,204
Changes in proportion and differences between City contributions and proportionate share of contributions	0	0	584,251	584,251
City contributions subsequent to the measurement date	<u>1,698,067</u>	<u>1,457,148</u>	<u>1,437,717</u>	<u>4,592,932</u>
Total Deferred Outflows of Resources	<u>\$7,325,609</u>	<u>\$4,853,025</u>	<u>\$5,448,753</u>	<u>\$17,627,387</u>
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$382,845	\$58,586	\$59,119	\$500,550
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>136,963</u>	<u>113,414</u>	<u>0</u>	<u>250,377</u>
Total Deferred Inflows of Resources	<u>\$519,808</u>	<u>\$172,000</u>	<u>\$59,119</u>	<u>\$750,927</u>

\$4,592,932 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, 2017.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

**Note 16 - 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:	OPERS	OP&F Police	OP&F Fire	Total
2017	\$1,167,781	\$861,087	\$1,003,548	\$3,032,416
2018	1,257,555	861,087	1,003,548	3,122,190
2019	1,420,067	861,087	1,003,548	3,284,702
2020	1,271,315	680,056	820,869	2,772,240
2021	(2,235)	(33,140)	101,182	65,807
Thereafter	(6,749)	(6,300)	19,222	6,173
Total	<u>\$5,107,734</u>	<u>\$3,223,877</u>	<u>\$3,951,917</u>	<u>\$12,283,528</u>

**E. Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015, 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, 2015, 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 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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

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 0.40 percent for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.28 %</u>

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

**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:

City's proportionate share of the net pension liability/(asset)	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Traditional Pension Plan	\$30,432,592	\$19,101,020	\$9,543,199
Combined Plan	(\$620)	(\$30,190)	(\$53,975)

**F. Actuarial Assumptions – OP&F**

OP&F's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, 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, 2015, are presented below:

Valuation Date	January 1, 2015
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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2015 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	(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.



**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 55,284,377	\$ 41,918,114	\$ 30,595,573

**Note 17 – Post-Employment Benefits**

**A. Ohio Public Employees Retirement System**

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

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

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

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

*Funding Policy* - The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care coverage. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, State and Local employers contributed at a rate of 14.00 percent of earnable salary and Public Safety and Law Enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.00 percent during calendar year 2016. As recommended by the OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.00 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 RMA for participants in the Member-Directed Plan for 2016 was 4.00 percent. The City's actual employer contributions for December 31, 2016, 2015 and 2014 which were used to fund post-employment benefits were \$294,960, \$291,400, and \$288,967, respectively; 91.66 percent has been contributed for 2016, and 100.00 percent has been contributed for 2015 and 2014.

***B. Ohio Police and Fire Pension Fund***

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 Trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 0.50 percent of covered payroll from January 1, 2016 thru December 31, 2016.

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

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$38,097 and \$30,419 for the year ended December 31, 2016, \$36,615 and \$29,872 for the year ended December 31, 2015, and \$36,421 and \$28,210 for the year ended December 31, 2014, respectively. 92.01 percent has been contributed for police and 92.22 percent has been contributed for firefighters for 2016. The full amount has been contributed for 2015 and 2014.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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**Note 18 - Other Employee Benefits**

***A. Compensated Absences***

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

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

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

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

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

**Note 19 - Jointly Governed Organization**

The West Shore Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board of Directors is comprised of one member from each of the six participating municipalities. The Board of Directors exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the board. Each City's degree of control is limited to its representation on the Board of Directors. In 2016, the City contributed \$91,864.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

**A. Construction Contractual Commitments**

The following were significant contractual commitments outstanding at December 31, 2016.

Project	Contract Amount	Amount Paid	Amount Remaining
Transportation Improvements	\$ 725,000	\$ 454,532	\$ 270,468
Park Improvements	550,000	435,842	114,158
Waterline Improvements	6,527,775	698,915	5,828,860
Wastewater Improvements	11,100,000	5,902,342	5,197,658
Totals	<u>\$ 18,902,775</u>	<u>\$ 7,491,631</u>	<u>\$ 11,411,144</u>

**B. Other Commitments**

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of December 31, 2016, the City's commitments for encumbrances in the governmental funds were as follows:

Major Fund:	<u>Encumbrances Outstanding</u>
General	<u>\$5,218,874</u>

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

**Note 21 – Interfund Transfers and Balances**

**A. Transfers**

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

	Governmental activities				Business-Type Activities			Total
	Major Funds			Other Governmental Funds	Major Funds		Other Enterprise Funds	
	General	Lakewood Hospital	Debt Service		Water	Sewer		
<b>TRANSFERS IN</b>								
<i>Governmental Activities</i>								
<u>Major Funds:</u>								
General	\$0	\$0	\$1,668,866	\$0	\$0	\$0	\$0	\$1,668,866
Debt Service	220,000	1,200	0	25,000	15,252	1,678,200	64,500	2,004,152
<u>Nonmajor Funds:</u>								
Office on Aging	690,000	0	0	0	0	0	0	690,000
Total Governmental Activities	910,000	1,200	1,668,866	25,000	15,252	1,678,200	64,500	4,363,018
<i>Business-Type Activities</i>								
<u>Nonmajor Fund:</u>								
Winterhurst	0	0	279,250	0	0	0	0	279,250
Total Business-Type Activities	0	0	279,250	0	0	0	0	279,250
<i>Internal Service Funds</i>								
Hospitalization	1,265,000	0	0	0	0	0	0	1,265,000
Workers' Compensation	81,548	0	0	0	0	0	0	81,548
Total	\$2,256,548	\$1,200	\$1,948,116	\$25,000	\$15,252	\$1,678,200	\$64,500	\$5,988,816

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

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

Interfund receivables and payables are due to the timing of the receipt of grant monies by the major and nonmajor funds and short-term advances from the General Fund. It is also to cover those funds that owe the Hospitalization Fund and Workers' Compensation Fund for monthly premiums. All interfund balances will be repaid within one year. Interfund balances at December 31, 2016, consist of the following:

Interfund Payable	Interfund Receivable			
	General	Workers' Compensation	Hospitalization	Total
<b><i>Governmental Funds</i></b>				
<b>Major Funds:</b>				
General	\$0	\$12,180	\$541,098	\$553,278
Community Development Block Grant	40,000	75	3,309	43,384
Lakewood Hospital	0	410	18,202	18,612
<b>Nonmajor Funds:</b>				
Street and Highway	0	522	23,166	23,688
Office on Aging	0	410	18,202	18,612
Emergency Shelter Grant	7,000	0	0	7,000
Family to Family	85,000	0	0	85,000
<b>Total Governmental Funds</b>	<b>132,000</b>	<b>13,597</b>	<b>603,977</b>	<b>749,574</b>
<b><i>Proprietary Funds</i></b>				
<b>Major Funds:</b>				
Water	0	484	21,512	21,996
Sewer	0	1,192	52,951	54,143
<b>Nonmajor Funds:</b>				
Parking Facilities	0	75	3,309	3,384
Winterhurst	360,000	0	0	360,000
<b>Total Proprietary Funds</b>	<b>360,000</b>	<b>1,751</b>	<b>77,772</b>	<b>439,523</b>
<b>Total</b>	<b>\$492,000</b>	<b>\$15,348</b>	<b>\$681,749</b>	<b>\$1,189,097</b>

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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**Note 22 – Lakewood Hospital**

On February 22, 2016 per the master agreement between the City, Lakewood Hospital Association (“LHA”) and the Cleveland Clinic, title was transferred by the City to the Cleveland Clinic for the medical office building located at 14601 Detroit Ave. and the parking garage located at 1422 Belle Ave. for \$1,576,000. The Cleveland Clinic will demolish those buildings and build the Lakewood Family Health Center on the site expected to open in 2018.

In addition, the City received title to the “Curtis Block” (corner of Marlowe Ave. and Detroit Ave.). This property is currently under evaluation for future development. The City also took control of three additional residential properties on Belle Ave. and St Charles Ave.

The City will begin the process to reimagine an entire city block at the former hospital site across the street from the new Family Health Center in early 2017. The redevelopment of the 5.7 acres is a once-in-a-50-year opportunity that will likely become a new mixed use development with tens of millions in post construction value.

**Note 23 – Tax Abatement Disclosure**

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

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

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

For the fiscal year ended December 31, 2016, the City abated residential property taxes totaling \$148,154.

**Note 24 - Subsequent Events**

On April 2, 2017, The City issued \$22,244,000 in various purpose income tax revenue improvement notes, series 2017 at 2.00 percent that will mature April 2, 2018. \$10,644,000 of the proceeds were used to retire the outstanding 2016 various purpose improvement notes.



## Required Supplementary Information

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

<b>Traditional Plan</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension Liability	0.110275%	0.111944%	0.111944%
City's Proportionate Share of the Net Pension Liability	\$19,101,020	\$13,501,698	\$13,196,739
City's Covered-Employee Payroll	\$13,724,833	\$13,769,800	\$13,724,831
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	139.17%	98.05%	96.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%
<b>Combined Plan</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension (Asset)	0.062040%	0.046096%	0.046096%
City's Proportionate Share of the Net Pension (Asset)	(\$30,190)	(\$17,749)	(\$4,837)
City's Covered-Employee Payroll	\$225,775	\$169,775	\$225,769
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	13.37%	10.45%	2.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	116.90%	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 Lakewood, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the Net Pension Liability*  
*Ohio Police and Fire Pension Fund*  
*Last Three Years (1)*

<b>Police</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension Liability	0.3243258%	0.3269860%	0.3269860%
City's Proportionate Share of the Net Pension Liability	\$20,864,107	\$17,356,788	\$15,925,244
City's Covered-Employee Payroll	\$7,416,211	\$7,231,742	\$7,006,764
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	281.33%	240.01%	227.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	71.71%	73.00%
<b>Fire</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension Liability	0.3272778%	0.3135738%	0.3135738%
City's Proportionate Share of the Net Pension Liability	\$21,054,007	\$16,644,854	\$15,272,028
City's Covered-Employee Payroll	\$6,007,864	\$5,630,757	\$5,366,792
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	350.44%	295.61%	284.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	71.71%	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 Lakewood, Ohio**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*Ohio Public Employees Retirement System*  
*Last Four Years (1)*

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Contractually Required Contributions</u>				
Traditional Plan	\$ 1,668,421	\$1,646,980	\$1,652,376	\$1,784,228
Combined Plan	<u>29,646</u>	<u>\$27,093</u>	<u>\$20,373</u>	<u>29,350</u>
Total Required Contributions	\$1,698,067	\$1,674,073	\$1,672,749	\$1,813,578
Contributions in Relation to the Contractually Required Contribution	<u>(\$1,698,067)</u>	<u>(\$1,674,073)</u>	<u>(\$1,672,749)</u>	<u>(\$1,813,578)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered-Employee Payroll				
Traditional Plan	\$13,903,507	\$13,724,833	\$13,769,800	\$13,724,831
Combined Plan	\$247,050	\$225,775	\$169,775	\$225,769
<u>Pension Contributions as a Percentage of Covered-Employee Payroll</u>				
Traditional Plan	12.00%	12.00%	12.00%	13.00%
Combined Plan	12.00%	12.00%	12.00%	13.00%

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Contractually Required Contributions</u>										
Police	\$1,457,148	\$1,409,080	\$1,374,031	\$1,102,164	\$896,221	\$921,634	\$877,675	\$862,453	\$818,886	\$777,541
Fire	<u>\$1,437,717</u>	<u>\$1,411,848</u>	<u>\$1,323,228</u>	<u>\$1,085,702</u>	<u>\$936,402</u>	<u>\$959,008</u>	<u>\$925,438</u>	<u>\$972,154</u>	<u>\$956,658</u>	<u>\$999,452</u>
Total Required Contributions	\$2,894,865	\$2,820,928	\$2,697,259	\$2,187,866	\$1,832,623	\$1,880,642	\$1,803,113	\$1,834,607	\$1,775,544	\$1,776,993
Contributions in Relation to the Contractually Required Contribution	<u>(\$2,894,865)</u>	<u>(\$2,820,928)</u>	<u>(\$2,697,259)</u>	<u>(\$2,187,866)</u>	<u>(\$1,832,623)</u>	<u>(\$1,880,642)</u>	<u>(\$1,803,113)</u>	<u>(\$1,834,607)</u>	<u>(\$1,775,544)</u>	<u>(\$1,776,993)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered-Employee Payroll										
Police	\$7,669,200	\$7,416,211	\$7,231,742	\$7,006,764	\$7,029,184	\$7,228,502	\$6,883,725	\$6,764,337	\$6,422,635	\$6,098,361
Fire	\$6,117,945	\$6,007,864	\$5,630,757	\$5,366,792	\$5,428,417	\$5,559,467	\$5,364,858	\$5,635,675	\$5,545,843	\$5,793,925
<u>Pension Contributions as a Percentage of Covered-Employee Payroll</u>										
Police	19.00%	19.00%	19.00%	[1]	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%
Fire	23.50%	23.50%	23.50%	[1]	17.25%	17.25%	17.25%	17.25%	17.25%	17.25%

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

**City of Lakewood, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2016*

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014, 2015 and 2016.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014, 2015 and 2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

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

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014, 2015 and 2016.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014, 2015 and 2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

## **Combining Statements**

## *Fund Descriptions – Nonmajor Governmental Funds*

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### *Non-Major Special Revenue Funds*

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

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



*Fund Descriptions – Nonmajor Governmental Funds*

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

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

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***Nonmajor Debt Service Fund***

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

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

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

Permanent Capital Improvement Fund	To account for and report note proceeds restricted for acquisition of equipment and the construction of general capital assets of the City.
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Land Acquisition Fund	To account for and report transfers received and committed to the acquisition of properties to be developed for recreation, economic or other purposes as deemed appropriate by City Council and Mayor.
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City Park Improvement Fund	To account for and report donations committed to the improvement of the City Park.
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Tax Increment Financing (TIF) Capital Improvement Fund	To account for and report bond proceeds and all payment made to the developers of Rockport and Vedda Printing restricted for TIF activities.
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**City of Lakewood, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2016*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,021,199	\$362,749	\$6,436,657	\$8,820,605
Cash and Cash Equivalents:				
In Segregated Accounts	0	0	76,660	76,660
Materials and Supplies Inventory	183,735	0	0	183,735
Accrued Interest Receivable	82	0	0	82
Accounts Receivable	15,014	0	0	15,014
Intergovernmental Receivable	880,504	0	78,750	959,254
Payments in Lieu of Taxes Receivable	0	554,321	0	554,321
<b>Total Assets</b>	<u>\$3,100,534</u>	<u>\$917,070</u>	<u>\$6,592,067</u>	<u>\$10,609,671</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$168,843	\$40,570	\$354,270	\$563,683
Accrued Wages and Benefits	37,659	0	0	37,659
Intergovernmental Payable	28,404	0	0	28,404
Retainage Payable	0	0	76,660	76,660
Interfund Payable	134,300	0	0	134,300
Notes Payable	0	0	60,000	60,000
<b>Total Liabilities</b>	<u>369,206</u>	<u>40,570</u>	<u>490,930</u>	<u>900,706</u>
<b>Deferred Inflows of Resources:</b>				
Property Taxes and Payments in Lieu of Taxes	0	482,859	0	482,859
Unavailable Revenue - Delinquent Payments in Lieu of Taxes	0	71,462	0	71,462
Unavailable Revenue - Other	534,466	0	0	534,466
<b>Total Deferred Inflows of Resources</b>	<u>534,466</u>	<u>554,321</u>	<u>0</u>	<u>1,088,787</u>
<b>Fund Balances:</b>				
Nonspendable	183,735	0	0	183,735
Restricted	2,065,691	322,179	1,039,507	3,427,377
Committed	11,569	0	5,061,630	5,073,199
Unassigned (Deficit)	(64,133)	0	0	(64,133)
<b>Total Fund Balance</b>	<u>2,196,862</u>	<u>322,179</u>	<u>6,101,137</u>	<u>8,620,178</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$3,100,534</u>	<u>\$917,070</u>	<u>\$6,592,067</u>	<u>\$10,609,671</u>

**City of Lakewood, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2016*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Payments in Lieu of Taxes	\$0	\$482,858	\$0	\$482,858
Intergovernmental	2,859,935	36,366	101,010	2,997,311
Interest	169	0	0	169
Fines and Forfeitures	221,944	0	0	221,944
Charges for Services	87,982	0	0	87,982
Contributions and Donations	69,860	0	0	69,860
Special Assessments	9,976	0	0	9,976
All Other Revenues	223,297	0	3,999	227,296
<b>Total Revenues</b>	<b>3,473,163</b>	<b>519,224</b>	<b>105,009</b>	<b>4,097,396</b>
<b>EXPENDITURES</b>				
Security of Persons and Property:				
Police	171,278	0	0	171,278
Public Health Services	901,277	0	0	901,277
Community Environment	891,479	0	0	891,479
Transportation	2,120,232	0	0	2,120,232
General Government	126,057	40,569	0	166,626
Capital Outlay	0	0	4,604,243	4,604,243
Debt Service:				
Principal Retirement	0	275,470	0	275,470
Interest and Fiscal Charges	0	99,289	0	99,289
<b>Total Expenditures</b>	<b>4,210,323</b>	<b>415,328</b>	<b>4,604,243</b>	<b>9,229,894</b>
Excess of Revenues Over (Under) Expenditures	(737,160)	103,896	(4,499,234)	(5,132,498)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	22,219	0	0	22,219
General Obligation Bonds Issued	0	3,111,784	0	3,111,784
Bond Anticipation Notes Issued	0	0	4,099,000	4,099,000
Premium on Debt Issuance	0	86,695	0	86,695
Payment to Refunded Bond Escrow Account	0	(3,151,785)	0	(3,151,785)
Transfer In	690,000	0	0	690,000
Transfer Out	(25,000)	0	0	(25,000)
<b>Total Other Financing Sources (Uses)</b>	<b>687,219</b>	<b>46,694</b>	<b>4,099,000</b>	<b>4,832,913</b>
Net Change in Fund Balances	(49,941)	150,590	(400,234)	(299,585)
Fund Balances - Beginning of Year	2,246,803	171,589	6,501,371	8,919,763
<b>Fund Balances - End of Year</b>	<b>\$2,196,862</b>	<b>\$322,179</b>	<b>\$6,101,137</b>	<b>\$8,620,178</b>

**City of Lakewood, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2016*

	<b>Street and Highway</b>	<b>Litter Control Grant</b>	<b>Law and Drug Enforcement Trust</b>	<b>Federal Forfeiture</b>	<b>Indigent Drivers Alcohol Treatment</b>
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$508,046	\$5,709	\$217,690	\$42,095	\$156,436
Cash and Cash Equivalents:					
Materials and Supplies Inventory	183,735	0	0	0	0
Accrued Interest Receivable	0	0	0	82	0
Accounts Receivable	0	0	620	0	625
Intergovernmental Receivable	834,847	0	0	0	0
<b>Total Assets</b>	<b>\$1,526,628</b>	<b>\$5,709</b>	<b>\$218,310</b>	<b>\$42,177</b>	<b>\$157,061</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$59,685	\$0	\$58,427	\$0	\$2,150
Accrued Wages and Benefits	21,425	0	0	0	0
Intergovernmental Payable	16,051	0	0	0	0
Interfund Payable	23,688	0	0	0	0
<b>Total Liabilities</b>	<b>120,849</b>	<b>0</b>	<b>58,427</b>	<b>0</b>	<b>2,150</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Revenue - Other	534,466	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>534,466</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>					
Nonspendable	183,735	0	0	0	0
Restricted	687,578	5,709	159,883	42,177	154,911
Committed	0	0	0	0	0
Unassigned (Deficit)	0	0	0	0	0
<b>Total Fund Balances (Deficit)</b>	<b>871,313</b>	<b>5,709</b>	<b>159,883</b>	<b>42,177</b>	<b>154,911</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$1,526,628</b>	<b>\$5,709</b>	<b>\$218,310</b>	<b>\$42,177</b>	<b>\$157,061</b>

(Continued)

**City of Lakewood, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2016*

	<b>Enforcement and Education</b>	<b>Political Subdivision</b>	<b>Computer Research and Maintenance</b>	<b>Court Special Projects</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$31,817	\$18,244	\$41,845	\$365,729
Materials and Supplies Inventory	0	0	0	0
Accrued Interest Receivable	0	0	0	0
Accounts Receivable	344	0	1,870	7,032
Intergovernmental Receivable	0	0	0	0
<b>Total Assets</b>	<b>\$32,161</b>	<b>\$18,244</b>	<b>\$43,715</b>	<b>\$372,761</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$2,866	\$0	\$1,294	\$2,346
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	0	0	41
Interfund Payable	0	0	0	0
<b>Total Liabilities</b>	<b>2,866</b>	<b>0</b>	<b>1,294</b>	<b>2,387</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenue - Other	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	0
Restricted	29,295	18,244	42,421	370,374
Committed	0	0	0	0
Unassigned (Deficit)	0	0	0	0
<b>Total Fund Balances (Deficit)</b>	<b>29,295</b>	<b>18,244</b>	<b>42,421</b>	<b>370,374</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$32,161</b>	<b>\$18,244</b>	<b>\$43,715</b>	<b>\$372,761</b>

<b>Court Probation Services</b>	<b>Indigent Drivers Interlock and Alcohol Monitoring</b>	<b>Emergency Shelter Grant</b>	<b>HOME Investment Program</b>	<b>Neighborhood Stabilization</b>	<b>Office on Aging</b>
\$61,627	\$101,874	\$5,448	\$18,719	\$272,271	\$103,888
0	0	0	0	0	0
0	0	0	0	0	0
2,232	2,291	0	0	0	0
0	0	0	0	0	21,127
<u>\$63,859</u>	<u>\$104,165</u>	<u>\$5,448</u>	<u>\$18,719</u>	<u>\$272,271</u>	<u>\$125,015</u>
\$563	\$0	\$21,826	\$3,254	\$0	\$11,613
0	0	0	0	0	10,837
0	0	0	0	0	8,440
0	0	7,000	0	0	18,612
<u>563</u>	<u>0</u>	<u>28,826</u>	<u>3,254</u>	<u>0</u>	<u>49,502</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
63,296	104,165	0	15,465	272,271	75,513
0	0	0	0	0	0
0	0	(23,378)	0	0	0
<u>63,296</u>	<u>104,165</u>	<u>(23,378)</u>	<u>15,465</u>	<u>272,271</u>	<u>75,513</u>
<u>\$63,859</u>	<u>\$104,165</u>	<u>\$5,448</u>	<u>\$18,719</u>	<u>\$272,271</u>	<u>\$125,015</u>

(Continued)

**City of Lakewood, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2016*

	<u>Help-to- Others</u>	<u>Juvenile Diversion</u>	<u>Family to Family</u>	<u>FEMA</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$11,569	\$22,115	\$33,296	\$2,781	\$2,021,199
Materials and Supplies Inventory	0	0	0	0	183,735
Accrued Interest Receivable	0	0	0	0	82
Accounts Receivable	0	0	0	0	15,014
Intergovernmental Receivable	0	0	24,530	0	880,504
<b>Total Assets</b>	<u>\$11,569</u>	<u>\$22,115</u>	<u>\$57,826</u>	<u>\$2,781</u>	<u>\$3,100,534</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$0	\$0	\$4,819	\$0	\$168,843
Accrued Wages and Benefits	0	282	5,115	0	37,659
Intergovernmental Payable	0	225	3,647	0	28,404
Interfund Payable	0	0	85,000	0	134,300
<b>Total Liabilities</b>	<u>0</u>	<u>507</u>	<u>98,581</u>	<u>0</u>	<u>369,206</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable Revenue - Other	0	0	0	0	534,466
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>534,466</u>
<b>Fund Balances:</b>					
Nonspendable	0	0	0	0	183,735
Restricted	0	21,608	0	2,781	2,065,691
Committed	11,569	0	0	0	11,569
Unassigned (Deficit)	0	0	(40,755)	0	(64,133)
<b>Total Fund Balances (Deficit)</b>	<u>11,569</u>	<u>21,608</u>	<u>(40,755)</u>	<u>2,781</u>	<u>2,196,862</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$11,569</u>	<u>\$22,115</u>	<u>\$57,826</u>	<u>\$2,781</u>	<u>\$3,100,534</u>



**City of Lakewood, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2016*

	<b>Street and Highway</b>	<b>Litter Control Grant</b>	<b>Law and Drug Enforcement Trust</b>	<b>Federal Forfeiture</b>	<b>Indigent Drivers Alcohol Treatment</b>
<b>REVENUES</b>					
Intergovernmental	\$1,974,933	\$0	\$0	\$27,668	\$0
Interest	0	0	0	169	0
Fines and Forfeitures	0	0	6,649	0	9,018
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Special Assessments	9,976	0	0	0	0
All Other Revenues	61,430	0	160,767	0	0
<b>Total Revenues</b>	<b>2,046,339</b>	<b>0</b>	<b>167,416</b>	<b>27,837</b>	<b>9,018</b>
<b>EXPENDITURES</b>					
Security of Persons and Property					
Police and Other	0	0	154,006	9,618	0
Public Health Services	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	2,120,232	0	0	0	0
General Government	0	0	0	0	16,010
<b>Total Expenditures</b>	<b>2,120,232</b>	<b>0</b>	<b>154,006</b>	<b>9,618</b>	<b>16,010</b>
Excess of Revenues Over (Under) Expenditures	(73,893)	0	13,410	18,219	(6,992)
<b>OTHER FINANCING SOURCES</b>					
Sale of Capital Assets	0	0	22,219	0	0
Transfers In	0	0	0	0	0
Transfers Out	(25,000)	0	0	0	0
<b>Total Other Financing Sources</b>	<b>(25,000)</b>	<b>0</b>	<b>22,219</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	(98,893)	0	35,629	18,219	(6,992)
Fund Balances - Beginning of Year	970,206	5,709	124,254	23,958	161,903
<b>Fund Balances - End of Year</b>	<b>\$871,313</b>	<b>\$5,709</b>	<b>\$159,883</b>	<b>\$42,177</b>	<b>\$154,911</b>

(Continued)

**City of Lakewood, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Year Ended December 31, 2016*

	<b>Enforcement and Education</b>	<b>Political Subdivision</b>	<b>Computer Research and Maintenance</b>	<b>Court Special Projects</b>	<b>Court Probation Services</b>
<b>REVENUES</b>					
Intergovernmental	\$0	\$0	\$0	\$0	\$0
Interest	0	0	0	0	0
Fines and Forfeitures	6,724	799	26,166	113,953	34,032
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Special Assessments	0	0	0	0	0
All Other Revenues	1,100	0	0	0	0
<b>Total Revenues</b>	<u>7,824</u>	<u>799</u>	<u>26,166</u>	<u>113,953</u>	<u>34,032</u>
<b>EXPENDITURES</b>					
Security of Persons and Property					
Police and Other	7,654	0	0	0	0
Public Health Services	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	0	0	0	0	0
General Government	0	0	18,968	82,378	8,701
<b>Total Expenditures</b>	<u>7,654</u>	<u>0</u>	<u>18,968</u>	<u>82,378</u>	<u>8,701</u>
Excess of Revenues Over (Under) Expenditures	<u>170</u>	<u>799</u>	<u>7,198</u>	<u>31,575</u>	<u>25,331</u>
<b>OTHER FINANCING SOURCES</b>					
Sale of Capital Assets	0	0	0	0	0
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
<b>Total Other Financing Sources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	170	799	7,198	31,575	25,331
Fund Balances - Beginning of Year	29,125	17,445	35,223	338,799	37,965
<b>Fund Balances - End of Year</b>	<u>\$29,295</u>	<u>\$18,244</u>	<u>\$42,421</u>	<u>\$370,374</u>	<u>\$63,296</u>

<b>Indigent Drivers Interlock and Alcohol Monitoring</b>	<b>Emergency Shelter Grant</b>	<b>HOME Investment Program</b>	<b>Neighborhood Stabilization</b>	<b>Office on Aging</b>
\$0	\$121,777	\$289,388	\$0	\$124,221
0	0	0	0	0
24,603	0	0	0	0
0	0	0	0	72,057
0	0	0	0	43,438
0	0	0	0	0
0	0	0	0	0
<u>24,603</u>	<u>121,777</u>	<u>289,388</u>	<u>0</u>	<u>239,716</u>
0	0	0	0	0
0	0	0	0	901,277
0	121,460	280,804	100,137	0
0	0	0	0	0
0	0	0	0	0
<u>0</u>	<u>121,460</u>	<u>280,804</u>	<u>100,137</u>	<u>901,277</u>
<u>24,603</u>	<u>317</u>	<u>8,584</u>	<u>(100,137)</u>	<u>(661,561)</u>
0	0	0	0	0
0	0	0	0	690,000
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>690,000</u>
<u>24,603</u>	<u>317</u>	<u>8,584</u>	<u>(100,137)</u>	<u>28,439</u>
<u>79,562</u>	<u>(23,695)</u>	<u>6,881</u>	<u>372,408</u>	<u>47,074</u>
<u>\$104,165</u>	<u>(\$23,378)</u>	<u>\$15,465</u>	<u>\$272,271</u>	<u>\$75,513</u>

(Continued)

**City of Lakewood, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Year Ended December 31, 2016*

	<b>Help-to- Others</b>	<b>Juvenile Diversion</b>	<b>Family to Family</b>	<b>FEMA</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>REVENUES</b>					
Intergovernmental	\$0	\$14,400	\$307,548	\$0	\$2,859,935
Interest	0	0	0	0	169
Fines and Forfeitures	0	0	0	0	221,944
Charges for Services	15,925	0	0	0	87,982
Contributions and Donations	23,682	2,740	0	0	69,860
Special Assessments	0	0	0	0	9,976
All Other Revenues	0	0	0	0	223,297
<b>Total Revenues</b>	<b>39,607</b>	<b>17,140</b>	<b>307,548</b>	<b>0</b>	<b>3,473,163</b>
<b>EXPENDITURES</b>					
Security of Persons and Property					
Police and Other	0	0	0	0	171,278
Public Health Services	0	0	0	0	901,277
Community Environment	39,607	12,632	336,839	0	891,479
Transportation	0	0	0	0	2,120,232
General Government	0	0	0	0	126,057
<b>Total Expenditures</b>	<b>39,607</b>	<b>12,632</b>	<b>336,839</b>	<b>0</b>	<b>4,210,323</b>
Excess of Revenues Over (Under) Expenditures	0	4,508	(29,291)	0	(737,160)
<b>OTHER FINANCING SOURCES</b>					
Sale of Capital Assets	0	0	0	0	22,219
Transfers In	0	0	0	0	690,000
Transfers Out	0	0	0	0	(25,000)
<b>Total Other Financing Sources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>687,219</b>
Net Change in Fund Balances	0	4,508	(29,291)	0	(49,941)
Fund Balances - Beginning of Year	11,569	17,100	(11,464)	2,781	2,246,803
<b>Fund Balances - End of Year</b>	<b>\$11,569</b>	<b>\$21,608</b>	<b>(\$40,755)</b>	<b>\$2,781</b>	<b>\$2,196,862</b>

**City of Lakewood, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2016*

	<b>Permanent Capital Improvement</b>	<b>Land Acquisition</b>	<b>City Park Improvement</b>	<b>Tax Increment Financing Capital Improvement</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$1,375,027	\$5,000,000	\$61,630	\$0	\$6,436,657
Cash and Cash Equivalents:					
In Segregated Accounts	54,942	0	0	21,718	76,660
Intergovernmental Receivable	78,750	0	0	0	78,750
<b>Total Assets</b>	<b>\$1,508,719</b>	<b>\$5,000,000</b>	<b>\$61,630</b>	<b>\$21,718</b>	<b>\$6,592,067</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$354,270	\$0	\$0	\$0	\$354,270
Retainage Payable	54,942	0	0	21,718	76,660
Notes Payable	60,000	0	0	0	60,000
<b>Total Liabilities</b>	<b>469,212</b>	<b>0</b>	<b>0</b>	<b>21,718</b>	<b>490,930</b>
<b>Fund Balances:</b>					
Restricted	1,039,507	0	0	0	1,039,507
Committed	0	5,000,000	61,630	0	5,061,630
<b>Total Fund Balances</b>	<b>1,039,507</b>	<b>5,000,000</b>	<b>61,630</b>	<b>0</b>	<b>6,101,137</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$1,508,719</b>	<b>\$5,000,000</b>	<b>\$61,630</b>	<b>\$21,718</b>	<b>\$6,592,067</b>

**City of Lakewood, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2016*

	Permanent Capital Improvement	Land Acquisition	City Park Improvement	Tax Increment Financing Capital Improvement	Total Nonmajor Capital Projects Funds
<b>REVENUES</b>					
Intergovernmental	\$101,010	\$0	\$0	\$0	\$101,010
All Other Revenues	0	0	3,999	0	3,999
<b>Total Revenues</b>	<u>101,010</u>	<u>0</u>	<u>3,999</u>	<u>0</u>	<u>105,009</u>
<b>EXPENDITURES</b>					
Capital Outlay	4,357,023	0	24,009	223,211	4,604,243
<b>Total Expenditures</b>	<u>4,357,023</u>	<u>0</u>	<u>24,009</u>	<u>223,211</u>	<u>4,604,243</u>
Excess of Revenues (Under) Expenditures	<u>(4,256,013)</u>	<u>0</u>	<u>(20,010)</u>	<u>(223,211)</u>	<u>(4,499,234)</u>
<b>OTHER FINANCING SOURCES</b>					
Bond Anticipation Notes Issued	4,099,000	0	0	0	4,099,000
<b>Total Other Financing Sources</b>	<u>4,099,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,099,000</u>
Net Change in Fund Balances	(157,013)	0	(20,010)	(223,211)	(400,234)
Fund Balances - Beginning of Year	1,196,520	5,000,000	81,640	223,211	6,501,371
<b>Fund Balances - End of Year</b>	<u>\$1,039,507</u>	<u>\$5,000,000</u>	<u>\$61,630</u>	<u>\$0</u>	<u>\$6,101,137</u>

## *Fund Descriptions – Nonmajor Proprietary Funds*

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### *Nonmajor Enterprise Funds*

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

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

### *Internal Service Funds*

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

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

**City of Lakewood, Ohio**  
*Combining Statement of Net Position*  
*Nonmajor Enterprise Funds*  
*December 31, 2016*

	<b>Parking Facilities</b>	<b>Winterhurst Ice Rink</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$585,082	\$88,717	\$673,799
Materials and Supplies Inventory	95,771	0	95,771
Accounts Receivable	0	458,070	458,070
<b>Total Current Assets</b>	<b>680,853</b>	<b>546,787</b>	<b>1,227,640</b>
<b>Noncurrent Assets:</b>			
Advances to Other Funds	251	0	251
Capital Assets:			
Land	77,120	10	77,130
Depreciable Capital Assets, Net of Depreciation	723,497	4,473,329	5,196,826
<b>Total Noncurrent Assets</b>	<b>800,868</b>	<b>4,473,339</b>	<b>5,274,207</b>
<b>Total Assets</b>	<b>1,481,721</b>	<b>5,020,126</b>	<b>6,501,847</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferral on Refunding	0	27,300	27,300
Pension	60,801	0	60,801
<b>Total Deferred Outflows of Resources</b>	<b>60,801</b>	<b>27,300</b>	<b>88,101</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	\$ 51,897	\$ 96,323	\$ 148,220
Accrued Wages	2,331	0	2,331
Intergovernmental Payable	1,833	0	1,833
Interfund Payable	3,384	360,000	363,384
Compensated Absences Payable	561	0	561
Accrued Interest Payable	471	602	1,073
General Obligation Bonds Payable	25,000	112,786	137,786
Capital Leases Payable	1,323	139,047	140,370
<b>Total Current Liabilities</b>	<b>86,800</b>	<b>708,758</b>	<b>795,558</b>
<b>Noncurrent Liabilities:</b>			
Compensated Absences Payable	6,198	0	6,198
General Obligation Bonds Payable	121,216	109,939	231,155
Capital Leases Payable	3,664	83,845	87,509
Net Pension Liability	158,538	0	158,538
<b>Total Noncurrent Liabilities</b>	<b>289,616</b>	<b>193,784</b>	<b>483,400</b>
<b>Total Liabilities</b>	<b>376,416</b>	<b>902,542</b>	<b>1,278,958</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	4,315	0	4,315
<b>Total Deferred Inflows of Resources</b>	<b>4,315</b>	<b>0</b>	<b>4,315</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	649,414	3,806,737	4,456,151
Unrestricted	512,377	338,147	850,524
<b>Total Net Position</b>	<b>\$1,161,791</b>	<b>\$4,144,884</b>	<b>\$5,306,675</b>



**City of Lakewood, Ohio**  
*Combining Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Nonmajor Enterprise Funds*  
*For the Year Ended December 31, 2016*

	<b>Parking Facilities</b>	<b>Winterhurst Ice Rink</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$487,715	\$323,465	\$811,180
Miscellaneous	0	81,500	81,500
<b>Total Operating Revenues</b>	<u>487,715</u>	<u>404,965</u>	<u>892,680</u>
<b>OPERATING EXPENSES</b>			
Salaries	172,702	0	172,702
Property Taxes	47,023	59,028	106,051
Materials and Supplies	25,598	25,829	51,427
Utilities	26,136	260,677	286,813
Contractual Services	42,951	12,935	55,886
Depreciation	39,392	81,118	120,510
Other	52,595	0	52,595
<b>Total Operating Expense</b>	<u>406,397</u>	<u>439,587</u>	<u>845,984</u>
Operating Income (Loss)	<u>81,318</u>	<u>(34,622)</u>	<u>46,696</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
(Loss) on Sale of Capital Assets	0	(4,230)	(4,230)
Interest and Fiscal Charges	(6,273)	(30,506)	(36,779)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(6,273)</u>	<u>(34,736)</u>	<u>(41,009)</u>
Transfers In	0	279,250	279,250
(Transfers Out)	(4,500)	(60,000)	(64,500)
Change in Net Position	<u>70,545</u>	<u>149,892</u>	<u>220,437</u>
Net Position - Beginning of Year	<u>1,091,246</u>	<u>3,994,992</u>	<u>5,086,238</u>
<b>Net Position - End of Year</b>	<u><u>\$1,161,791</u></u>	<u><u>\$4,144,884</u></u>	<u><u>\$5,306,675</u></u>

**City of Lakewood, Ohio**  
*Combining Statement of Cash Flows*  
*Nonmajor Enterprise Funds*  
*For the Year Ended December 31, 2016*

	<b>Parking Facilities</b>	<b>Winterhurst Ice Rink</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$487,715	\$246,482	\$734,197
Cash Received from Other Operating Sources	0	81,500	81,500
Cash Payments for Employee Services and Benefits	(161,454)	0	(161,454)
Cash Payments for Goods and Services	(142,037)	(357,597)	(499,634)
Cash Payments for Other Operating Expenses	(52,595)	0	(52,595)
Net Cash Provided by (Used in) Operating Activities	<u>131,629</u>	<u>(29,615)</u>	<u>102,014</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Advances In	0	300,000	300,000
Advances Out	0	(155,000)	(155,000)
Transfers In	0	256,924	256,924
Transfers Out	(4,500)	(60,000)	(64,500)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(4,500)</u>	<u>341,924</u>	<u>337,424</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal Paid on Debt	(27,025)	(230,026)	(257,051)
Interest Paid on Debt	(6,590)	(26,898)	(33,488)
Net Cash Used in Capital and Related Financing Activities	<u>(33,615)</u>	<u>(256,924)</u>	<u>(290,539)</u>
Net Increase in Cash and Cash Equivalents	93,514	55,385	148,899
Cash and Cash Equivalents - Beginning of Year	<u>491,568</u>	<u>33,332</u>	<u>524,900</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$585,082</u></u>	<u><u>\$88,717</u></u>	<u><u>\$673,799</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED IN) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$81,318	(\$34,622)	\$46,696
Adjustments:			
Depreciation	39,392	81,118	120,510
(Increase) Decrease in Assets and Deferred Outflows of Resources:			
Accounts Receivable	0	(76,983)	(76,983)
Materials and Supplies Inventory	994	0	994
Net Pension Asset	(104)	0	(104)
Deferred Outflows of Resources	(40,918)	0	(40,918)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:			
Accounts Payable	(1,323)	872	(451)
Accrued Wages and Benefits	667	0	667
Compensated Absences Payable	299	0	299
Interfund Payable	2,369	0	2,369
Intergovernmental Payable	160	0	160
Net Pension Liability	46,474	0	46,474
Deferred Inflows of Resources	2,301	0	2,301
Net Cash Provided by (Used in) Operating Activities	<u><u>\$131,629</u></u>	<u><u>(\$29,615)</u></u>	<u><u>\$102,014</u></u>

**City of Lakewood, Ohio**  
*Combining Statement of Net Position*  
*Nonmajor Internal Service Funds*  
*December 31, 2016*

	<u>Hospitalization</u>	<u>Workers' Compensation</u>	<u>Total Nonmajor Internal Service Funds</u>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$2,492,713	\$591,363	\$3,084,076
Interfund Receivable	681,750	15,347	697,097
<b>Total Assets</b>	<u>3,174,463</u>	<u>606,710</u>	<u>3,781,173</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Claims Payable	\$683,723	\$15,347	\$699,070
<b>Total Current Liabilities</b>	<u>683,723</u>	<u>15,347</u>	<u>699,070</u>
<b>NET POSITION</b>			
Unrestricted	2,490,740	591,363	3,082,103
<b>Total Net Position</b>	<u><u>\$2,490,740</u></u>	<u><u>\$591,363</u></u>	<u><u>\$3,082,103</u></u>

**City of Lakewood, Ohio**  
*Combining Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Nonmajor Internal Service Funds*  
*For the Year Ended December 31, 2016*

	<u>Hospitalization</u>	<u>Workers' Compensation</u>	<u>Total Nonmajor Internal Service Funds</u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$4,109,206	\$268,297	\$4,377,503
Miscellaneous	945,628	8,279	953,907
<b>Total Operating Revenues</b>	<u>5,054,834</u>	<u>276,576</u>	<u>5,331,410</u>
<b>OPERATING EXPENSES</b>			
Contractual Services	\$72,983	\$113,019	\$186,002
Claims	6,894,179	274,349	7,168,528
<b>Total Operating Expense</b>	<u>6,967,162</u>	<u>387,368</u>	<u>7,354,530</u>
Operating (Loss)	<u>(1,912,328)</u>	<u>(110,792)</u>	<u>(2,023,120)</u>
Transfers In	<u>1,265,000</u>	<u>81,548</u>	<u>1,346,548</u>
Change in Net Position	(647,328)	(29,244)	(676,572)
Net Position - Beginning of Year	<u>3,138,068</u>	<u>620,607</u>	<u>3,758,675</u>
<b>Net Position - End of Year</b>	<u><u>\$2,490,740</u></u>	<u><u>\$591,363</u></u>	<u><u>\$3,082,103</u></u>

**City of Lakewood, Ohio**  
*Combining Statement of Cash Flows*  
*Nonmajor Internal Service Funds*  
*For the Year Ended December 31, 2016*

	<u>Hospitalization</u>	<u>Workers'</u> <u>Compensation</u>	<u>Total</u> <u>Nonmajor</u> <u>Internal</u> <u>Service</u> <u>Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers and Users	\$3,610,992	\$281,988	\$3,892,980
Other Cash Receipts	945,628	8,279	953,907
Cash Payments for Goods and Services	(72,983)	(113,019)	(186,002)
Cash Payments for Claims	(6,398,190)	(288,040)	(6,686,230)
Net Cash Used in Operating Activities	<u>(1,914,553)</u>	<u>(110,792)</u>	<u>(2,025,345)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers In	<u>1,265,000</u>	<u>81,548</u>	<u>1,346,548</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,265,000</u>	<u>81,548</u>	<u>1,346,548</u>
Net (Decrease) in Cash and Cash Equivalents	(649,553)	(29,244)	(678,797)
Cash and Cash Equivalents - Beginning of Year	<u>3,142,266</u>	<u>620,607</u>	<u>3,762,873</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$2,492,713</u></u>	<u><u>\$591,363</u></u>	<u><u>\$3,084,076</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES</b>			
Operating Income (Loss)	(\$1,912,328)	(\$110,792)	(\$2,023,120)
Adjustments:			
(Increase) Decrease in Assets:			
Interfund Receivable	(498,214)	13,691	(484,523)
Increase (Decrease) in Liabilities:			
Claims Payable	495,989	(13,691)	482,298
Net Cash Used in Operating Activities	<u><u>(1,914,553)</u></u>	<u><u>(110,792)</u></u>	<u><u>(2,025,345)</u></u>

## *Fund Descriptions – Fiduciary Funds*

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### *Fiduciary Funds*

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

### *Agency Funds*

Deposits

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

**City of Lakewood, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2016*

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	Balance 12/31/2015	Additions	Deletions	Balance 12/30/2016
<b>Deposits</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 2,170,356</u>	<u>\$ 33,649,558</u>	<u>\$ 33,251,739</u>	<u>\$ 2,568,175</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	<u>\$ 2,170,356</u>	<u>\$ 33,649,558</u>	<u>\$ 33,251,739</u>	<u>\$ 2,568,175</u>

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



**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$6,561,369	\$6,854,673	\$293,304
Municipal Income Taxes	21,601,159	23,866,022	2,264,863
Charges for Services	1,366,553	1,301,121	(65,432)
Licenses, Permits and Fees	2,510,975	2,732,469	221,494
Fines and Forfeitures	1,773,173	1,505,614	(267,559)
Intergovernmental	2,954,231	2,889,869	(64,362)
Interest	125,000	277,250	152,250
Miscellaneous	717,941	84,474	(633,467)
<i>Total Revenues</i>	<u>37,610,401</u>	<u>39,511,492</u>	<u>1,901,091</u>
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Council			
Salaries	147,488	146,292	1,196
Fringe Benefits	32,928	31,583	1,345
Professional Services	7,770	7,643	127
Communications	4,136	2,228	1,908
Materials and Supplies	1,131	35	1,096
Other	2,194	2,166	28
Total Council	<u>195,647</u>	<u>189,947</u>	<u>5,700</u>
Municipal Court			
Salaries	902,855	874,201	28,654
Fringe Benefits	139,973	133,850	6,123
Travel and Transportation	2,550	1,820	730
Professional Services	62,097	38,313	23,784
Communications	45,500	40,358	5,142
Materials and Supplies	20,069	15,660	4,409
Other	22,284	14,369	7,915
Total Municipal Court	<u>1,195,328</u>	<u>1,118,571</u>	<u>76,757</u>
Civil Service			
Salaries	57,067	57,052	15
Fringe Benefits	18,170	18,017	153
Professional Services	17,500	17,175	325
Communications	675	526	149
Materials and Supplies	50	17	33
Other	50	0	50
Total Civil Service	<u>93,512</u>	<u>92,787</u>	<u>725</u>

*(continued)*

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2016  
 (Continued)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Mayor's Office</b>			
Salaries	\$201,050	\$200,177	\$873
Fringe Benefits	59,148	58,850	298
Travel and Transportation	1,900	666	1,234
Professional Services	7,650	6,717	933
Communications	1,610	1,121	489
Materials and Supplies	3,045	1,768	1,277
Other	1,815	1,617	198
<b>Total Mayor's Office</b>	<b>276,218</b>	<b>270,916</b>	<b>5,302</b>
<b>Human Resources</b>			
Salaries	181,498	181,441	57
Fringe Benefits	55,255	55,030	225
Professional Services	16,660	15,868	792
Communications	900	613	287
Materials and Supplies	2,275	2,036	239
Other	2,550	1,737	813
<b>Total Human Resources</b>	<b>259,138</b>	<b>256,725</b>	<b>2,413</b>
<b>Community Relations</b>			
Salaries	56,996	56,470	526
Fringe Benefits	18,369	18,107	262
Professional Services	8,000	7,374	626
Communications	3,950	3,450	500
Contractual Services	5,000	5,000	0
Materials and Supplies	1,635	876	759
Other	2,250	1,058	1,192
<b>Total Community Relations</b>	<b>96,200</b>	<b>92,335</b>	<b>3,865</b>
<b>Public Works Administration</b>			
Salaries	76,400	76,327	73
Fringe Benefits	22,582	22,531	51
Travel and Transportation	475	0	475
Professional Services	1,725	786	939
Communications	1,300	852	448
Materials and Supplies	1,620	514	1,106
Other	515	420	95
<b>Total Public Works Administration</b>	<b>104,617</b>	<b>101,430</b>	<b>3,187</b>
<b>Buildings and Facilities-Security</b>			
Salaries	115,000	112,871	2,129
Fringe Benefits	18,700	17,439	1,261
<b>Total Buildings and Facilities</b>	<b>133,700</b>	<b>130,310</b>	<b>3,390</b>

*(continued)*

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2016  
 (Continued)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Fleet Management</b>			
Salaries	\$599,600	\$592,273	\$7,327
Fringe Benefits	191,545	190,050	1,495
Travel and Transportation	150	0	150
Professional Services	14,000	13,557	443
Communications	4,633	3,119	1,514
Contractual Services	21,700	20,173	1,527
Materials and Supplies	528,107	519,342	8,765
Other	6,185	3,057	3,128
<b>Total Fleet Management</b>	<b>1,365,920</b>	<b>1,341,571</b>	<b>24,349</b>
<b>Engineering</b>			
Salaries	119,300	118,577	723
Fringe Benefits	48,072	47,945	127
Travel and Transportation	2,000	1,853	147
Professional Services	2,000	1,284	716
Communications	4,425	2,334	2,091
Contractual Services	8,000	7,963	37
Materials and Supplies	2,175	1,861	314
Capital Outlay	26,106	26,105	1
Other	4,200	2,016	2,184
<b>Total Engineering</b>	<b>216,278</b>	<b>209,938</b>	<b>6,340</b>
<b>Finance</b>			
Salaries	412,650	411,750	900
Fringe Benefits	131,506	130,353	1,153
Travel and Transportation	1,425	139	1,286
Professional Services	66,725	59,264	7,461
Communications	9,050	6,935	2,115
Materials and Supplies	2,500	2,481	19
Other	5,125	3,921	1,204
<b>Total Finance</b>	<b>628,981</b>	<b>614,843</b>	<b>14,138</b>

*(continued)*

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2016  
 (Continued)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Income Tax</b>			
Salaries	\$385,100	\$381,350	\$3,750
Fringe Benefits	117,107	115,746	1,361
Travel and Transportation	1,800	1,609	191
Professional Services	123,475	120,903	2,572
Communications	101,300	99,760	1,540
Contractual Services	1,850	1,750	100
Materials and Supplies	5,025	3,837	1,188
Refunds	365,000	361,367	3,633
Utilities	4,100	3,477	623
Other	83,401	81,202	2,199
<b>Total Income Tax</b>	<b>1,188,158</b>	<b>1,171,001</b>	<b>17,157</b>
<b>Information Systems</b>			
Salaries	298,950	296,488	2,462
Fringe Benefits	84,033	83,188	845
Professional Services	41,665	41,665	0
Communications	17,753	17,752	1
Contractual Services	27,192	27,192	0
Materials and Supplies	87,096	86,499	597
Capital Outlay	436,147	435,448	699
Other	291,516	291,511	5
<b>Total Information Systems</b>	<b>1,284,352</b>	<b>1,279,743</b>	<b>4,609</b>
<b>General Administration</b>			
Salaries	163,293	163,276	17
Fringe Benefits	42,805	38,780	4,025
Professional Services	94,576	94,574	2
Communications	8,113	4,146	3,967
Contractual Services	11,291	11,290	1
Materials and Supplies	3,021	1,868	1,153
Insurance	1,025,000	1,025,000	0
Other	3,542,912	3,542,886	26
<b>Total General Administration</b>	<b>4,891,011</b>	<b>4,881,820</b>	<b>9,191</b>
<b>Law</b>			
Salaries	343,700	342,013	1,687
Fringe Benefits	90,735	89,936	799
Travel and Transportation	880	374	506
Professional Services	20,850	20,117	733
Communications	3,000	1,445	1,555
Materials and Supplies	12,735	10,435	2,300
Other	5,960	5,861	99
<b>Total Law</b>	<b>477,860</b>	<b>470,181</b>	<b>7,679</b>
<b>Total General Government</b>	<b>12,406,920</b>	<b>12,222,118</b>	<b>184,802</b>

*(continued)*

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2016  
 (Continued)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Security of Persons and Property:			
Police			
Salaries	\$8,050,066	\$8,032,221	\$17,845
Fringe Benefits	1,167,548	1,165,926	1,622
Professional Services	30,350	28,003	2,347
Communications	68,328	64,126	4,202
Contractual Services	130,637	130,018	619
Materials and Supplies	154,965	150,705	4,260
Capital Outlay	48,025	47,660	365
Other	86,190	81,355	4,835
Total Police	<u>9,736,109</u>	<u>9,700,014</u>	<u>36,095</u>
Police Communications			
Salaries	561,603	557,728	3,875
Fringe Benefits	196,135	194,511	1,624
Professional Services	750	0	750
Other	15,850	13,336	2,514
Total Police Communications	<u>774,338</u>	<u>765,575</u>	<u>8,763</u>
School Guards			
Salaries	155,500	153,481	2,019
Fringe Benefits	28,549	26,260	2,289
Other	550	550	0
Total School Guards	<u>184,599</u>	<u>180,291</u>	<u>4,308</u>
Fire			
Salaries	6,392,666	6,357,897	34,769
Fringe Benefits	900,808	898,983	1,825
Travel and Transportation	4,775	3,211	1,564
Professional Services	18,700	17,557	1,143
Communications	28,500	26,633	1,867
Contractual Services	18,510	16,170	2,340
Materials and Supplies	116,475	106,799	9,676
Utilities	55,500	52,365	3,135
Other	43,975	38,768	5,207
Total Fire	<u>7,579,909</u>	<u>7,518,383</u>	<u>61,526</u>
Street Lighting			
Other	638,500	627,943	10,557

*(continued)*

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2016  
 (Continued)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Animal Control</b>			
Salaries	\$137,900	\$135,166	\$2,734
Fringe Benefits	50,082	49,436	646
Communications	1,150	1,007	143
Contractual Services	1,927	1,927	0
Materials and Supplies	3,187	2,719	468
Utilities	7,700	6,843	857
Capital Outlay	7,500	7,450	50
Other	557	301	256
<b>Total Animal Control</b>	<b>210,003</b>	<b>204,849</b>	<b>5,154</b>
<i>Total Security of Persons and Property</i>	<i>19,123,458</i>	<i>18,997,055</i>	<i>126,403</i>
<b>Public Health Services:</b>			
<b>Support of Prisoners</b>			
Salaries	85,959	85,363	596
Fringe Benefits	34,190	33,401	789
Professional Services	35,000	34,620	380
Contractual Services	40,500	38,430	2,070
Materials and Supplies	46,500	42,312	4,188
Other	1,000	0	1,000
<b>Total Support of Prisoners</b>	<b>243,149</b>	<b>234,126</b>	<b>9,023</b>
<b>Human Services Administration</b>			
Salaries	146,200	143,758	2,442
Fringe Benefits	40,351	39,872	479
Professional Services	50	50	0
Communications	360	338	22
Materials and Supplies	1,025	390	635
Other	575	535	40
<b>Total Human Services Administration</b>	<b>188,561</b>	<b>184,943</b>	<b>3,618</b>
<i>Total Public Health Services</i>	<i>431,710</i>	<i>419,069</i>	<i>12,641</i>
<b>Community Environment:</b>			
<b>Housing and Building</b>			
Salaries	653,864	652,626	1,238
Fringe Benefits	234,342	233,130	1,212
Travel and Transportation	875	748	127
Professional Services	35,200	30,642	4,558
Communications	13,375	9,242	4,133
Contractual Services	83,000	82,200	800
Materials and Supplies	6,175	4,414	1,761
Other	22,000	18,377	3,623
<b>Total Housing and Building</b>	<b>1,048,831</b>	<b>1,031,379</b>	<b>17,452</b>

*(continued)*

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2016  
 (Continued)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Forestry</b>			
Salaries	\$242,070	\$236,840	\$5,230
Fringe Benefits	79,783	77,234	2,549
Professional Services	1,800	1,763	37
Communications	500	92	408
Contractual Services	17,500	17,204	296
Materials and Supplies	22,250	16,529	5,721
Capital Outlay	185,919	185,845	74
Other	700	0	700
<b>Total Forestry</b>	<b>550,522</b>	<b>535,507</b>	<b>15,015</b>
<b>Child Care</b>			
Salaries	42,000	40,784	1,216
Fringe Benefits	15,955	15,614	341
Communications	275	159	116
Materials and Supplies	635	0	635
Other	550	0	550
<b>Total Child Care</b>	<b>59,415</b>	<b>56,557</b>	<b>2,858</b>
<b>Youth</b>			
Salaries	118,450	109,803	8,647
Fringe Benefits	74,706	74,263	443
Communications	3,419	3,417	2
Materials and Supplies	2,410	2,338	72
Utilities	5,150	3,665	1,485
Other	3,241	2,337	904
<b>Total Youth</b>	<b>207,376</b>	<b>195,823</b>	<b>11,553</b>
<b>Planning and Development</b>			
Salaries	148,480	147,162	1,318
Fringe Benefits	60,670	60,201	469
Travel and Transportation	316	316	0
Professional Services	6,290	6,290	0
Communications	2,338	2,336	2
Contractual Services	39,963	39,963	0
Materials and Supplies	385	383	2
Other	1,906,127	1,906,126	1
<b>Total Planning and Development</b>	<b>2,164,569</b>	<b>2,162,777</b>	<b>1,792</b>
<b>Total Community Environment</b>	<b>4,030,713</b>	<b>3,982,043</b>	<b>48,670</b>

*(continued)*

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2016  
 (Continued)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Basic Utility Services:</b>			
<b>Refuse and Recycling</b>			
Salaries	\$1,422,800	\$1,420,652	\$2,148
Fringe Benefits	505,465	503,871	1,594
Communications	14,865	12,100	2,765
Contractual Services	766,325	765,414	911
Materials and Supplies	130,975	125,056	5,919
Utilities	20,000	15,792	4,208
Capital Outlay	52,663	50,504	2,159
Other	4,575	2,640	1,935
<b>Total Basic Utility Services</b>	<b>2,917,668</b>	<b>2,896,029</b>	<b>21,639</b>
<b>Leisure Time Activities:</b>			
<b>Parks</b>			
Salaries	982,950	978,314	4,636
Fringe Benefits	335,437	332,121	3,316
Professional Services	1,300	1,205	95
Communications	14,970	11,714	3,256
Contractual Services	96,500	94,723	1,777
Materials and Supplies	231,710	218,316	13,394
Utilities	197,000	193,329	3,671
Capital Outlay	166,000	162,941	3,059
Other	123,595	120,150	3,445
<b>Total Parks</b>	<b>2,149,462</b>	<b>2,112,813</b>	<b>36,649</b>
<b>Band Concerts</b>			
Salaries	157	156	1
Fringe Benefits	29	22	7
Professional Services	10,251	10,250	1
<b>Total Band Concerts</b>	<b>10,437</b>	<b>10,428</b>	<b>9</b>
<b>Museums</b>			
Contractual Services	5,500	5,367	133
Utilities	2,600	2,331	269
<b>Total Museums</b>	<b>8,100</b>	<b>7,698</b>	<b>402</b>
<b>July 4th Festival</b>			
Salaries	10,150	10,149	1
Fringe Benefits	1,555	1,552	3
Contractual Services	38,656	38,655	1
Materials and Supplies	2,484	2,481	3
<b>Total July 4th Festival</b>	<b>52,845</b>	<b>52,837</b>	<b>8</b>
<b>Tennis Courts</b>			
Utilities	6,350	5,595	755
<b>Total Tennis Courts</b>	<b>6,350</b>	<b>5,595</b>	<b>755</b>
<b>Total Leisure Time Activities</b>	<b>2,227,194</b>	<b>2,189,371</b>	<b>37,823</b>
<b>Total Expenditures</b>	<b>41,137,663</b>	<b>40,705,685</b>	<b>431,978</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(3,527,262)</b>	<b>(1,194,193)</b>	<b>2,333,069</b>

*(continued)*



**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2016  
 (Continued)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses)</b>			
Sale of Capital assets	197,827	167,186	(\$30,641)
Advance In	\$1,469,519	\$331,000	(\$1,138,519)
Transfers Out	(2,260,000)	(2,256,548)	3,452
Advance Out	(432,000)	(432,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,024,654)</u>	<u>(2,190,362)</u>	<u>(1,165,708)</u>
<i>Net Change in Fund Balance</i>	(4,551,916)	(3,384,555)	1,167,361
<i>Fund Balance Beginning of Year</i>	5,883,761	5,883,761	0
<i>Prior Year Encumbrances Appropriated</i>	<u>3,858,545</u>	<u>3,858,545</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,190,390</u></u>	<u><u>\$6,357,751</u></u>	<u><u>\$1,167,361</u></u>

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Police and Fire Pension Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$2,488,014	\$2,599,244	\$111,230
Intergovernmental	323,153	341,507	18,354
<i>Total Revenues</i>	<u>2,811,167</u>	<u>2,940,751</u>	<u>129,584</u>
<b>Expenditures</b>			
<b>Current:</b>			
Security of Persons and Property:			
Fringe Benefits Police	1,500,000	1,482,904	17,096
Fringe Benefits Fire	1,475,000	1,460,816	14,184
<i>Total Expenditures</i>	<u>2,975,000</u>	<u>2,943,720</u>	<u>31,280</u>
<i>Net Change in Fund Balance</i>	(163,833)	(2,969)	160,864
<i>Fund Balance Beginning of Year</i>	<u>845,003</u>	<u>845,003</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$681,170</u></u>	<u><u>\$842,034</u></u>	<u><u>\$160,864</u></u>

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Community Development Block Grant Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$2,058,749	\$2,080,848	\$22,099
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Salaries	323,407	305,144	18,263
Fringe Benefits	97,367	84,799	12,568
Travel and Transportation	1,175	40	1,135
Professional Services	14,376	12,995	1,381
Communications	2,150	961	1,189
Contractual Services	949,718	940,143	9,575
Materials and Supplies	300	104	196
Capital Outlay	526,703	518,680	8,023
Other	96,133	94,534	1,599
<i>Total Expenditures</i>	<u>2,011,329</u>	<u>1,957,400</u>	<u>53,929</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	47,420	123,448	76,028
<b>Other Financing Sources (Uses)</b>			
Advances In	426,519	40,000	(386,519)
Advances Out	(130,000)	(130,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>296,519</u>	<u>(90,000)</u>	<u>(386,519)</u>
<i>Net Change in Fund Balance</i>	343,939	33,448	(310,491)
<i>Fund Balance Beginning of Year</i>	<u>38,882</u>	<u>38,882</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$382,821</u></u>	<u><u>\$72,330</u></u>	<u><u>(\$310,491)</u></u>

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Lakewood Hospital Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$2,832,484	\$2,844,251	\$11,767
Special Assessments	16,456	12,129	(4,327)
Intergovernmental	0	75,790	75,790
Miscellaneous	750	1,200	450
<i>Total Revenues</i>	<u>2,849,690</u>	<u>2,933,370</u>	<u>83,680</u>
<b>Expenditures</b>			
<b>Current:</b>			
Security of Persons and Property:			
Fire:			
Salaries	686,710	678,701	8,009
Fringe Benefits	200,014	198,278	1,736
Professional Services	75,850	73,321	2,529
Communications	2,171	1,997	174
Materials and Supplies	107,782	102,844	4,938
Capital Outlay	468,000	467,600	400
Other	41,715	37,716	3,999
<i>Total Security of Persons and Property</i>	<u>1,582,242</u>	<u>1,560,457</u>	<u>21,785</u>
Public Health Services:			
Health:			
Salaries	127,160	119,514	7,646
Fringe Benefits	38,544	36,779	1,765
Professional Services	525	103	422
Communications	1,475	1,156	319
Contractual Services	206,155	206,104	51
Materials and Supplies	3,290	2,098	1,192
Utilities	5,750	4,827	923
Other	4,500	3,409	1,091
<i>Total Public Health Services</i>	<u>387,399</u>	<u>373,990</u>	<u>13,409</u>

*(continued)*

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Lakewood Hospital Fund  
 For the Year Ended December 31, 2016  
 (Continued)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Environment:			
Planning and Development:			
Professional Services	\$163,000	\$162,208	\$792
Contractual Services	2,500	2,189	311
Property Taxes	26,823	26,822	1
<i>Total Community Environment</i>	<u>192,323</u>	<u>191,219</u>	<u>1,104</u>
Debt Service:			
Principal Retirement	108,330	108,287	43
Interest and Fiscal Charges	24,670	24,669	1
<i>Total Debt Service</i>	<u>133,000</u>	<u>132,956</u>	<u>44</u>
<i>Total Expenditures</i>	<u>2,294,964</u>	<u>2,258,622</u>	<u>36,342</u>
<i>Excess of Revenues Over Expenditures</i>	554,726	674,748	120,022
<b>Other Financing Sources (Uses)</b>			
Sale of Capital Assets	1,576,000	1,576,000	0
Transfers Out	(751,200)	(1,200)	750,000
<i>Total Other Financing Sources (Uses)</i>	<u>824,800</u>	<u>1,574,800</u>	<u>750,000</u>
<i>Net Change in Fund Balance</i>	1,379,526	2,249,548	870,022
<i>Fund Balance Beginning of Year</i>	<u>7,595,976</u>	<u>7,595,976</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,975,502</u></u>	<u><u>\$9,845,524</u></u>	<u><u>\$870,022</u></u>

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Debt Service Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$2,632,128	\$2,749,805	\$117,677
Intergovernmental	425,149	467,074	41,925
Special Assessments	225,629	373,506	147,877
Interest	7,106	15,716	8,610
Miscellaneous	0	23,691	23,691
<i>Total Revenues</i>	<u>3,290,012</u>	<u>3,629,792</u>	<u>339,780</u>
<b>Expenditures</b>			
<b>Current:</b>			
Debt Service:			
Principal Retirement	17,172,453	16,918,189	254,264
Interest and Fiscal Charges	1,388,414	1,353,428	34,986
Bond Issuance Costs	139,704	139,703	1
<i>Total Expenditures</i>	<u>18,700,571</u>	<u>18,411,320</u>	<u>289,251</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(15,410,559)</u>	<u>(14,781,528)</u>	<u>629,031</u>
<b>Other Financing Sources (Uses)</b>			
General Obligation Debt Issued	13,535,000	13,972,020	437,020
Premium on General Obligation Debt Issued	1,379,000	1,379,924	924
Payment to Refunded Debt Escrow Agent	(1,676,565)	(1,676,565)	0
Transfers In	2,004,895	2,004,152	(743)
<i>Total Other Financing Sources (Uses)</i>	<u>15,242,330</u>	<u>15,679,531</u>	<u>437,201</u>
<i>Net Change in Fund Balance</i>	(168,229)	898,003	1,066,232
<i>Fund Balance Beginning of Year</i>	<u>1,376,245</u>	<u>1,376,245</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,208,016</u></u>	<u><u>\$2,274,248</u></u>	<u><u>\$1,066,232</u></u>

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Water Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$11,340,305	\$10,642,757	(\$697,548)
Intergovernmental	0	747,213	747,213
Interest	33,231	63,269	30,038
Special Assessments	168,469	68,209	(100,260)
General Obligation Debt Issued	8,674,000	8,674,055	55
Premium on General Obligation Debt Issued	868,000	868,637	637
Miscellaneous	16,372	254,310	237,938
<i>Total Revenues</i>	<u>21,100,377</u>	<u>21,318,450</u>	<u>218,073</u>
<b>Expenses</b>			
Salaries	833,736	821,953	11,783
Fringe Benefits	258,297	254,372	3,925
Professional Services	306,500	302,859	3,641
Communications	92,975	89,047	3,928
Contractual Services	7,186	3,007	4,179
Materials and Supplies	276,800	267,630	9,170
Capital Outlay	2,861,637	2,861,300	337
Purchased Water	5,741,275	5,740,297	978
Utilities	43,075	38,376	4,699
Other	556,860	550,622	6,238
Debt Service:			
Principal Retirement	1,204,715	1,204,715	0
Interest and Fiscal Charges	495,051	495,051	0
Payment to Refunded Debt Escrow Account	7,834,675	7,834,675	0
Bond Issuance Costs	55,469	55,468	1
<i>Total Expenses</i>	<u>20,568,251</u>	<u>20,519,372</u>	<u>48,879</u>
<i>Excess of Revenues Under Expenses before Transfers</i>	532,126	799,078	266,952
<b>Other Financing Uses</b>			
Transfers Out	(15,252)	(15,252)	0
<i>Net Change in Fund Equity</i>	516,874	783,826	266,952
<i>Fund Equity Beginning of Year</i>	<u>6,991,723</u>	<u>6,991,723</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$7,508,597</u></u>	<u><u>\$7,775,549</u></u>	<u><u>\$266,952</u></u>

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Sewer Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$1,517,081	\$1,584,903	\$67,822
Intergovernmental	1,741,724	1,958,941	217,217
Charges for Services	9,699,903	9,064,308	(635,595)
Interest	87	30,814	30,727
Special Assessments	117,962	38,216	(79,746)
General Obligation Debt Issued	20,576,000	20,187,141	(388,859)
Premium on General Obligation Debt Issued	1,743,765	1,745,647	1,882
Miscellaneous	250	245,082	244,832
<i>Total Revenues</i>	<u>35,396,772</u>	<u>34,855,052</u>	<u>(541,720)</u>
<b>Expenses</b>			
Salaries	1,999,149	1,977,733	21,416
Fringe Benefits	669,649	664,277	5,372
Travel and Transportation	2,555	816	1,739
Professional Services	1,178,547	1,171,981	6,566
Communications	14,555	12,805	1,750
Contractual Services	1,324,422	1,319,114	5,308
Materials and Supplies	331,421	313,394	18,027
Capital Outlay	5,440,275	5,290,438	149,837
Utilities	270,900	268,293	2,607
Other	752,754	686,280	66,474
Debt Service:			
Principal Retirement	5,059,416	5,059,416	0
Interest and Fiscal Charges	836,425	836,425	0
Payment to Refunded Debt Escrow Account	13,094,035	13,094,035	0
<i>Total Expenses</i>	<u>30,974,103</u>	<u>30,695,007</u>	<u>279,096</u>
<i>Excess of Revenues Over Expenses before Transfers</i>	4,422,669	4,160,045	(262,624)
<b>Other Financing Uses</b>			
Transfers Out	(1,678,200)	(1,678,200)	0
<i>Net Change in Fund Equity</i>	2,744,469	2,481,845	(262,624)
<i>Fund Equity Beginning of Year</i>	8,539,392	8,539,392	0
<i>Fund Equity End of Year</i>	<u>\$11,283,861</u>	<u>\$11,021,237</u>	<u>(\$262,624)</u>



**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Street and Highway Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$1,882,429	\$1,967,860	\$85,431
Special Assessments	0	9,976	9,976
Miscellaneous	111,667	61,430	(50,237)
<i>Total Revenues</i>	<u>1,994,096</u>	<u>2,039,266</u>	<u>45,170</u>
<b>Expenditures</b>			
<b>Current:</b>			
Transportation:			
Public Works:			
Salaries	968,794	968,791	3
Fringe Benefits	310,346	309,409	937
Professional Services	3,290	1,222	2,068
Communications	14,960	12,670	2,290
Contractual Services	198,000	196,979	1,021
Materials and Supplies	468,038	456,497	11,541
Utilities	45,000	43,733	1,267
Capital Outlay	139,000	138,364	636
Other	1,675	949	726
<i>Total Expenditures</i>	<u>2,149,103</u>	<u>2,128,614</u>	<u>20,489</u>
<i>Excess of Revenues Under Expenditures</i>	(155,007)	(89,348)	65,659
<b>Other Financing Uses</b>			
Transfers Out	(25,000)	(25,000)	0
<i>Net Change in Fund Balance</i>	(180,007)	(114,348)	65,659
<i>Fund Balance Beginning of Year</i>	<u>622,394</u>	<u>622,394</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$442,387</u></u>	<u><u>\$508,046</u></u>	<u><u>\$65,659</u></u>

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Litter Control Grant Fund  
 For the Year Ended December 31, 2016*

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	5,709	5,709	0
<i>Fund Balance End of Year</i>	\$5,709	\$5,709	\$0

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Law and Drug Enforcement Trust Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$53,586	\$0	(\$53,586)
Fines and Forfeitures	5,744	6,751	1,007
Miscellaneous	0	160,767	160,767
<i>Total Revenues</i>	<u>59,330</u>	<u>167,518</u>	<u>108,188</u>
<b>Expenditures</b>			
<b>Current:</b>			
Security of Persons and Property:			
Police:			
Travel and Transportation	12,000	11,512	488
Professional Services	32,500	30,959	1,541
Materials and Supplies	24,200	23,301	899
Capital Outlay	25,000	25,000	0
Other	10,275	7,647	2,628
<i>Total Expenditures</i>	<u>103,975</u>	<u>98,419</u>	<u>5,556</u>
<i>Excess of Revenue Under Expenditures</i>	(44,645)	69,099	113,744
<b>Other Financing Sources</b>			
Sale of Capital Assets	13,238	22,219	8,981
<i>Net Change in Fund Balance</i>	(31,407)	91,318	122,725
<i>Fund Balance Beginning of Year</i>	<u>126,372</u>	<u>126,372</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$94,965</u></u>	<u><u>\$217,690</u></u>	<u><u>\$122,725</u></u>

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Federal Forfeiture Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$17,517	\$27,668	\$10,151
Interest	31	231	200
<i>Total Revenues</i>	<u>17,548</u>	<u>27,899</u>	<u>10,351</u>
<b>Expenditures</b>			
<b>Current:</b>			
Security of Persons and Property:			
Police:			
Capital Outlay	<u>9,750</u>	<u>9,618</u>	<u>132</u>
<i>Net Change in Fund Balance</i>	7,798	18,281	10,483
<i>Fund Balance Beginning of Year</i>	<u>24,071</u>	<u>24,071</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$31,869</u></u>	<u><u>\$42,352</u></u>	<u><u>\$10,483</u></u>

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Indigent Drivers Alcohol Treatment Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$9,999	\$9,185	(\$814)
Intergovernmental	11,650	0	(11,650)
<i>Total Revenues</i>	<u>21,649</u>	<u>9,185</u>	<u>(12,464)</u>
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Municipal Court:			
Professional Services	22,000	20,240	1,760
Materials and Supplies	4,000	2,760	1,240
<i>Total Expenditures</i>	<u>26,000</u>	<u>23,000</u>	<u>3,000</u>
<i>Net Change in Fund Balance</i>	(4,351)	(13,815)	(9,464)
<i>Fund Balance Beginning of Year</i>	<u>170,251</u>	<u>170,251</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$165,900</u></u>	<u><u>\$156,436</u></u>	<u><u>(\$9,464)</u></u>

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Enforcement and Education Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$4,136	\$6,730	\$2,594
Miscellaneous	1,000	1,100	100
<i>Total Revenues</i>	<u>5,136</u>	<u>7,830</u>	<u>2,694</u>
<b>Expenditures</b>			
<b>Current:</b>			
Security of Persons and Property:			
Police:			
Materials and Supplies	5,000	4,788	212
<i>Total Expenditures</i>	<u>5,000</u>	<u>4,788</u>	<u>212</u>
<i>Net Change in Fund Balance</i>	136	3,042	2,906
<i>Fund Balance Beginning of Year</i>	<u>28,775</u>	<u>28,775</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$28,911</u></u>	<u><u>\$31,817</u></u>	<u><u>\$2,906</u></u>

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Political Subdivision Fund  
 For the Year Ended December 31, 2016*

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$450	\$849	\$399
<i>Net Change in Fund Balance</i>	450	849	399
<i>Fund Balance Beginning of Year</i>	17,395	17,395	0
<i>Fund Balance End of Year</i>	\$17,845	\$18,244	\$399

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Computer Research and Maintenance Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$27,926	\$26,555	(\$1,371)
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Municipal Court:			
Contractual Services	18,000	17,800	200
<i>Total Expenditures</i>	18,000	17,800	200
<i>Net Change in Fund Balance</i>	9,926	8,755	(1,171)
<i>Fund Balance Beginning of Year</i>	33,090	33,090	0
<i>Fund Balance End of Year</i>	\$43,016	\$41,845	(\$1,171)



**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Court Special Projects Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$116,795	\$115,889	(\$906)
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Municipal Court:			
Salaries	4,000	3,977	23
Fringe Benefits	1,159	614	545
Professional Services	1,900	1,800	100
Contractual Services	57,000	55,473	1,527
Materials and Supplies	10,001	1,811	8,190
Capital Outlay	18,646	18,645	1
<i>Total Expenditures</i>	92,706	82,320	10,386
<i>Net Change in Fund Balance</i>	24,089	33,569	9,480
<i>Fund Balance Beginning of Year</i>	332,160	332,160	0
<i>Fund Balance End of Year</i>	\$356,249	\$365,729	\$9,480

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Court Probation Services Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$35,624	\$35,059	(\$565)
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Municipal Court:			
Travel and Transportation	225	202	23
Professional Services	11,971	9,201	2,770
Contractual Services	185	85	100
<i>Total Expenditures</i>	12,381	9,488	2,893
<i>Net Change in Fund Balance</i>	23,243	25,571	2,328
<i>Fund Balance Beginning of Year</i>	36,056	36,056	0
<i>Fund Balance End of Year</i>	\$59,299	\$61,627	\$2,328

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Indigent Drivers Interlock and Alcohol Monitoring Fund (IDIAM)  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$8,406	\$22,662	\$14,256
<i>Net Change in Fund Balance</i>	8,406	22,662	14,256
<i>Fund Balance Beginning of Year</i>	79,212	79,212	0
<i>Fund Balance End of Year</i>	\$87,618	\$101,874	\$14,256

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Emergency Shelter Grant Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$195,000	\$121,777	(\$73,223)
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Planning and Development:			
Salaries	5,000	4,484	516
Fringe Benefits	770	690	80
Contractual Services	119,000	116,777	2,223
<i>Total Expenditures</i>	124,770	121,951	2,819
<i>Excess of Revenues Over (Under) Expenditures</i>	70,230	(174)	(70,404)
<b>Other Financing Sources (Uses)</b>			
Advances In	24,000	7,000	17,000
Advances Out	(6,000)	(6,000)	0
<i>Total Other Financing Sources (Uses)</i>	18,000	1,000	17,000
<i>Net Change in Fund Balance</i>	88,230	826	(87,404)
<i>Fund Balance Beginning of Year</i>	4,622	4,622	0
<i>Fund Balance End of Year</i>	\$92,852	\$5,448	(\$87,404)

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 HOME Investment Program Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$214,464	\$289,388	\$74,924
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Planning and Development:			
Contractual Services	327,500	326,376	1,124
<i>Excess of Revenues Over Expenditures</i>	(113,036)	(36,988)	76,048
<b>Other Financing Sources</b>			
Advances In	95,022	0	(95,022)
<i>Net Change in Fund Balance</i>	(18,014)	(36,988)	(18,974)
<i>Fund Balance Beginning of Year</i>	55,707	55,707	0
<i>Fund Balance End of Year</i>	\$37,693	\$18,719	(\$18,974)

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Neighborhood Stabilization Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Planning and Development:			
Contractual Services	6,000	5,284	716
<i>Total Expenditures</i>	6,000	5,284	716
<i>Excess of Revenue Under Expenditures</i>	(6,000)	(5,284)	716
<b>Other Financing Sources</b>			
Sale of Capital Assets	180,000	157,272	(22,728)
<i>Net Change in Fund Balance</i>	174,000	151,988	(22,012)
<i>Fund Balance Beginning of Year</i>	120,283	120,283	0
<i>Fund Balance End of Year</i>	\$294,283	\$272,271	(\$22,012)

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Office on Aging Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$65,000	\$72,057	\$7,057
Intergovernmental	100,000	109,479	9,479
Contributions and Donations	42,000	43,438	1,438
<i>Total Revenues</i>	<u>207,000</u>	<u>224,974</u>	<u>17,974</u>
<b>Expenditures</b>			
<b>Current:</b>			
Public Health Services:			
Office on Aging:			
Salaries	574,550	571,454	3,096
Fringe Benefits	193,199	191,913	1,286
Professional Services	2,000	1,217	783
Communications	16,300	15,394	906
Contractual Services	30,000	28,413	1,587
Materials and Supplies	42,165	38,037	4,128
Utilities	31,650	29,040	2,610
Other	11,110	10,366	744
<i>Total Expenditures</i>	<u>900,974</u>	<u>885,834</u>	<u>15,140</u>
<i>Excess of Revenues Under Expenditures</i>	(693,974)	(660,860)	33,114
<b>Other Financing Sources</b>			
Transfers In	690,000	690,000	0
<i>Net Change in Fund Balance</i>	(3,974)	29,140	33,114
<i>Fund Balance Beginning of Year</i>	<u>74,748</u>	<u>74,748</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$70,774</u></u>	<u><u>\$103,888</u></u>	<u><u>\$33,114</u></u>

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Help-to-Others Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$14,455	\$15,925	\$1,470
Contributions and Donations	25,000	23,682	(1,318)
<i>Total Revenues</i>	<u>39,455</u>	<u>39,607</u>	<u>152</u>
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Youth:			
Salaries	34,200	31,622	2,578
Fringe Benefits	4,960	4,885	75
Professional Services	70	65	5
Communications	700	211	489
Materials and Supplies	4,650	2,790	1,860
Other	450	34	416
<i>Total Expenditures</i>	<u>45,030</u>	<u>39,607</u>	<u>5,423</u>
<i>Net Change in Fund Balance</i>	(5,575)	0	5,575
<i>Fund Balance Beginning of Year</i>	<u>11,569</u>	<u>11,569</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,994</u></u>	<u><u>\$11,569</u></u>	<u><u>\$5,575</u></u>



**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Juvenile Diversion Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$14,400	\$14,400	\$0
Contributions and Donations	3,000	2,740	(260)
<i>Total Revenues</i>	<u>17,400</u>	<u>17,140</u>	<u>(260)</u>
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Youth Services:			
Salaries	11,000	10,539	461
Fringe Benefits	1,769	1,671	98
Professional Services	600	0	600
<i>Total Expenditures</i>	<u>13,369</u>	<u>12,210</u>	<u>1,159</u>
<i>Net Change in Fund Balance</i>	4,031	4,930	899
<i>Fund Balance Beginning of Year</i>	<u>17,185</u>	<u>17,185</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$21,216</u></u>	<u><u>\$22,115</u></u>	<u><u>\$899</u></u>

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Family to Family Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$320,464	\$308,553	(\$11,911)
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Child Care:			
Salaries	261,050	253,409	7,641
Fringe Benefits	41,718	39,099	2,619
Travel and Transportation	250	45	205
Professional Services	18,300	15,076	3,224
Communications	2,250	1,978	272
Contractual Services	619	0	619
Materials and Supplies	12,550	11,745	805
Utilities	2,100	1,320	780
Other	17,450	11,161	6,289
<i>Total Expenditures</i>	356,287	333,833	22,454
<i>Excess of Revenues Over Expenditures</i>	(35,823)	(25,280)	10,543
<b>Other Financing Sources (Uses)</b>			
Advance In	64,000	85,000	21,000
Advance out	(40,000)	(40,000)	0
<i>Total Other Financing Sources (Uses)</i>	24,000	45,000	21,000
<i>Net Change in Fund Balance</i>	(11,823)	19,720	31,543
<i>Fund Balance Beginning of Year</i>	13,576	13,576	0
<i>Fund Balance End of Year</i>	\$1,753	\$33,296	\$31,543

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 FEMA Fund  
 For the Year Ended December 31, 2016*

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

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Community Festival Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Miscellaneous	\$4,000	\$3,700	(\$300)
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Mayor's Office:			
Salaries	3,500	3,436	64
Fringe Benefits	559	530	29
<i>Total Expenditures</i>	4,059	3,966	93
<i>Net Change in Fund Balance</i>	(59)	(266)	(207)
<i>Fund Balance Beginning of Year</i>	2,755	2,755	0
<i>Fund Balance End of Year</i>	\$2,696	\$2,489	(\$207)

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 TIF Bond Retirement Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Payments in Lieu of Taxes	\$456,076	\$482,858	\$26,782
Intergovernmental	34,634	36,366	1,732
<i>Total Revenues</i>	<u>490,710</u>	<u>519,224</u>	<u>28,514</u>
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Other	36,470	36,468	2
Debt Service:			
Principal Retirement	268,074	275,470	(7,396)
Interest and Fiscal Charges	98,017	99,289	(1,272)
<i>Total Expenditures</i>	<u>402,561</u>	<u>411,227</u>	<u>(8,666)</u>
<b>Other Financing Sources (Uses)</b>			
General Obligation Debt Issued	3,110,000	3,111,784	1,784
Premium on General Obligation Debt Issued	86,000	86,695	695
Payment to Refunded Debt Escrow Agent	(3,151,785)	(3,151,785)	0
<i>Total Other Financing Sources and (Uses)</i>	<u>44,215</u>	<u>46,694</u>	<u>2,479</u>
<i>Net Change in Fund Balance</i>	132,364	154,691	22,327
<i>Fund Balance Beginning of Year</i>	<u>208,058</u>	<u>208,058</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$340,422</u></u>	<u><u>\$362,749</u></u>	<u><u>\$22,327</u></u>

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Permanent Capital Improvement Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$0	\$22,260	\$22,260
<i>Total Revenues</i>	<u>0</u>	<u>22,260</u>	<u>22,260</u>
<b>Expenditures</b>			
<b>Current:</b>			
Transportation			
Capital Outlay	3,426,017	3,413,945	12,072
<i>Total Streets and Highways</i>	<u>3,426,017</u>	<u>3,413,945</u>	<u>12,072</u>
Leisure Time Activities			
Capital Outlay	860,000	823,402	36,598
<i>Total Culture and Recreation</i>	<u>860,000</u>	<u>823,402</u>	<u>36,598</u>
<i>Total Expenditures</i>	<u>4,286,017</u>	<u>4,237,347</u>	<u>48,670</u>
<i>Excess of Revenues Under Expenditures</i>	(4,286,017)	(4,215,087)	70,930
<b>Other Financing Sources</b>			
General Obligation Notes Issued	3,455,000	4,159,000	704,000
<i>Net Change in Fund Balance</i>	(831,017)	(56,087)	774,930
<i>Fund Balance Beginning of Year</i>	<u>1,486,056</u>	<u>1,486,056</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$655,039</u></u>	<u><u>\$1,429,969</u></u>	<u><u>\$774,930</u></u>

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Land Acquisition Fund  
 For the Year Ended December 31, 2016*

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

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 City Park Improvement Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Miscellaneous	\$5,171	\$3,999	(\$1,172)
<b>Expenditures</b>			
<b>Current:</b>			
Leisure Time Activities:			
Capital Outlay	25,000	24,009	991
<i>Net Change in Fund Balance</i>	(19,829)	(20,010)	(181)
<i>Fund Balance Beginning of Year</i>	81,640	81,640	0
<i>Fund Balance End of Year</i>	\$61,811	\$61,630	(\$181)



**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 TIF Capital Improvement Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Miscellaneous	\$2	\$0	(\$2)
<b>Expenditures</b>			
Capital Outlay	223,213	223,211	2
<i>Excess of Revenues Over (Under) Expenditures</i>	(223,211)	(223,211)	0
<i>Net Change in Fund Balance</i>	(223,211)	(223,211)	0
<i>Fund Balance Beginning of Year</i>	244,929	244,929	0
<i>Fund Balance End of Year</i>	<u>\$21,718</u>	<u>\$21,718</u>	<u>\$0</u>

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Parking Facilities Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$402,706	\$487,715	\$85,009
<b>Expenses</b>			
Salaries	125,398	122,657	2,741
Fringe Benefits	39,165	38,796	369
Professional Services	11,000	9,860	1,140
Communications	4,765	3,838	927
Contractual Services	6,070	6,067	3
Materials and Supplies	22,250	20,505	1,745
Capital Outlay	28,485	28,484	1
Utilities	26,530	26,254	276
Property Taxes	47,030	47,029	1
Other	52,680	52,595	85
Debt Service:			
Principal Retirement	27,500	27,113	387
Interest and Fiscal Charges	8,025	6,502	1,523
<i>Total Expenses</i>	398,898	389,700	9,198
<i>Excess of Revenues Over (Under) Expenses before Transfers</i>	3,808	98,015	94,207
Transfers Out	(4,500)	(4,500)	0
<i>Net Change in Fund Equity</i>	(692)	93,515	94,207
<i>Fund Equity Beginning of Year</i>	491,567	491,567	0
<i>Fund Equity End of Year</i>	\$490,875	\$585,082	\$94,207

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Winterhurst Ice Rink Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$188,602	\$246,482	\$57,880
Miscellaneous	79,500	81,500	2,000
<i>Total Revenues</i>	<u>268,102</u>	<u>327,982</u>	<u>59,880</u>
<b>Expenses</b>			
Contractual Services	12,936	12,935	1
Operating Supplies	25,831	25,829	2
Property Taxes	59,036	59,035	1
Utilities	268,000	259,798	8,202
<i>Total Expenses</i>	<u>365,803</u>	<u>357,597</u>	<u>8,206</u>
<i>Excess of Revenues Over Expenses before Advances and Transfers</i>	(97,701)	(29,615)	68,086
<b>Other Financing Sources (Uses)</b>			
Advance In	360,000	300,000	(60,000)
Advance Out	(155,000)	(155,000)	0
Transfer Out	(60,000)	(60,000)	0
<i>Total Other Financing Sources(Uses)</i>	<u>145,000</u>	<u>85,000</u>	<u>(60,000)</u>
<i>Net Change in Fund Equity</i>	47,299	55,385	8,086
<i>Fund Equity Beginning of Year</i>	<u>33,332</u>	<u>33,332</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$80,631</u>	<u>\$88,717</u>	<u>\$8,086</u>

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Hospitalization Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$3,525,000	\$3,610,992	\$85,992
Miscellaneous	1,000,000	945,628	(54,372)
<i>Total Revenues</i>	<u>4,525,000</u>	<u>4,556,620</u>	<u>31,620</u>
<b>Expenses</b>			
Professional Services	80,360	72,983	7,377
Claims	7,083,000	6,398,190	684,810
<i>Total Expenses</i>	<u>7,163,360</u>	<u>6,471,173</u>	<u>692,187</u>
<i>Excess of Revenues Under Expenses before Transfers</i>	(2,638,360)	(1,914,553)	723,807
Transfers In	1,272,372	1,265,000	(7,372)
<i>Net Change in Fund Equity</i>	(1,365,988)	(649,553)	716,435
<i>Fund Equity Beginning of Year</i>	<u>3,142,266</u>	<u>3,142,266</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,776,278</u></u>	<u><u>\$2,492,713</u></u>	<u><u>\$716,435</u></u>

**City of Lakewood, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Workers' Compensation Fund  
 For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$266,976	\$281,988	\$15,012
Miscellaneous	1,433	8,279	6,846
<i>Total Revenues</i>	<u>268,409</u>	<u>290,267</u>	<u>21,858</u>
<b>Expenses</b>			
Professional Services	30,800	30,231	569
Workers' Compensation Premium	83,000	82,788	212
Workers' Compensation Claims	312,000	288,040	23,960
<i>Total Expenses</i>	<u>425,800</u>	<u>401,059</u>	<u>24,741</u>
<i>Excess of Revenues Over (Under) Expenses before Transfers</i>	(157,391)	(110,792)	46,599
Transfers In	13,785	81,548	67,763
<i>Net Change in Fund Equity</i>	(143,606)	(29,244)	114,362
<i>Fund Equity Beginning of Year</i>	<u>620,607</u>	<u>620,607</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$477,001</u></u>	<u><u>\$591,363</u></u>	<u><u>\$114,362</u></u>

# **STATISTICAL SECTION**







# City of Lakewood, Ohio

## Statistical Section

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

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

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

# City of Lakewood, Ohio

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

	<u>2016</u>	<u>2015 (1)</u>	<u>2014 (1)</u>	<u>2013</u>
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$42,035,922	\$41,107,537	\$39,149,696	\$36,587,631
Restricted:				
Capital Projects	5,061,630	6,501,371	5,307,076	981,966
Debt Service	3,308,652	2,151,445	2,513,589	1,993,423
Other Purposes	16,027,847	14,976,729	5,373,867	5,620,042
Unrestricted	<u>(20,079,817)</u>	<u>(17,026,229)</u>	<u>(17,214,472)</u>	<u>25,657,862</u>
<i>Total Governmental Activities Net Position</i>	<u>46,354,234</u>	<u>47,710,853</u>	<u>35,129,756</u>	<u>70,840,924</u>
<b>Business - Type Activities</b>				
Net Investment in Capital Assets	55,855,430	54,036,529	49,186,022	49,781,404
Restricted for Debt Service	25,330	931,832	976,525	977,430
Restricted for Replacement and Improvement	196,078	195,701	195,650	195,585
Unrestricted	<u>19,261,591</u>	<u>14,815,158</u>	<u>15,589,980</u>	<u>13,290,944</u>
<i>Total Business-Type Activities Net Position</i>	<u>75,338,429</u>	<u>69,979,220</u>	<u>65,948,177</u>	<u>64,245,363</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	97,891,352	95,144,066	88,335,718	86,369,035
Restricted	24,619,537	24,757,078	14,366,707	9,768,446
Unrestricted	<u>(818,226)</u>	<u>(2,211,071)</u>	<u>(1,624,492)</u>	<u>38,948,806</u>
<i>Total Primary Government Net Position</i>	<u>\$121,692,663</u>	<u>\$117,690,073</u>	<u>\$101,077,933</u>	<u>\$135,086,287</u>

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

**Table 1**

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$35,009,349	\$32,219,436	\$29,616,097	\$26,631,390	\$19,375,518	\$17,864,648
969,500	737,334	948,539	1,656,877	3,187,407	3,092,758
975,150	194,209	1,038,625	658,864	679,404	1,543,403
5,898,631	5,130,754	6,279,579	5,316,658	4,237,737	4,660,608
<u>15,752,227</u>	<u>13,594,321</u>	<u>8,184,766</u>	<u>5,461,402</u>	<u>6,764,033</u>	<u>2,938,295</u>
<u>58,604,857</u>	<u>51,876,054</u>	<u>46,067,606</u>	<u>39,725,191</u>	<u>34,244,099</u>	<u>30,099,712</u>
47,805,599	43,819,639	43,114,193	41,950,480	41,695,569	37,309,591
976,717	1,090,028	1,328,713	1,214,966	1,194,934	1,109,163
195,499	195,493	195,474	193,550	195,417	193,550
<u>10,729,412</u>	<u>10,716,664</u>	<u>9,163,854</u>	<u>8,486,802</u>	<u>7,668,213</u>	<u>5,422,785</u>
<u>59,707,227</u>	<u>55,821,824</u>	<u>53,802,234</u>	<u>51,845,798</u>	<u>50,754,133</u>	<u>44,035,089</u>
82,814,948	76,039,075	72,730,290	68,581,870	61,071,087	55,174,239
9,015,497	7,347,818	9,790,930	9,040,915	9,494,899	10,599,482
<u>26,481,639</u>	<u>24,310,985</u>	<u>17,348,620</u>	<u>13,948,204</u>	<u>14,432,246</u>	<u>8,361,080</u>
<u>\$118,312,084</u>	<u>\$107,697,878</u>	<u>\$99,869,840</u>	<u>\$91,570,989</u>	<u>\$84,998,232</u>	<u>\$74,134,801</u>

# City of Lakewood, Ohio

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

	2016	2015	2014	2013
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$5,728,112	\$2,417,220	\$2,565,467	\$4,696,630
Security of Persons and Property				
Police	538,241	1,705,381	1,681,145	41,793
Fire	2,342,043	2,434,467	2,312,807	2,375,131
Public Health Services	72,057	72,200	73,542	86,254
Transportation	0	48,242	85,435	48,369
Community Environment	15,558	1,194,867	1,355,395	344,561
Basic Utility Services	3,500	39,816	43,038	0
Leisure Time Activities	0	0	0	0
Subtotal - Charges for Services	<u>8,699,511</u>	<u>7,912,193</u>	<u>8,116,829</u>	<u>7,592,738</u>
Operating Grants and Contributions:				
General Government	0	15,400	17,080	3,312
Security of Persons and Property				
Police	27,668	28,531	74,584	6,946
Fire	77,243	13,905	37,612	427,779
Public Health Services	123,854	6,902,085	97,273	111,763
Transportation	2,072,014	2,001,462	1,903,634	1,890,684
Leisure Time Activities	0	2,669	17,088	0
Community Environment	2,554,869	2,878,700	3,312,684	3,660,106
Subtotal - Operating Grants and Contributions	<u>4,855,648</u>	<u>11,842,752</u>	<u>5,459,955</u>	<u>6,100,590</u>
Capital Grants and Contributions:				
Security of Persons and Property - Fire	0	0	0	0
Public Health Services	617,438	3,296,758	64,473	79,548
Community Environment	412,057	226,337	0	23,311
Transportation	89,082	858,161	1,029,913	106,505
	<u>1,118,577</u>	<u>4,381,256</u>	<u>1,094,386</u>	<u>209,364</u>
<i>Total Governmental Activities Program Revenues</i>	<u>14,673,736</u>	<u>24,136,201</u>	<u>14,671,170</u>	<u>13,902,692</u>
Business-Type Activities:				
Charges for Services:				
Water	10,449,847	10,786,061	11,023,493	11,273,817
Sewer	9,277,971	8,365,370	8,275,152	7,924,286
Parking Facilities	487,715	455,700	464,973	425,848
Winterhurst Ice Rink	323,465	351,858	440,413	181,272
Congregate Living	0	0	0	0
Subtotal - Charges for Services	<u>20,538,998</u>	<u>19,958,989</u>	<u>20,204,031</u>	<u>19,805,223</u>
Operating Grants and Contributions:				
Water	0	0	0	0
Sewer	0	0	0	0
Subtotal - Operating Grants and Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital Grants and Contributions:				
Water	0	1,171,927	36,000	84,724
Sewer	0	0	84,628	43,996
Winterhurst Ice Rink	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>0</u>	<u>1,171,927</u>	<u>120,628</u>	<u>128,720</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>20,538,998</u>	<u>21,130,916</u>	<u>20,324,659</u>	<u>19,933,943</u>
<i>Total Primary Government Program Revenues</i>	<u>\$35,212,734</u>	<u>\$45,267,117</u>	<u>\$34,995,829</u>	<u>\$33,836,635</u>

**Table 2**

2012	2011	2010	2009	2008	2007
\$3,933,477	\$3,024,201	\$2,529,470	\$4,187,825	\$4,235,783	\$4,228,572
233,865	257,705	265,127	245,685	242,444	214,450
2,346,537	2,263,974	2,233,515	2,291,431	2,147,823	2,249,911
103,489	293,641	248,489	251,665	318,737	335,613
219,863	4,360	28,395	0	0	0
972,416	1,642,224	1,895,118	11,120	10,680	10,500
0	0	0	0	0	0
0	0	0	0	0	0
<u>7,809,647</u>	<u>7,486,105</u>	<u>7,200,114</u>	<u>6,987,726</u>	<u>6,955,467</u>	<u>7,039,046</u>
0	765,886	612,272	495,082	474,840	0
30,417	432,224	449,353	449,920	472,948	18,653
0	900	3,350	52,013	0	0
46,779	217,458	246,649	270,604	493,394	468,559
1,874,122	1,833,219	2,012,270	1,118,195	1,950,418	1,927,847
99,639	0	0	0	0	0
2,824,142	3,081,636	4,718,408	4,421,399	3,039,646	4,300,068
<u>4,875,099</u>	<u>6,331,323</u>	<u>8,042,302</u>	<u>6,807,213</u>	<u>6,431,246</u>	<u>6,715,127</u>
91,166	0	0	0	0	0
0	0	0	0	0	0
48,690	0	0	0	0	0
75,390	0	0	0	0	0
<u>215,246</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>12,899,992</u>	<u>13,817,428</u>	<u>15,242,416</u>	<u>13,794,939</u>	<u>13,386,713</u>	<u>13,754,173</u>
11,209,329	10,683,491	10,759,734	9,456,618	10,298,731	10,143,589
7,422,740	6,573,925	6,157,686	5,545,675	5,947,043	5,184,560
462,300	456,607	434,510	404,180	332,999	292,127
372,284	343,061	563,499	371,631	427,031	793,387
0	0	0	0	0	0
<u>19,466,653</u>	<u>18,057,084</u>	<u>17,915,429</u>	<u>15,778,104</u>	<u>17,005,804</u>	<u>16,413,663</u>
0	0	0	416,013	74,859	1,044,113
0	246,194	283,595	272,358	152,949	310,993
0	246,194	283,595	688,371	227,808	1,355,106
566,385	80,560	0	0	0	0
0	25,536	0	0	0	0
0	0	0	0	2,000,000	0
<u>566,385</u>	<u>106,096</u>	<u>0</u>	<u>0</u>	<u>2,000,000</u>	<u>0</u>
<u>20,033,038</u>	<u>18,409,374</u>	<u>18,199,024</u>	<u>16,466,475</u>	<u>19,233,612</u>	<u>17,768,769</u>
<u>\$32,933,030</u>	<u>\$32,226,802</u>	<u>\$33,441,440</u>	<u>\$30,261,414</u>	<u>\$32,620,325</u>	<u>\$31,522,942</u>

# City of Lakewood, Ohio

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	\$10,038,205	\$9,341,967	\$9,439,522	\$8,498,246
Security of Persons and Property				
Police	15,636,103	13,677,739	13,662,669	12,670,338
Fire	12,492,447	10,740,998	10,238,188	10,099,908
Public Health Services	1,895,266	1,824,905	1,867,088	1,866,759
Transportation	4,208,095	3,518,156	3,199,757	2,605,700
Community Environment	5,942,684	5,135,801	5,954,990	4,910,641
Basic Utility Services	3,645,449	3,525,439	3,561,708	3,383,635
Leisure Time Activities	2,827,356	2,474,236	2,527,405	2,121,447
Interest and Fiscal Charges	1,453,699	1,293,602	1,453,572	1,481,371
<i>Total Governmental Activities Expenses</i>	<u>58,139,304</u>	<u>51,532,843</u>	<u>51,904,899</u>	<u>47,638,045</u>
Business-Type Activities				
Water	9,792,697	10,437,438	9,852,335	9,059,160
Sewer	6,658,898	6,448,991	6,182,538	6,061,044
Parking Facilities	412,670	355,917	319,581	300,332
Winterhurst Ice Rink	474,323	470,683	461,923	429,550
<i>Total Business-Type Activities Expenses</i>	<u>17,338,588</u>	<u>17,713,029</u>	<u>16,816,377</u>	<u>15,850,086</u>
<i>Total Primary Government Expenses</i>	<u>75,477,892</u>	<u>69,245,872</u>	<u>68,721,276</u>	<u>63,488,131</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(43,465,568)	(27,396,642)	(37,233,729)	(33,735,353)
Business-Type Activities	3,200,410	3,417,887	3,508,282	4,083,857
<i>Total Primary Government Net Expense</i>	<u>(\$40,265,158)</u>	<u>(\$23,978,755)</u>	<u>(\$33,725,447)</u>	<u>(\$29,651,496)</u>

**Table 2**

2012	2011	2010	2009	2008	2007
\$9,204,662	\$7,529,571	\$8,423,969	\$7,675,451	\$7,620,762	\$9,599,299
11,844,579	11,617,633	12,272,317	12,754,885	12,371,712	12,035,903
9,936,091	9,426,271	9,526,516	10,131,056	10,289,314	11,028,498
1,940,130	2,136,807	2,383,427	2,505,999	3,280,667	4,211,759
2,536,751	1,948,825	3,092,325	2,866,754	2,969,914	3,480,710
4,773,590	5,804,830	6,819,791	6,474,889	5,622,461	6,798,564
3,274,630	3,393,665	3,472,641	3,998,734	4,700,773	5,450,051
1,786,849	3,222,378	1,831,789	1,839,517	2,020,450	2,159,191
1,632,156	1,835,631	1,788,103	2,127,913	2,064,970	1,898,099
<u>46,929,438</u>	<u>46,915,611</u>	<u>49,610,878</u>	<u>50,375,198</u>	<u>50,941,023</u>	<u>56,662,074</u>
10,283,462	9,652,083	9,665,155	9,038,465	9,289,887	9,612,007
5,674,713	5,896,702	6,012,674	5,751,453	6,585,346	7,606,437
392,765	349,501	386,946	253,274	305,295	419,733
525,941	571,530	736,397	552,929	740,804	732,973
<u>16,876,881</u>	<u>16,469,816</u>	<u>16,801,172</u>	<u>15,596,121</u>	<u>16,921,332</u>	<u>18,371,150</u>
<u>63,806,319</u>	<u>63,385,427</u>	<u>66,412,050</u>	<u>65,971,319</u>	<u>67,862,355</u>	<u>75,033,224</u>
(34,029,446)	(33,098,183)	(34,368,462)	(36,580,259)	(37,554,310)	(42,907,901)
<u>3,156,157</u>	<u>1,939,558</u>	<u>1,397,852</u>	<u>870,354</u>	<u>2,312,280</u>	<u>(602,381)</u>
<u>(\$30,873,289)</u>	<u>(\$31,158,625)</u>	<u>(\$32,970,610)</u>	<u>(\$35,709,905)</u>	<u>(\$35,242,030)</u>	<u>(\$43,510,282)</u>

# City of Lakewood, Ohio

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

	2016	2015	2014	2013
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$6,796,884	\$6,619,558	\$6,255,782	\$6,560,213
Police and Fire Pension	2,577,331	2,512,111	2,376,261	2,491,699
Debt Service	2,726,623	2,666,760	2,532,060	2,654,186
Payments in Lieu of Taxes	499,544	448,815	494,754	467,984
Municipal Income Taxes levied for:				
General Purposes	23,236,281	22,563,434	21,954,834	21,122,681
Grants and Entitlements not Restricted to				
Specific Programs	3,685,616	3,719,128	3,722,984	10,929,532
Investment Income	192,986	100,437	49,548	13,857
Gain from Sale of Capital Assets-Gov	0	14,776	17,237	0
Miscellaneous	914,982	453,344	387,811	216,560
<i>Total Governmental Activities</i>	<u>40,630,247</u>	<u>39,098,363</u>	<u>37,791,271</u>	<u>44,456,712</u>
Business-Type Activities				
Property Taxes Levied For:				
Sewer	1,571,541	1,530,516	1,447,720	1,519,408
Grants and Entitlements not Restricted to				
Specific Programs	1,686,943	643,502	218,529	219,013
Investment Income	52,435	40,366	18,351	5,055
Miscellaneous	326,582	96,122	260,388	225,511
<i>Total Business-Type Activities</i>	<u>3,637,501</u>	<u>2,310,506</u>	<u>1,944,988</u>	<u>1,968,987</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>44,267,748</u>	<u>41,408,869</u>	<u>39,736,259</u>	<u>46,425,699</u>
<b>Transfers</b>				
Governmental Activities	1,478,702	1,697,350	1,470,815	1,514,708
Business-Type Activities	<u>(1,478,702)</u>	<u>(1,697,350)</u>	<u>(1,470,815)</u>	<u>(1,514,708)</u>
<b>Restatements</b>				
Governmental Activities	0	(817,974)	(37,739,525)	0
Business-Type Activities	0	0	(2,279,641)	0
<i>Total Restatements Activities</i>	<u>0</u>	<u>(817,974)</u>	<u>(40,019,166)</u>	<u>0</u>
<b>Change in Net Position</b>				
Governmental Activities	(1,356,619)	12,581,097	(37,990,809)	12,236,067
Business-Type Activities	<u>5,359,209</u>	<u>4,031,043</u>	<u>1,702,814</u>	<u>4,538,136</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$4,002,590</u>	<u>\$16,612,140</u>	<u>(\$36,287,995)</u>	<u>\$16,774,203</u>



**Table 2**

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$6,807,497	\$6,581,357	\$6,857,844	\$7,404,532	\$7,464,079	\$7,676,479
2,589,594	2,608,762	2,608,762	2,810,315	2,823,756	2,911,150
2,753,385	2,784,378	2,784,378	2,973,092	2,987,313	3,079,771
401,767	355,641	341,399	308,520	340,341	368,523
<u>20,628,523</u>	<u>19,474,728</u>	<u>19,686,732</u>	<u>19,314,348</u>	<u>19,348,017</u>	<u>18,246,523</u>
5,646,551	5,997,696	6,727,090	6,345,651	5,668,748	6,482,563
6,758	8,792	68,060	214,275	533,257	1,130,083
130,124	25,308	0	0	0	0
611,500	713,582	436,670	606,457	550,472	295,266
<u>39,575,699</u>	<u>38,550,244</u>	<u>39,510,935</u>	<u>39,977,190</u>	<u>39,715,983</u>	<u>40,190,358</u>
1,581,775	1,556,497	1,590,695	1,712,714	1,724,040	1,775,081
229,477	0	0	0	0	0
2,029	2,474	16,338	58,952	237,593	636,665
98,515	162,210	78,032	533,806	51,808	20,087
<u>1,911,796</u>	<u>1,721,181</u>	<u>1,685,065</u>	<u>2,305,472</u>	<u>2,013,441</u>	<u>2,431,833</u>
<u>41,487,495</u>	<u>40,271,425</u>	<u>41,196,000</u>	<u>42,282,662</u>	<u>41,729,424</u>	<u>42,622,191</u>
1,182,550	1,041,754	1,073,981	2,084,161	534,752	332,842
<u>(1,182,550)</u>	<u>(1,041,754)</u>	<u>(1,073,981)</u>	<u>(2,084,161)</u>	<u>(534,752)</u>	<u>(332,842)</u>
0	(685,367)	125,961	0	1,447,962	0
<u>0</u>	<u>(599,395)</u>	<u>(52,500)</u>	<u>0</u>	<u>2,928,075</u>	<u>0</u>
<u>0</u>	<u>(1,284,762)</u>	<u>73,461</u>	<u>0</u>	<u>4,376,037</u>	<u>0</u>
6,728,803	5,209,053	6,342,415	5,481,092	4,144,387	(2,384,701)
<u>3,885,403</u>	<u>2,019,590</u>	<u>1,956,436</u>	<u>1,091,665</u>	<u>6,719,044</u>	<u>1,496,610</u>
<u>\$10,614,206</u>	<u>\$7,228,643</u>	<u>\$8,298,851</u>	<u>\$6,572,757</u>	<u>\$10,863,431</u>	<u>(\$888,091)</u>

# City of Lakewood, Ohio

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

	2016	2015	2014	2013
<b>General Fund</b>				
Reserved	\$0	\$0	\$0	\$0
Unreserved	0	0	0	0
Nonspendable	1,528,257	1,465,171	1,203,968	1,177,098
Assigned	5,221,363	3,861,300	5,768,149	3,128,964
Unassigned	7,480,460	9,506,549	8,165,507	13,722,092
Total General Fund	<u>14,230,080</u>	<u>14,833,020</u>	<u>15,137,624</u>	<u>18,028,154</u>
<b>All Other Governmental Funds</b>				
Reserved	0	0	0	0
Unreserved, Undesignated (Deficit), Reported in:				
Special Revenue Funds	0	0	0	0
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	0	0
Nonspendable	185,420	119,403	58,799	114,906
Restricted	19,141,481	6,992,095	8,439,921	7,521,893
Committed	5,073,199	15,572,469	6,070,832	968,587
Unassigned (Deficit)	<u>(64,133)</u>	<u>(35,159)</u>	<u>(31,552)</u>	<u>(19,268)</u>
Total All Other Governmental Funds	<u>24,335,967</u>	<u>22,648,808</u>	<u>14,538,000</u>	<u>8,586,118</u>
<b>Total Governmental Funds</b>	<u><u>\$38,566,047</u></u>	<u><u>\$37,481,828</u></u>	<u><u>\$29,675,624</u></u>	<u><u>\$26,614,272</u></u>

**Table 3**

2012	2011	2010	2009	2008	2007
\$0	\$0	\$0	\$1,156,884	\$11,114	\$69,864
0	0	0	3,642,880	5,489,730	1,986,309
646,379	631,634	647,847	0	0	0
1,943,879	1,103,061	950,918	0	0	0
7,101,028	7,168,275	4,966,043	0	0	0
<u>9,691,286</u>	<u>8,902,970</u>	<u>6,564,808</u>	<u>4,799,764</u>	<u>5,500,844</u>	<u>2,056,173</u>
0	0	0	2,294,622	3,131,139	3,823,391
0	0	0	2,957,115	733,201	1,773,409
0	0	0	1,282,628	343,522	1,698,091
0	0	0	1,467,157	4,386,784	1,906,203
200,891	170,573	187,494	0	0	0
6,115,764	5,865,238	7,043,077	0	0	0
786,167	853,414	663,681	0	0	0
<u>(81,533)</u>	<u>(31,316)</u>	<u>(158,907)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>7,021,289</u>	<u>6,857,909</u>	<u>7,735,345</u>	<u>8,001,522</u>	<u>8,594,646</u>	<u>9,201,094</u>
<u>\$16,712,575</u>	<u>\$15,760,879</u>	<u>\$14,300,153</u>	<u>\$12,801,286</u>	<u>\$14,095,490</u>	<u>\$11,257,267</u>

# City of Lakewood, Ohio

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

	2016	2015	2014	2013
<b>Revenues</b>				
Property Taxes	\$12,203,722	\$11,708,269	\$11,379,654	\$11,650,884
Payments in Lieu of Taxes	482,858	456,077	489,379	483,679
Municipal Income Taxes	22,890,653	22,391,110	21,158,365	20,119,636
Charges for Services	4,187,477	3,992,662	3,937,040	3,831,150
Fees, Licenses, and Permits	2,732,469	2,024,622	2,203,740	1,962,750
Fines and Forfeitures	1,645,823	1,917,593	1,913,424	1,695,082
Intergovernmental	8,568,620	9,496,036	11,422,657	15,904,055
Special Assessments	395,611	258,041	73,672	31,511
Interest	192,986	100,437	49,548	13,857
Contributions and Miscellaneous	1,558,842	9,899,156	575,734	901,706
<i>Total Revenues</i>	<u>54,859,061</u>	<u>62,244,003</u>	<u>53,203,213</u>	<u>56,594,310</u>
<b>Expenditures</b>				
Current:				
General Government	9,067,631	8,781,381	8,838,958	8,029,518
Security of Persons and Property				
Police and Other	13,342,497	12,593,009	12,339,318	11,955,911
Fire	10,892,695	9,663,938	9,480,970	9,355,592
Public Health Services	1,703,110	1,699,832	1,742,634	1,755,943
Transportation	2,120,232	2,091,066	1,915,695	1,880,557
Community Environment	5,770,256	5,078,451	5,797,278	4,829,707
Basic Utilities Services	3,046,025	3,020,504	3,068,909	2,966,538
Leisure Time Activities	2,238,870	1,952,458	2,141,599	1,768,169
Capital Outlay	6,313,597	8,018,007	5,501,475	2,446,578
Debt Service:				
Principal Retirement	17,052,154	14,166,854	9,855,339	7,457,812
Interest and Fiscal Charges	1,456,894	1,348,516	1,414,906	1,487,391
Bond Issuance Costs	139,703	21,556	40,184	18,201
<i>Total Expenditures</i>	<u>73,143,664</u>	<u>68,435,572</u>	<u>62,137,265</u>	<u>53,951,917</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(18,284,603)</u>	<u>(6,191,569)</u>	<u>(8,934,052)</u>	<u>2,642,393</u>
<b>Other Financing Sources (Uses)</b>				
General Obligation Bonds Issued	16,969,120	0	0	0
Refunding Bonds Issued	0	0	0	0
Bond Anticipation Notes	4,099,000	13,535,000	10,187,000	6,202,000
Refunding Bond Anticipation Notes	0	0	0	0
Premium on Debt Issuance	1,456,752	109,332	78,314	41,474
Sale of Capital Assets	189,405	14,776	17,237	11,656
Inception of Capital Lease	1,217,224	1,890,000	1,881,855	1,044,967
Current Refunding	0	0	0	0
Payment to Refunded Bond Escrow Agent	(4,694,833)	0	0	0
Transfers In	4,363,018	5,173,697	9,021,394	4,573,048
Transfers Out	(4,230,864)	(6,725,032)	(9,190,396)	(4,613,841)
<i>Total Other Financing Sources (Uses)</i>	<u>19,368,822</u>	<u>13,997,773</u>	<u>11,995,404</u>	<u>7,259,304</u>
<i>Restatements</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$1,084,219</u>	<u>\$7,806,204</u>	<u>\$3,061,352</u>	<u>\$9,901,697</u>
Debt Service as a Percentage of Noncapital Expenditures	28.5%	25.8%	20.0%	17.4%

**Table 4**

2012	2011	2010	2009	2008	2007
\$12,041,251	\$12,041,503	\$12,301,006	\$13,194,723	\$13,257,834	\$13,502,272
379,614	328,790	341,399	308,520	340,341	368,523
19,542,235	18,766,179	17,850,439	18,355,581	18,480,218	18,143,485
3,396,958	4,036,644	3,578,550	3,598,946	3,033,174	3,494,517
2,351,660	1,630,554	1,886,868	1,823,254	1,971,510	2,035,413
1,811,478	1,814,547	1,690,587	1,592,897	1,710,782	1,458,771
10,383,636	11,984,530	14,727,449	13,197,654	11,824,139	13,239,249
75,390	4,360	47,459	24,642	240,001	123,219
6,758	8,792	68,060	214,275	533,257	1,130,083
936,797	824,613	544,005	724,928	817,733	381,542
<u>50,925,777</u>	<u>51,440,512</u>	<u>53,035,822</u>	<u>53,035,420</u>	<u>52,208,989</u>	<u>53,877,074</u>
9,147,337	7,691,955	8,149,714	7,875,387	7,930,675	8,607,515
12,000,737	12,223,002	12,069,033	12,220,039	12,139,328	11,678,468
9,299,325	9,197,428	9,282,338	9,662,410	10,088,610	10,567,772
1,914,502	2,268,579	2,281,603	2,428,498	3,352,685	4,089,118
1,768,040	2,151,849	1,867,759	1,704,157	1,980,543	2,617,950
4,559,327	6,084,834	6,727,225	6,250,805	5,669,977	6,787,327
3,012,214	3,331,914	3,150,020	3,699,636	4,466,994	5,089,792
1,510,669	1,732,556	1,542,088	1,513,654	1,733,290	1,944,398
3,870,084	3,022,809	760,521	6,842,067	5,280,879	4,525,704
11,002,721	11,686,748	11,949,421	4,087,490	8,637,976	11,230,978
1,536,273	1,734,982	1,830,823	2,085,801	2,057,441	1,924,401
81,512	114,820	0	0	0	300,690
<u>59,702,741</u>	<u>61,241,476</u>	<u>59,610,545</u>	<u>58,369,944</u>	<u>63,338,398</u>	<u>69,364,113</u>
<u>(8,776,964)</u>	<u>(9,800,964)</u>	<u>(6,574,723)</u>	<u>(5,334,524)</u>	<u>(11,129,409)</u>	<u>(15,487,039)</u>
0	10,845,268	0	0	0	10,520,000
3,097,661	0	0	0	0	0
5,896,000	1,948,000	7,771,000	7,771,000	7,771,000	5,374,000
3,427,889	0	0	0	0	0
137,491	62,105	0	0	0	57,987
130,124	25,308	0	0	0	0
974,285	1,487,326	0	2,175,159	4,110,632	1,375,314
0	0	0	(7,771,000)	0	0
(3,497,340)	(3,048,069)	0	0	0	(4,844,725)
4,286,718	2,777,968	4,000,770	13,561,547	3,077,261	3,631,000
<u>(4,724,168)</u>	<u>(2,836,216)</u>	<u>(4,118,272)</u>	<u>(11,696,386)</u>	<u>(2,786,509)</u>	<u>(3,571,806)</u>
<u>9,728,660</u>	<u>11,261,690</u>	<u>7,653,498</u>	<u>4,040,320</u>	<u>12,172,384</u>	<u>12,541,770</u>
0	0	0	0	1,795,248	0
<u>\$951,696</u>	<u>\$1,460,726</u>	<u>\$1,078,775</u>	<u>(\$1,294,204)</u>	<u>\$2,838,223</u>	<u>(\$2,945,269)</u>
22.6%	23.9%	23.1%	11.7%	18.5%	20.2%

## City of Lakewood, Ohio

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

#### Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value			Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
2016	\$731,662,600	\$147,852,940	\$2,512,901,543	\$15,963,540	\$18,140,386
2015	680,844,680	157,134,520	2,394,226,286	15,756,170	17,904,739
2014	682,865,970	154,516,560	2,392,521,514	15,184,670	17,255,307
2013	685,183,640	154,358,840	2,398,692,800	13,754,200	15,629,773
2012	721,599,290	163,222,160	2,528,061,286	12,758,240	14,498,000
2011	727,775,410	166,733,970	2,555,741,086	12,400,630	14,091,625
2010	728,076,240	167,461,630	2,558,679,629	12,391,260	14,080,977
2009	779,592,560	179,148,740	2,739,260,857	10,241,580	11,638,159
2008	781,245,420	179,298,480	2,744,411,143	9,869,670	11,215,534
2007	786,898,880	168,582,420	2,729,946,571	14,577,400	16,565,227

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

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

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

Source: Cuyahoga County, Ohio; Fiscal Officer

**Table 5**

Tangible Personal Property General Business		Total		Ratio	Tax Rate per \$1,000 of Assessed Value
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$0	\$0	\$895,479,080	\$2,531,041,929	35.38 %	\$17.40
0	0	853,735,370	2,412,131,025	35.39	17.40
0	0	852,567,200	2,409,776,821	35.38	17.40
0	0	853,296,680	2,414,322,573	35.34	17.40
0	0	897,579,690	2,542,559,286	35.30	17.40
0	0	906,910,010	2,569,832,711	35.29	17.40
0	0	907,929,130	2,572,760,606	35.29	17.40
3,507,600	28,060,800	972,490,480	2,778,959,816	34.99	17.40
12,438,513	66,338,736	982,852,083	2,821,965,413	34.83	17.40
15,903,081	84,816,432	985,961,781	2,831,328,230	34.82	17.40

## City of Lakewood, Ohio

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

#### Last Ten Years

	2016	2015	2014	2013
<b>Charter Millage</b>				
Sinking Fund	\$3.4700	\$3.4700	\$3.4700	\$3.4700
1976 Charter/Current Expenses	8.6500	8.6500	8.6500	8.6500
1976 Charter/Fire	1.6800	1.6800	1.6800	1.6800
1976 Charter/Police	1.6000	1.6000	1.6000	1.6000
1976 Charter/Sewer	2.0000	2.0000	2.0000	2.0000
<b>Total Charter Millage</b>	<b>\$17.4000</b>	<b>\$17.4000</b>	<b>\$17.4000</b>	<b>\$17.4000</b>
<b>Overlapping Rates by Taxing District</b>				
Lakewood City School District				
Residential/Agricultural Real	\$62.8665	\$62.8665	\$66.6502	\$66.5450
Commercial/Industrial and Public Utility Real	83.6381	83.6381	80.8677	80.9159
General Business and Public Utility Personal	122.7300	122.7300	123.2300	123.2300
Cuyahoga County Council (1)				
Residential/Agricultural Real	17.9255	17.9255	18.1643	17.2639
Commercial/Industrial and Public Utility Real	18.1676	18.1676	18.1228	17.1291
General Business and Public Utility Personal	18.1800	18.1800	18.1800	17.2800
Special Taxing Districts (2)				
Residential/Agricultural Real	5.0611	5.0611	4.6000	4.6000
Commercial/Industrial and Public Utility Real	5.7342	5.7342	5.5100	5.5100
General Business and Public Utility Personal	6.2500	6.2500	6.2500	6.2500

Source: Cuyahoga County, Ohio; Fiscal Officer

**Note:**

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

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

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

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

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

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



**Table 6**

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$3.4700	\$3.4700	\$3.4700	\$3.4700	\$3.4700	\$3.4700
8.6500	8.6500	8.6500	8.6500	8.6500	8.6500
1.6800	1.6800	1.6800	1.6800	1.6800	1.6800
1.6000	1.6000	1.6000	1.6000	1.6000	1.6000
2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
<u>\$17.4000</u>	<u>\$17.4000</u>	<u>\$17.4000</u>	<u>\$17.4000</u>	<u>\$17.4000</u>	<u>\$17.4000</u>

\$58.5508	\$56.6894	\$56.4019	\$48.8809	\$45.9650	\$45.5754
72.8585	70.3761	69.8953	62.3184	61.3095	60.4273
115.4000	115.4000	115.4000	107.9000	107.2000	106.9000

16.4335	16.3035	16.3660	15.8789	15.1504	15.1210
16.1672	15.9138	15.9620	15.5327	15.4894	14.3558
16.4500	16.4500	16.5500	16.2500	16.2500	16.3500

4.3544	4.1938	4.1657	4.1608	3.8697	3.8656
4.5847	4.3906	4.3529	4.3492	4.3243	4.2874
5.3500	5.3500	5.3500	5.3500	5.3500	5.3500

# City of Lakewood, Ohio

## Property Tax Levies and Collections (1)

### Last Ten Years

**Table 7**

Collection Year	Current Tax Levy (2)	Current Tax Collections (2)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes (3)	Percentage of Delinquent Taxes To Total Tax Levy
2016	\$16,213,190	\$15,626,283	96.38 %	\$493,211	\$16,119,494	99.42 %	\$979,496	6.04 %
2015	15,471,979	14,809,313	95.72	609,457	15,418,770	99.66	956,527	6.18
2014	15,384,597	14,499,281	94.25	507,587	15,006,868	97.54	1,006,208	6.54
2013	15,366,857	14,631,052	95.21	751,131	15,382,183	100.10	998,640	6.50
2012	16,076,676	15,291,655	95.12	688,402	15,980,057	99.40	1,224,804	7.62
2011	16,135,708	15,259,060	94.57	565,338	15,824,398	98.07	1,244,407	7.71
2010	16,154,477	15,383,763	95.23	641,045	16,024,808	99.20	1,214,467	7.52
2009	17,211,840	16,061,636	93.32	697,562	16,759,198	97.37	1,285,160	7.47
2008	17,327,947	16,331,350	94.25	723,290	17,054,640	98.42	1,275,020	7.36
2007	17,346,544	16,547,580	95.39	687,163	17,234,743	99.36	1,122,078	6.47

Source: Cuyahoga County, Ohio; Fiscal Officer

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

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

# City of Lakewood, Ohio

## Principal Taxpayers – Real Estate Tax

2016 and 2007

Table 8

Taxpayer	2016	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Company	\$12,452,530	1.42 %
Lakewood Senior Campus	2,933,050	0.33
Castlewood Association	2,055,350	0.23
Marine Towers	1,974,070	0.22
12000 Edgewater Drive Ltd.	1,924,200	0.22
Imperial House Apartments LLC	1,910,520	0.22
East Ohio Gas Co	1,879,890	0.21
Shoreham Apartments	1,796,800	0.20
LRC-G Lakewood, LLC	1,767,090	0.20
Lake Shore Associates	1,694,920	0.19
<b>Total</b>	<b>\$30,388,420</b>	<b>3.44 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$879,515,540</b>	
Taxpayer	2007	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Company	\$7,546,460	0.79 %
Tomorrow VIII	5,057,510	0.53
Lakewood Senior Citizens, Inc.	3,166,430	0.33
Castlewood Association	2,240,530	0.23
Lakewood Senior Citizens, Inc.	2,041,350	0.21
Marine Towers West	2,011,980	0.21
Fame-Midamco Company	1,886,120	0.20
Krislaty Zenon	1,864,130	0.20
Lakewood Association L.P.	1,750,700	0.18
Lake Shore Association	1,723,610	0.18
<b>Total</b>	<b>\$29,288,820</b>	<b>3.06 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$955,481,300</b>	

Source: Cuyahoga County, Ohio; Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2016 and 2007 collections were based.

# City of Lakewood, Ohio

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

### Last Ten Years

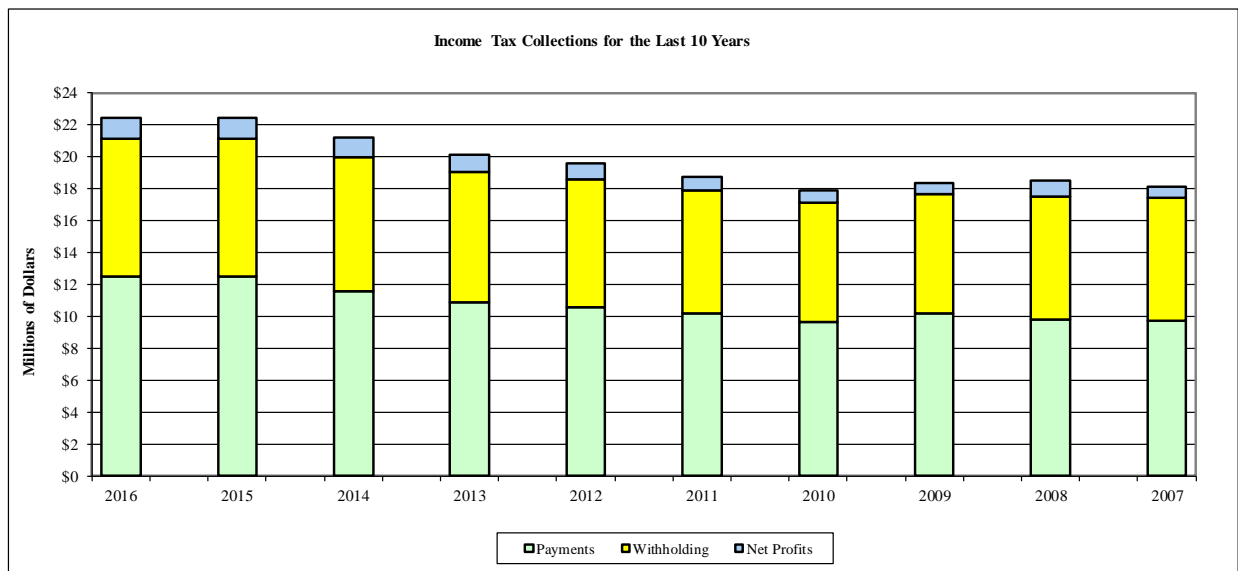
**Table 9**

Tax Year	Tax Rate	Total Tax Collected (1)	Taxes From Individual Payments	Percentage of Taxes From Individual Payments	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits	Percentage of Taxes From Net Profits
2016	1.50%	\$22,890,653	\$13,647,407	59.62%	\$8,169,674	35.69%	\$1,073,572	4.69%
2015	1.50	22,391,110	12,489,761	55.78	8,613,860	38.47	1,287,489	5.75
2014	1.50	21,158,365	11,535,541	54.52	8,452,767	39.95	1,170,057	5.53
2013	1.50	20,119,636	10,877,178	54.06	8,175,944	40.64	1,066,514	5.30
2012	1.50	19,542,235	10,574,337	54.11	8,008,136	40.98	959,762	4.91
2011	1.50	18,766,179	10,191,507	54.31	7,696,981	41.02	877,691	4.67
2010	1.50	17,850,439	9,656,284	54.10	7,484,885	41.93	709,270	3.97
2009	1.50	18,355,581	10,199,250	55.56	7,422,370	40.44	733,961	4.00
2008	1.50	18,480,218	9,814,844	53.11	7,691,467	41.62	973,907	5.27
2007	1.50	18,143,485	9,719,464	53.57	7,676,509	42.31	747,512	4.12

(1) Modified Accrual Basis

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

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



# City of Lakewood, Ohio

## Ratio of Outstanding Debt by Type

### Last Ten Years

**Table 10**

Year	Governmental Activities	Business Activities	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt	Net General Bonded Debt as a Percentage of Estimated Taxable Value of Property (1)	Net General Bonded Debt Per Capita (2)	Other Governmental Activities Debt			
	General Obligation Bonds (4)	General Obligation Bonds (4)					Special Assessment Bonds	OPWC Loans	Capital Leases	Long-term Bond Anticipation Notes
2016	\$34,201,316	\$26,749,900	(\$3,333,982)	\$57,617,234	2.28 %	\$1,105.24	\$0	\$61,600	\$6,740,329	\$4,105,445
2015	22,422,104	5,286,175	(3,083,277)	24,625,002	1.02	472.37	0	92,400	7,124,505	13,563,426
2014	25,000,846	5,955,404	(3,490,114)	27,466,136	1.14	526.87	0	123,200	6,632,198	10,209,711
2013	27,071,563	6,503,575	(2,970,853)	30,604,285	1.27	587.06	0	154,000	5,943,223	6,442,028
2012	29,444,981	7,153,314	(1,951,867)	34,646,428	1.36	664.60	0	184,800	6,015,960	3,956,143
2011	32,266,849	8,224,427	(1,284,237)	39,207,039	1.53	752.09	0	215,600	6,122,214	1,948,000
2010	27,304,917	9,222,488	(2,367,338)	34,160,067	1.33	655.27	0	246,400	5,574,518	7,771,000
2009	30,278,657	10,268,175	(1,873,830)	38,673,002	1.39	741.84	0	277,200	6,445,401	7,771,000
2008	33,476,781	11,315,719	(1,874,338)	42,918,162	1.52	757.66	0	308,000	5,143,663	8,529,620
2007	36,361,438	12,317,624	(2,652,566)	46,026,496	1.63	812.53	0	355,416	1,379,783	5,374,000

Business-Type Activities								
Year	General Obligation Bonds (4)	Revenue Bonds	Bond Anticipation Notes	Capital Leases	OPWC/OWDA Loans	Total Debt (3)	Percentage of Personal Income (2)	Per Capita (2)
2016	\$26,749,900	\$865,000	\$6,495,052	\$5,261,051	\$3,453,861	\$87,933,554	6.14 %	\$1,686.78
2015	5,286,175	19,597,866	3,845,140	5,574,807	2,047,894	79,554,317	5.56	1,526.05
2014	5,881,316	20,587,776	1,844,918	4,337,104	2,395,609	77,012,678	5.38	1,477.29
2013	6,503,575	21,535,898	0	2,922,079	2,743,324	73,315,690	5.12	1,406.37
2012	7,153,314	22,443,126	0	2,541,600	3,107,421	74,847,345	5.23	1,435.76
2011	8,224,427	23,304,460	0	2,879,636	3,486,862	78,448,048	5.48	1,504.83
2010	9,222,488	24,610,322	0	1,224,164	3,864,982	79,818,791	5.58	1,409.08
2009	10,268,175	25,865,737	0	1,382,897	4,241,837	86,530,904	6.37	1,527.57
2008	11,315,719	27,055,258	494,380	1,535,792	4,617,473	92,476,686	6.81	1,632.54
2007	12,317,624	28,203,885	749,000	287,579	4,991,951	90,020,676	6.63	1,589.18

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

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

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

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

(4) General obligation bonds are net of unamortized premiums

# City of Lakewood, Ohio

## Legal Debt Margin

### Last Ten Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Overall Legal Debt Limit (10.5% of Assessed Valuation)	\$94,025,303	\$89,642,214	\$89,488,056	\$89,596,151
Net Debt Applicable to Debt Limit	<u>34,019,736</u>	<u>33,445,675</u>	<u>32,642,122</u>	<u>31,554,491</u>
Overall Legal Debt Margin (10.5% of Assessed Valuation)	<u>\$60,005,567</u>	<u>\$56,196,539</u>	<u>\$56,845,934</u>	<u>\$58,041,660</u>
Legal Debt Margin as a Percentage of Debt Limit	<u>63.82%</u>	<u>62.69%</u>	<u>63.52%</u>	<u>64.78%</u>
Unvoted Legal Debt Limit (5.5% of Assessed Valuation)	\$49,251,349	\$46,955,445	\$46,874,696	\$46,931,317
Net Debt Applicable to Debt Limit	<u>34,019,736</u>	<u>33,445,675</u>	<u>32,642,122</u>	<u>31,554,491</u>
Unvoted Legal Debt Margin (5.5% of Assessed Valuation)	<u>\$15,231,613</u>	<u>\$13,509,770</u>	<u>\$14,232,574</u>	<u>\$15,376,826</u>
Legal Debt Margin as a Percentage of Debt Limit	<u>30.93%</u>	<u>28.77%</u>	<u>30.36%</u>	<u>32.76%</u>

### Legal Debt Margin Calculation for the Year Ended December 31, 2016

	<u>Overall Margin Within 10.5%</u>	<u>Unvoted Margin Within 5.5%</u>
Assessed property value	<u>\$895,479,080</u>	<u>\$895,479,080</u>
Debt Limitation (percentage of assessed property value)	\$94,025,303	\$49,251,349
Gross Indebtedness:	70,711,983	70,711,983
Less: General Obligation Bonds	(2,836,314)	(2,836,314)
General Obligation Bonds - Enterprise Funds	(24,238,511)	(24,238,511)
Revenue Bonds	(865,000)	(865,000)
Enterprise Notes Payable	(6,485,000)	(6,485,000)
Debt Service Fund	<u>(2,267,422)</u>	<u>(2,267,422)</u>
Net Debt Applicable to Debt Limit	<u>34,019,736</u>	<u>34,019,736</u>
Legal Debt Margin Within Limitations	<u>\$60,005,567</u>	<u>\$15,231,613</u>

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

**Table 11**

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$94,245,867	\$95,225,551	\$95,332,559	\$102,111,500	\$103,199,469	\$103,525,987
<u>32,392,911</u>	<u>33,491,466</u>	<u>34,466,401</u>	<u>37,460,332</u>	<u>42,690,007</u>	<u>42,039,762</u>
<u>\$61,852,956</u>	<u>\$61,734,085</u>	<u>\$60,866,158</u>	<u>\$64,651,168</u>	<u>\$60,509,462</u>	<u>\$61,486,225</u>
<u>65.63%</u>	<u>64.83%</u>	<u>63.85%</u>	<u>63.31%</u>	<u>58.63%</u>	<u>59.39%</u>
\$49,366,883	\$49,880,051	\$49,936,102	\$53,486,976	\$54,056,865	\$54,227,898
<u>32,392,911</u>	<u>33,491,466</u>	<u>34,466,401</u>	<u>34,466,401</u>	<u>42,690,007</u>	<u>42,039,762</u>
<u>\$16,973,972</u>	<u>\$16,388,585</u>	<u>\$15,469,701</u>	<u>\$19,020,575</u>	<u>\$11,366,858</u>	<u>\$12,188,136</u>
<u>34.38%</u>	<u>32.86%</u>	<u>30.98%</u>	<u>35.56%</u>	<u>21.03%</u>	<u>22.48%</u>

## City of Lakewood, Ohio

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

December 31, 2016

Table 12

	Debt Attributable to Governmental Activities	Overlapping Percentage Applicable to Lakewood (1)	Amount of Direct and Overlapping Debt
<u>Direct:</u>			
City of Lakewood			
General Obligation Bonds (2)	\$34,201,316	100.00 %	\$34,201,316
Notes Payable - Long-term	4,105,445	100.00	4,105,445
Loans Payable	61,600	100.00	61,600
Capital Leases	<u>6,740,329</u>	100.00	<u>6,740,329</u>
Total Direct Debt	<u>45,108,690</u>		<u>45,108,690</u>
<u>Overlapping Debt:</u>			
Cuyahoga County	226,090,000	3.26	7,377,374
Regional Transit Authority	3,910,000	3.26	127,584
Lakewood City School District	<u>147,225,555</u>	100.00	<u>147,225,555</u>
Total Overlapping Debt	<u>377,225,555</u>		<u>154,730,513</u>
Total	<u>\$422,334,245</u>		<u>\$199,839,203</u>

Source: Cuyahoga County, Ohio; County Fiscal Officer

- (1) Overlapping percentages were calculated by dividing each overlapping government located within the boundaries of the City by the subdivision's total assessed valuation of the government. The valuations were for the 2016 collection year.
- (2) General Obligation bonds are net of unamortized premiums





## City of Lakewood, Ohio

### *Pledged Revenue Coverage*

#### *Water*

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

	2016	2015	2014	2013
Net Available Revenue:				
Gross Revenues (1)	\$10,471,468	\$10,842,642	\$11,074,606	\$11,306,665
Less: Operating Expenses (2)	8,548,106	9,292,198	8,717,099	7,975,571
Net Available Revenue	<u>\$1,923,362</u>	<u>\$1,550,444</u>	<u>\$2,357,507</u>	<u>\$3,331,094</u>
Debt Service OPWC Loans:				
Principal	\$330,153	\$313,229	\$313,229	\$332,903
OPWC Coverage	<u>5.83</u>	<u>4.95</u>	<u>7.53</u>	<u>10.01</u>
Debt Service - Revenue Bonds:				
Principal	18,500	534,039	512,252	486,359
Interest	61,425	433,008	456,823	479,013
Revenue Bond Coverage	<u>24.06</u>	<u>1.60</u>	<u>2.43</u>	<u>3.45</u>
Total Debt Service:				
Principal	515,153	847,268	825,481	819,262
Interest	61,425	433,008	456,823	479,013
Total Coverage	<u>3.34</u>	<u>1.21</u>	<u>1.84</u>	<u>2.57</u>

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

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

**Table 13**

2012	2011	2010	2009	2008	2007
\$11,214,618	\$10,774,944	\$10,777,249	\$10,385,783	\$10,536,724	\$11,484,184
9,190,160	8,128,431	8,468,811	7,812,615	8,042,899	8,470,561
<u>\$2,024,458</u>	<u>\$2,646,513</u>	<u>\$2,308,438</u>	<u>\$2,573,168</u>	<u>\$2,493,825</u>	<u>\$3,013,623</u>
\$313,229	\$313,229	\$313,229	\$313,229	\$313,230	\$313,230
<u>6.46</u>	<u>8.45</u>	<u>7.37</u>	<u>8.21</u>	<u>7.96</u>	<u>9.62</u>
465,465	954,572	919,125	868,232	837,338	876,890
500,187	538,959	575,314	608,689	650,747	598,677
<u>2.10</u>	<u>1.77</u>	<u>1.54</u>	<u>1.74</u>	<u>1.68</u>	<u>2.04</u>
778,694	1,267,801	1,232,354	1,181,461	1,150,568	1,190,120
500,187	538,959	575,314	608,689	650,747	598,677
<u>1.58</u>	<u>1.46</u>	<u>1.28</u>	<u>1.44</u>	<u>1.38</u>	<u>1.68</u>

## City of Lakewood, Ohio

### *Pledged Revenue Coverage*

#### *Sewer*

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

	2016	2015	2014	2013
Net Available Revenue:				
Gross Revenues (1)	\$12,812,351	\$9,009,122	\$8,643,807	\$8,263,735
Less: Operating Expenses (2)	4,842,071	4,902,343	4,572,164	4,471,397
Net Available Revenue	<u>\$7,970,280</u>	<u>\$4,106,779</u>	<u>\$4,071,643</u>	<u>\$3,792,338</u>
Debt Service OWDA Loans:				
Principal	\$0	\$0	\$0	\$16,382
Interest	0	0	0	346
OWDA Coverage	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>226.71</u>
Debt Service - OPWC Loans:				
Principal	34,486	34,486	34,486	34,486
OPWC Coverage	<u>231.12</u>	<u>119.09</u>	<u>118.07</u>	<u>109.97</u>
Debt Service - Revenue Bonds:				
Principal	0	465,000	445,000	430,000
Interest	0	480,613	498,413	515,613
Revenue Bond Coverage	<u>0.00</u>	<u>4.34</u>	<u>4.32</u>	<u>4.01</u>
Total Debt Service:				
Principal	34,486	499,486	479,486	480,868
Interest	0	480,613	498,413	515,959
Total Coverage	<u>231.12</u>	<u>4.19</u>	<u>4.16</u>	<u>3.80</u>

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

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

**Table 14**

2012	2011	2010	2009	2008	2007
\$7,653,452	\$6,849,662	\$6,443,136	\$5,821,972	\$6,220,187	\$7,628,335
3,976,850	3,757,052	4,207,534	4,264,238	4,720,506	5,900,144
<u>\$3,676,602</u>	<u>\$3,092,610</u>	<u>\$2,235,602</u>	<u>\$1,557,734</u>	<u>\$1,499,681</u>	<u>\$1,728,191</u>
\$31,726	\$30,405	\$29,138	\$27,925	\$26,761	\$25,647
1,731	3,053	4,861	5,333	6,696	7,811
<u>109.89</u>	<u>92.43</u>	<u>65.75</u>	<u>46.84</u>	<u>44.82</u>	<u>51.65</u>
34,486	34,486	34,485	34,485	34,487	34,487
<u>106.61</u>	<u>89.68</u>	<u>64.83</u>	<u>45.17</u>	<u>43.49</u>	<u>50.11</u>
405,000	390,000	375,000	360,000	350,000	310,000
535,863	551,463	566,463	580,863	594,862	365,088
<u>3.91</u>	<u>3.28</u>	<u>2.37</u>	<u>1.66</u>	<u>1.59</u>	<u>2.56</u>
471,212	454,891	438,623	422,410	411,248	370,314
537,594	554,516	571,324	586,196	601,558	372,899
<u>3.64</u>	<u>3.06</u>	<u>2.21</u>	<u>1.54</u>	<u>1.48</u>	<u>2.33</u>

# City of Lakewood, Ohio

## Demographic and Economic Statistics

### Last Ten Years

**Table 15**

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Total Assessed Property Value (4)
2016	52,131	\$1,431,100,212	\$27,452	\$43,154	34.9	38.9%	5,026	5.4%	\$895,479,080
2015	52,131	1,431,100,212	27,452	43,154	34.9	38.9	5,308	4.6	853,735,370
2014	52,131	1,431,100,212	27,452	43,154	34.9	38.9	5,192	6.0	852,567,200
2013	52,131	1,431,100,212	27,452	43,154	34.9	38.9	5,833	7.2	853,296,680
2012	52,131	1,431,100,212	27,452	43,154	34.9	38.9	5,870	6.6	897,579,690
2011	52,131	1,431,100,212	27,452	43,154	34.9	38.9	5,667	7.1	906,910,010
2010	52,131	1,431,100,212	27,452	44,268	35.4	38.9	5,664	8.6	907,929,130
2009	56,646	1,357,351,452	23,962	40,527	34.2	35.9	5,665	9.0	972,490,480
2008	56,646	1,357,351,452	23,962	40,527	34.2	35.9	5,925	7.1	982,852,083
2007	56,646	1,357,351,452	23,962	40,527	34.2	35.9	5,755	6.1	985,961,781

(1) Source: U. S. Census  
 (2) Source: Lakewood City School District  
 (3) Ohio Department of Job and Family Services  
 (4) Source: Cuyahoga County Fiscal Officer  
 (5) Computation of per capita personal income multiplied by population

# City of Lakewood, Ohio

Principal Employers – Based on Income Tax Dollars Withheld

**Current and Nine Years Ago**

**Table 16**

2016			
Employer	Nature of Activity	Employees *	Percentage of Total City Employment
Lakewood Hospital	Health Care	1,528	13.02%
Lakewood Board of Education	School District	1,153	9.82
City of Lakewood	Municipality	555	4.73
New York Life Insurance Company	Insurance Company	397	3.38
Riser Foods Company	Grocer	315	2.68
St. Edward High School	Private School	296	2.52
First Federal Saving and Loan Association of Lakewood	Financial Institution	294	2.51
Graftech International Holdings	Graphite Industry	104	0.89
Ohio Bell Telephone Company	Public Utility	103	0.88
Ferry Cap & Set Screw Co.	Manufacturing	99	0.84
Total		<u>4,844</u>	<u>41.27%</u>
Total Employment within the City		<u>11,736</u>	

2007			
Employer	Nature of Activity	Employees **	
Lakewood Hospital	Health Care	1,307	
Lakewood Board of Education	School District	923	
City of Lakewood	Municipality	667	
Lake Erie Screw Corporation	Manufacturing	310	
Ameritech	Public Utility	199	
United Transportation Union	Union	175	
Hinckley Lighting, Incorporated	Manufacturing	165	
Advanced Ceramic Corporation	Manufacturing	155	
United Readers Service, Incorporated	Manufacturing	150	
New York Life Insurance, Incorporated	Insurance Company	120	
Total		<u>4,171</u>	
Total Employment within the City		<u>n/a</u>	

Source: City of Lakewood; Department of Taxation

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

\*\* Based on actual number of employees

n/a - not available

# City of Lakewood, Ohio

## Full-Time City Employees by Function/Program

### Last Ten Years

**Table 17**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Government</b>										
Council	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Court	13.00	14.00	15.00	15.00	16.00	20.00	20.00	20.00	20.00	22.00
Civil Service	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Mayor's Office	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Community Relations	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Finance	7.00	7.00	7.00	6.00	7.00	7.00	6.00	7.00	7.00	7.00
Income Tax	6.00	6.00	6.00	6.00	4.00	4.00	4.00	3.00	4.00	6.00
Information System	4.00	4.00	4.00	3.00	4.00	4.00	4.00	4.00	4.00	6.00
Utility Billing	3.00	3.00	2.00	2.00	2.00	3.00	2.00	2.00	4.00	4.00
Health/Vital Stats	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	8.00
Law	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	5.00	5.00
Planning and Development	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00	5.00	3.00
Community Development	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	8.00
<b>Security of Persons and Property</b>										
Police	99.00	98.00	97.00	95.00	95.00	97.00	100.00	99.00	98.00	96.00
Police - Communications	11.00	11.00	10.00	11.00	11.00	10.00	10.00	11.00	11.00	12.00
Support of Prisoners	2.00	2.00	2.00	2.00	2.00	2.00	5.00	4.00	4.00	4.00
Fire	75.00	79.00	77.00	76.00	76.00	76.00	75.00	76.00	78.00	81.00
Emergency Medical Services	9.00	9.00	9.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00
Housing and Building	14.00	14.00	15.00	13.00	12.00	13.00	15.00	16.00	14.00	19.00
Parking	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Animal Control	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
<b>Public Works</b>										
Public Works Administration	2.00	2.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	3.00
Parks	18.00	18.00	17.00	18.00	12.00	13.00	13.00	11.00	13.00	16.00
Buildings and Facilities	0.00	0.00	0.00	0.00	1.00	1.00	2.00	2.00	3.00	4.00
Construction	0.00	0.00	0.00	0.00	3.00	4.00	4.00	4.00	4.00	4.00
Streets	14.00	14.00	14.00	14.00	14.00	14.00	15.00	12.00	13.00	16.00
Forestry	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00
Traffic Signs	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	4.00	4.00
Refuse	25.00	28.00	29.00	30.00	30.00	32.00	35.00	35.00	43.00	46.00
Fleet	10.00	10.00	10.00	10.00	10.00	11.00	11.00	11.00	11.00	10.00
Communications	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
Water Distributions	5.00	5.00	5.00	6.00	6.00	6.00	6.00	7.00	8.00	9.00
Water Metering	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00
Wastewater Collections	11.00	11.00	12.00	11.00	12.00	11.00	12.00	13.00	14.00	14.00
Wastewater Treatment	21.00	21.00	22.00	23.00	23.00	22.00	23.00	22.00	23.00	23.00
Engineering	4.00	4.00	4.00	3.00	3.00	3.00	4.00	4.00	4.00	6.00
Winterhurst	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	2.00
<b>Human Services</b>										
Human Services Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Office on Aging IIIB	11.00	11.00	11.00	11.00	12.00	16.00	18.00	18.00	21.00	25.00
Office on Aging IIIC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.00
Early Childhood	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Youth	6.00	6.00	6.00	6.00	6.00	8.00	8.00	10.00	10.00	12.00
<b>Totals:</b>	<u>412.00</u>	<u>419.00</u>	<u>416.00</u>	<u>415.00</u>	<u>417.00</u>	<u>432.00</u>	<u>452.00</u>	<u>452.00</u>	<u>475.00</u>	<u>527.00</u>

Source: City of Lakewood, Finance Department

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





# City of Lakewood, Ohio

## Operating Indicators by Function/Program

### Last Ten Years

Function/Program	2016	2015	2014
<b>General Government</b>			
<i>Clerk of Council</i>			
Number of ordinances passed	61	51	59
Number of resolutions passed	63	59	94
<i>Civil Service</i>			
Number of police and fire entry application processed	150	0	0
<i>Finance Department</i>			
Number of checks/ vouchers issued	5,245	5,494	5,577
Interest earnings for fiscal year (cash basis)	\$387,280	\$136,405	\$107,466
<i>Income Tax</i>			
Number of Annual withholding forms processed	32,800	28,794	26,696
Number of Business net profit forms processed	2,460	2,493	2,451
<b>Public Works</b>			
<i>Engineering</i>			
Dollar amount of Construction overseen by Engineer	\$25,000,000	\$10,525,600	\$4,958,463
<i>Forestry</i>			
Number of trees planted	415	415	378
<i>Parking Enforcement</i>			
Number of parking tickets	13,968	13,791	13,155
<i>Refuse</i>			
Collection of resident and business garbage in tons	16,358	16,075	14,774
<i>Water</i>			
Average (MCF) of water billed monthly (in thousands)	181,664	182,139	172,472
<i>Wastewater Collection</i>			
Average (MCF) of sewer billed monthly (in thousands)	181,664	182,139	172,472
<i>Wastewater Treatment</i>			
Influent flow in millions of gallons per year	2,379	2,607	2,730
Bio-solids wet tons per year	4,787	5,030	4,737

**Table 18**

2013	2012	2011	2010	2009	2008	2007
50	86	66	107	94	100	95
70	79	70	76	62	101	73
67	169	0	0	0	240	0
6,477	7,232	8,705	8,924	9,291	11,014	9,335
\$15,300	\$8,787	\$11,232	\$103,993	\$292,662	\$741,464	\$1,763,496
26,645	25,456	24,275	22,794	22,142	22,709	22,919
2,397	2,399	2,378	2,224	2,271	2,195	2,065
\$4,548,953	\$3,642,342	\$3,687,241	\$3,925,960	\$3,501,473	\$3,443,940	\$12,590,150
275	65	6	272	259	206	186
4,568	4,743	3,542	12,118	11,178	12,004	10,287
15,606	16,049	16,369	16,296	17,010	19,990	21,026
185,803	190,425	186,536	194,311	203,999	206,902	214,515
185,803	190,425	186,536	194,311	203,999	206,902	214,515
2,741	2,577	3,793	2,520	2,771	3,324	3,101
5,303	4,750	5,240	5,580	5,002	5,101	5,348

# City of Lakewood, Ohio

## Operating Indicators by Function/Program (continued)

### *Last Ten Years*

Function/Program	2016	2015	2014
<b>Security of Persons and Property</b>			
<i>Police</i>			
Total calls for services	57,074	59,833	54,430
Number of citations issued	6,528	7,859	9,476
<i>Fire</i>			
Total calls for services-Fire	2,319	2,043	1,406
Total calls for services-EMS	5,383	5,354	5,301
<b>Community Environment</b>			
<i>Building Department</i>			
Estimated value of construction	\$33,001,286	\$108,813,914	\$29,889,659
Number of permits issued (all types)	2,864	2,574	2,449
<b>Leisure Time Activities</b>			
<i>Parks</i>			
Recreation Men's and Women's Leagues receipts	\$6,295	\$5,975	\$5,798
Recreation Youth Activities receipts	\$81,500	\$78,900	\$78,569

**Table 18**

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
42,601	54,480	57,570	64,064	55,802	46,247	50,316
7,543	8,411	8,353	16,710	16,262	15,747	14,009
1,828	1,585	1,387	1,256	1,411	1,795	2,163
5,328	5,653	5,399	5,208	5,251	5,006	5,006
\$28,056,591	\$30,828,918	\$21,012,297	\$25,472,201	\$18,660,849	\$34,568,567	\$44,249,478
2,469	2,573	2,473	2,552	2,216	2,683	2,724
\$5,675	\$5,405	\$5,307	\$5,125	\$5,025	\$5,100	\$4,250
\$79,841	\$80,522	\$80,351	\$79,205	\$78,700	\$76,500	\$73,500

# City of Lakewood, Ohio

## Capital Assets Statistics by Function/Program

### *Last Ten Years*

Function/Program	2016	2015	2014	2013	2012
<b>Security of Persons and Property</b>					
<b>Police</b>					
Stations	1	1	1	1	1
Vehicles	51	51	49	49	45
<b>Fire</b>					
Stations	3	3	3	3	3
Vehicles	18	18	15	15	19
<b>Leisure Time Activities</b>					
<b>Parks</b>					
Number of Parks	15	15	15	15	15
Number of Ice Rinks	2	2	2	2	2
Number of Skateboarding Areas	1	1	1	1	1
Number of Baseball Diamonds	5	5	5	5	5
Number of Soccer Fields	1	1	1	1	1
<b>Transportation</b>					
<b>Service</b>					
Streets (miles)	93	93	93	93	93
Street Lights	1,488	1,488	1,488	1,488	1,488
<b>Water and Sewer</b>					
Water Lines (miles)	112	112	112	112	112
Sanitary Sewers (miles)	75	75	75	75	75
Storm Sewers (miles)	66	66	66	66	66
Combined Sewers (miles)	25	25	25	25	25

Source: City of Lakewood

**Table 19**

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<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
1	1	1	1	1
44	44	47	49	51
3	3	3	3	3
17	17	17	18	17
15	15	15	15	15
2	2	2	2	2
1	1	1	0	0
5	5	5	5	5
1	1	1	1	1
93	93	93	93	93
1,488	1,488	1,488	1,488	1,488
112	112	112	112	112
75	75	75	75	75
66	66	66	66	66
25	25	25	25	25







# Dave Yost • Auditor of State

CITY OF LAKEWOOD

CUYAHOGA COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JULY 11, 2017