

# City of Lakewood, Ohio

## Comprehensive Annual Financial Report

*For the Year Ending December 31, 2015*



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





# 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, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

August 30, 2016

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# CITY OF LAKEWOOD, OHIO



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2015

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**



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*For the Year Ended December 31, 2015*  
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Jennifer R. Pae  
Director of Finance

**June 8, 2016**

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, 2015.

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 the cities reporting on a GAAP basis to file unaudited General Purpose External Financial Statements with the Auditor of State within 150 days of year 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, 2015. 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, located in Northeast Ohio, on the shores of Lake Erie, and five miles west of downtown Cleveland, is primarily a residential community covering 5.66 square miles. The City’s population according to the 2010 Federal Census was 52,131. 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 2015 unemployment rate was 4.2 percent, compared to the Cuyahoga County rate of 5.4 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 2016. The City benefitted from new retail and office assets that yielded job retention and expansion in 2015 that will carry forward into 2016. The City's largest employers continue to remain steady and show modest job growth with the exception of Lakewood Hospital which is transitioning from an inpatient facility to an outpatient family health center with a 24/7/365 emergency department.

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**

In 2015, more than 20 new retailers and restaurants either opened or undertook a major expansion and renovation, including: Griffin Cider Works, The Gorilla, B2B, Roxu, Voodoo Tuna, Gigi's Playhouse, Sacred Hour Spa, Urban Bulk Foods, Ice Cream Joy, Tomori's Pizza, El Torrito, Chow Chow Kitchen, Sarita's, Action Toys, Wingstar Transportation, The Bookshop in Lakewood, Game On Lakewood, and Robusto & Briar Cigars.

The City's retail occupancy held strong in 2015, and Detroit Avenue continues to have a strong retention rate and occupancy at over 90%. However, in the past year Madison Avenue experienced its biggest gains in recent history.

Madison Avenue, the community's second major retail corridor, is seeing steady gains since the 2009 vacancy rate of 22%. The resurfacing of the entirety of Madison coupled with the City's "Madison on the Move" initiative is already proving to have benefitted as the pace of new business and building purchases have outpaced projections. More than a dozen new businesses opened or will have opened by the end of second quarter 2016. The retail occupancy rate is trending upward from the 2014 rate of 86%.

## **Commercial Office and Industrial**

The City's tech sector is holding strong and seeing gains with growth companies such as Decision Desk, Onyx, and NetworkinGuys adding associates in 2015. Industrial companies make up a relatively small portion of the City's business community. However, companies such as GrafTech, Tempest, and Ferry Cap & Screw continue to thrive as annually steady performers in the market while making significant capital investments in their physical facilities.

In January 2016, Roundstone Insurance ("Roundstone") purchased the former Christian Science Church in downtown Lakewood in order to relocate their corporate headquarters from Westlake. The historically designated property has been vacant since 2009 and will see more the \$500,000 in improvements 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 the former Berger Village building, a mixed use office and commercial building, and plan to renovate the building to be a second medical practice in the City.

## **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 the 13,000 one and two family homes were built before the Depression and are of a quality that will last for another century, if well maintained.

To assist in supporting the next century of housing, the City launched Housing Forward in 2011 to better coordinate proactive code enforcement and residents reinvesting in their homes. The initial city wide housing survey in 2011 was updated in 2013 and again in 2015. Since the initial survey in 2011, that helped to create strategic focus, more than 1,700 properties have been cited, consulted, and brought into conformance with City code.

The improvements in the housing stock are being demonstrated in property value. The City saw an 8% growth in housing value in 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 \$133,000 in 2015.

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 2014, approximately 70 properties were improved using the City's low interest loan and grant programs.

The City has been able to enhance its residential rehabilitation programs and be assertive in demolishing long standing nuisance properties starting 2011 with federal funding it received through the Neighborhood Stabilization Program. However, because of assertive code enforcement and a strong single family housing market, the City has only torn down 27 houses since 2011.

## **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, more than 20 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 \$14 million and is expected to be substantially completed by the end of 2016. 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 50 new townhomes for sale beginning in late 2016. Post-development value is projected to be approximately \$12 million and thought the project is only in the site preparation phase reservations and purchase inquiries are already being received from interested buyers.

Construction will also begin in late 2016 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 will have site control over the former hospital site across the street from the new Family Health Center and will begin the process to find development partners. The redevelopment of this 5.7 acres is a once in 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 2015, 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 2016 and beyond based on the City's focus:

- **Business attraction and development**
  - Continue to support and expand Start-up Lakewood for new business development
  - "Madison on the Move": post resurfacing business attraction and development
  - Healthcare implementation: redevelopment plans for 5.7-acre hospital site
- **Citizen Quality of Life Improvement and Crime Prevention**
  - Parks improvement plans for Wagar, Cove, Kauffman, and Webb parks, Kids Cove
  - Clifton Boulevard Extension lane reduction; bike lanes on Madison Avenue.
  - Strategic support for seniors and baby boomers aging in place
  - Intra-city transportation: leveraging wellness for options and collaboration
  - Explore creating quiet zones around 27 rail crossings to eliminate train horns
  - Collaborate with others on universal preschool education
  - Police body camera implementation starting the second quarter of 2016
  - Implement expanded surveillance cameras on new fiber optic network

- **Customer Service Improvement and Doing More with Less**
  - Mental health and addiction training for public safety, customer-facing employees
  - Citizen phone call management improvement
  - Council auditorium technology and enterprise software upgrade/replacement
  - City charter replacement approval campaign; union agreements to be negotiated
  - Six new LEAN projects and continued risk review of behaviors and equipment
  - Full review of health insurance strategy and debt restructuring planned
- **Health, Wellness and Environmental Stewardship**
  - Clean Water initiatives: West End outflow elimination, source control pilot study, citizen task force study due, and anaerobic digester co-energy plans developed
  - Implement new community wellness foundation; continue to defend challenges to new healthcare system in Lakewood
  - Implement Active Living Task Force recommendations
- **Housing Improvements**
  - Support new Rockport and McKinley Place townhome Developments
  - Five-year resurvey of homes under Housing Forward program
  - Work with Gold Coast building owners on reinvestment, lakeshore protection
- **Public Infrastructure Investment for**
  - Implement year 4 of 10-year sidewalk upgrade program
  - Work with school board on Taft School decommissioning and redevelopment
  - Demolish nuisanced Hilliard Square Theater
  - Utilize newly-completed city facilities assessment for long-term analysis of highest and best use of public space
  - Develop Lake Avenue. resurfacing funding strategy for 2017

### **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:***

- In July 2015, *Business View Magazine* named Lakewood “A Great Place to Call Home.” The publication noted that Lakewood is “recognized regionally for its tree-lined streets, excellent school system and outstanding municipal services,” in addition to being home to more than 1,000 businesses of myriad types and sizes. The article also pointed out several projects in Lakewood, including the Solstice Steps at Lakewood Park, and pointed to a “youthful infusion” that has “hastened the return of vibrancy” to the community, “signaled by a resurgent housing environment in which available homes are being snapped after only a few days on the market”.
- Ohio Treasurer Josh Mandel paid a visit to Lakewood on December 4, 2015, to acknowledge Lakewood being the second city in Cuyahoga County to participate in OhioCheckbook.com – a state initiative to place all state and local government spending online.

### ***Awards:***

- The City of Lakewood received the Auditor of State Award with Distinction for its 2014 Comprehensive Annual Financial Report for the second year in a row. A representative from the state auditor’s office stopped by the September 2, 2015, 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, 2014. This was the 33<sup>rd</sup> 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,

A handwritten signature in black ink that reads "Michael P. Summers". The signature is written in a cursive style with a prominent initial "M".

Michael P. Summers  
Mayor

A handwritten signature in black ink that reads "J Pae". The signature is written in a cursive style with a prominent initial "J".

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, 2014**

Executive Director/CEO

**City of Lakewood, Ohio**  
*Elected Officials*  
*December 31, 2015*

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  
Ward 3..... Shawn Juris  
Ward 4..... Mary Louise Madigan, Council President

**City of Lakewood, Ohio**

*Appointed Officials*

*December 31, 2015*

**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 .....Dru Siley

**City of Lakewood, Ohio**  
*Organizational Chart*  
*December 31, 2015*

CITIZENS

CITY  
COUNCIL

At Large  
 Thomas Bullock (Term expires 12/31/17)  
 Cindy Marx (Term expires 12/31/17)  
 Ryan Nowlin (Term expires 12/31/17)

Ward I (Term expires 12/31/15)  
 David Anderson

Ward II (Term expires 12/31/15)  
 Sam O' Leary

Ward III (Term expires 12/31/15)  
 Shawn Juris

Ward IV (Term expires 12/31/15)  
 Mary Louise Madigan, President

MAYOR

Term expires 12/31/15  
 Michael P. Summers

MUNICIPAL  
COURT JUDGE

Term expires 12/31/15  
 Judge Patrick Carroll

HUMAN  
SERVICES

Director Antoinette  
Gelsomino

FINANCE

Director Jennifer R. Pae

LAW

Director Kevin Butler

PLANNING &  
DEVELOPMENT

Director Dru Siley

PUBLIC  
WORKS

Director Joseph Beno

PUBLIC  
SAFETY

Chief Timothy Malley, Police  
Chief Scott Gilman, Fire

# **FINANCIAL SECTION**



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

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

---

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

To the Members of City Council  
City of Lakewood  
Lakewood, Ohio

The Honorable 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, (City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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

### ***Opinions***

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

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

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

### ***Other Matters***

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

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

#### ***Other Information***

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2016, on our consideration of the City of Lakewood, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lakewood, Ohio's internal control over financial reporting and compliance.



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

June 8, 2016

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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, 2015. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

**Financial Highlights**

Key financial highlights for 2015 are as follows:

- Overall, governmental activities revenues (including transfers) of \$64,931,914 exceeded the expenses which came in at \$51,532,843 resulting in an increase in net position by \$13,399,071 for the year 2015. The total governmental activities' net position was \$48,528,827 compared to \$35,129,756 in the previous year.
- Overall, business-type activities revenues of \$23,441,422 exceeded the expenses (including transfers) which came in at \$19,410,379 resulting in an increase in net position by \$4,031,043 for the year 2015. The total business-type activities' net position was \$69,979,220 compared to \$65,948,177 in the previous year.
- The City issued bond anticipation notes during 2015 to rollover the 2014 bond anticipation notes, and additional resources for roadway improvements to seventeen 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.

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

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

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

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

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

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

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

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

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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 32-35 of this report.

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

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

**Notes to the Financial Statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-89 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 91-165 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 2015?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

**The City of Lakewood as a Whole**

Recall that the Statement of Net Position looks at the City as a whole. The following table on page 9 provides a summary of the City's net position for 2015 compared to 2014.

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	Governmental Activities		Business-Type Activities		Total	
	2015	2014 *	2015	2014 *	2015	2014 *
<b>ASSETS</b>						
Current and other assets	\$71,686,087	\$62,656,852	\$22,324,126	\$22,575,242	\$94,010,213	\$85,232,094
Capital assets, net	80,016,026	74,120,518	89,620,223	84,620,884	169,636,249	158,741,402
Net Pension Asset	14,237	3,880	3,512	957	17,749	4,837
<b>Total Assets</b>	<b>151,716,350</b>	<b>136,781,250</b>	<b>111,947,861</b>	<b>107,197,083</b>	<b>263,664,211</b>	<b>243,978,333</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferral on Refunding Pension	256,302	307,388	62,603	74,088	318,905	381,476
	6,172,596	4,038,971	474,083	331,037	6,646,679	4,370,008
<b>Total Deferred Outflows of Resources</b>	<b>6,428,898</b>	<b>4,346,359</b>	<b>536,686</b>	<b>405,125</b>	<b>6,965,584</b>	<b>4,751,484</b>
<b>LIABILITIES</b>						
Current and other liabilities	2,166,589	4,130,155	1,556,335	2,122,359	3,722,924	6,252,514
Long-term liabilities:						
Due within one year	19,702,192	17,062,256	6,648,108	4,530,376	26,350,300	21,592,632
Due in more than one year:						
Net Pension Liability	44,013,380	41,782,376	2,671,986	2,611,635	46,685,366	44,394,011
Other Amounts	29,999,006	31,628,083	30,063,457	30,969,196	60,062,463	62,597,279
<b>Total Liabilities</b>	<b>95,881,167</b>	<b>94,602,870</b>	<b>40,939,886</b>	<b>40,233,566</b>	<b>136,821,053</b>	<b>134,836,436</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes	11,684,577	10,920,685	1,517,428	1,420,465	13,202,005	12,341,150
Payments in Lieu of Taxes	456,076	474,298	0	0	456,076	474,298
Pension	194,601	0	48,013	0	242,614	0
Promissory Note	1,400,000	0	0	0	1,400,000	0
<b>Total Deferred Inflows of Resources</b>	<b>13,735,254</b>	<b>11,394,983</b>	<b>1,565,441</b>	<b>1,420,465</b>	<b>15,300,695</b>	<b>12,815,448</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	41,107,537	39,149,696	54,036,529	49,186,022	95,144,066	88,335,718
Restricted	23,629,545	13,194,532	1,127,533	1,172,175	24,757,078	14,366,707
Unrestricted	(16,208,255)	(17,214,472)	14,815,158	15,589,980	(1,393,097)	(1,624,492)
<b>Total Net Position</b>	<b>\$48,528,827</b>	<b>\$35,129,756</b>	<b>\$69,979,220</b>	<b>\$65,948,177</b>	<b>\$118,508,047</b>	<b>\$101,077,933</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. This implementation also had the effect of restating net position at December 31, 2014 from \$72,869,281 to \$35,129,756 for Governmental Activities and from \$68,227,818 to \$65,948,177 for Business Type Activities.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$118,508,047 at the close of 2015.

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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. 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 \$21,899,978 from 2014 to 2015, while the City's total liabilities increased and deferred inflows of resources by \$4,469,864. Total net position increased \$17,430,114 with governmental activities comprising \$13,399,071 and business-type activities comprising \$4,031,043 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.

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	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$7,912,193	\$8,116,829	\$19,958,989	\$20,204,031	\$27,871,182	\$28,320,860
Operating Grants and Contributions	11,842,752	5,459,955	0	0	11,842,752	5,459,955
Capital Grants and Contributions	4,381,256	1,094,386	1,171,927	120,628	5,553,183	1,215,014
<b>Total Program Revenues</b>	<b>24,136,201</b>	<b>14,671,170</b>	<b>21,130,916</b>	<b>20,324,659</b>	<b>45,267,117</b>	<b>34,995,829</b>
General Revenues:						
Property Taxes	11,798,429	11,164,103	1,530,516	1,447,720	13,328,945	12,611,823
Municipal Income Taxes	22,563,434	21,954,834	0	0	22,563,434	21,954,834
Payments in Lieu of Taxes	448,815	494,754	0	0	448,815	494,754
Grants and Entitlements	3,719,128	3,722,984	643,502	218,529	4,362,630	3,941,513
Investment Income	100,437	49,548	40,366	18,351	140,803	67,899
All Other Revenues	468,120	405,048	96,122	260,388	564,242	665,436
<b>Total General Revenues</b>	<b>39,098,363</b>	<b>37,791,271</b>	<b>2,310,506</b>	<b>1,944,988</b>	<b>41,408,869</b>	<b>39,736,259</b>
<b>Total Revenues</b>	<b>63,234,564</b>	<b>52,462,441</b>	<b>23,441,422</b>	<b>22,269,647</b>	<b>86,675,986</b>	<b>74,732,088</b>
<b>EXPENSES</b>						
Program Expenses:						
Security of Persons and Property:						
Police and Others	13,677,739	13,662,669	0	0	13,677,739	13,662,669
Fire	10,740,998	10,238,188	0	0	10,740,998	10,238,188
Public Health Services	1,824,905	1,867,088	0	0	1,824,905	1,867,088
Leisure Time Activities	2,474,236	2,527,405	0	0	2,474,236	2,527,405
Community Environment	5,135,801	5,954,990	0	0	5,135,801	5,954,990
Basic Utility Services	3,525,439	3,561,708	0	0	3,525,439	3,561,708
Transportation	3,518,156	3,199,757	0	0	3,518,156	3,199,757
General Government	9,341,967	9,439,522	0	0	9,341,967	9,439,522
Interest and Fiscal Charges	1,293,602	1,453,572	0	0	1,293,602	1,453,572
Water	0	0	10,437,438	9,852,335	10,437,438	9,852,335
Sewer	0	0	6,448,991	6,182,538	6,448,991	6,182,538
Parking Facilities	0	0	355,917	319,581	355,917	319,581
Winterhurst Ice Rink	0	0	470,683	461,923	470,683	461,923
<b>Total Expenses</b>	<b>51,532,843</b>	<b>51,904,899</b>	<b>17,713,029</b>	<b>16,816,377</b>	<b>69,245,872</b>	<b>68,721,276</b>
Change in Net Position before Transfers	11,701,721	557,542	5,728,393	5,453,270	17,430,114	6,010,812
Transfers	1,697,350	1,470,815	(1,697,350)	(1,470,815)	0	0
Change in Net Position	13,399,071	2,028,357	4,031,043	3,982,455	17,430,114	6,010,812
Net Position - Beginning of Year, Restated	35,129,756	N/A	65,948,177	N/A	101,077,933	N/A
<b>Net Position - End of Year</b>	<b>\$48,528,827</b>	<b>\$35,129,756</b>	<b>\$69,979,220</b>	<b>\$65,948,177</b>	<b>\$118,508,047</b>	<b>\$101,077,933</b>

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$4,370,008 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$4,739,387.

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Consequently, in order to compare 2015 program expenses to 2014, the following adjustments are needed:

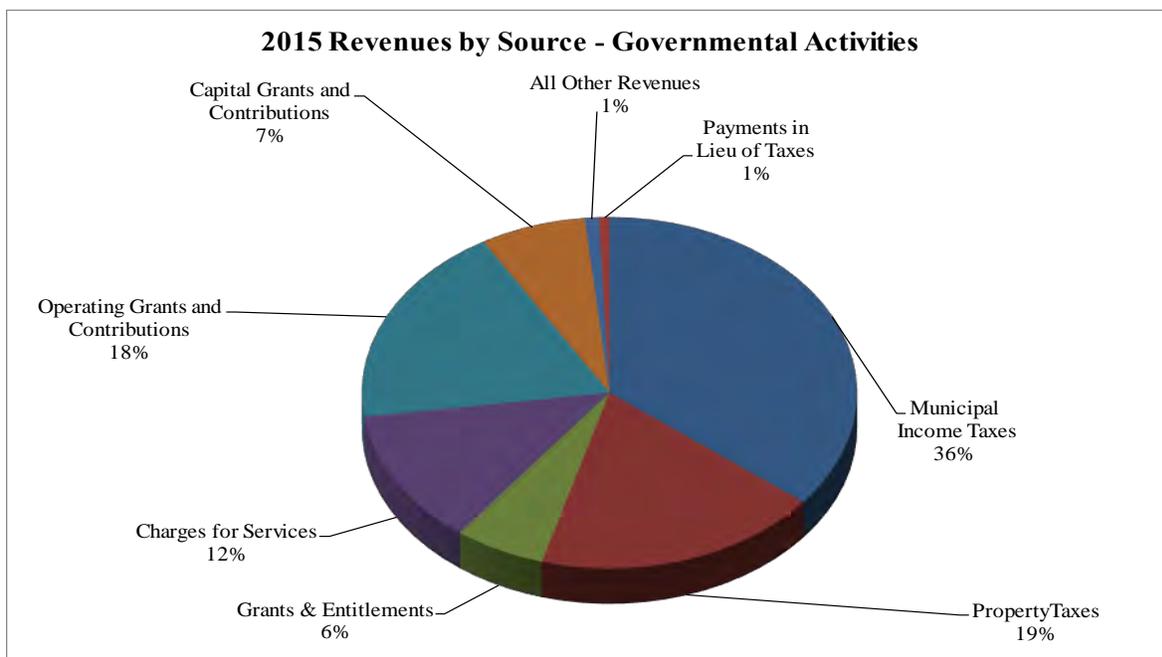
	Governmental Activities	Business-Type Activities	Total
Total 2015 program expenses under GASB 68	\$ 51,532,843	\$ 17,713,029	\$ 69,245,872
Pension expense under GASB 68	(4,445,325)	(294,062)	(4,739,387)
2015 contractually required pension contribution	4,163,702	331,299	4,495,001
Adjusted 2015 program expenses	51,251,220	17,750,266	69,001,486
Total 2014 program expenses under GASB 27	51,904,899	16,816,377	68,721,276
Increase/(Decrease) in program expenses not related to pension	\$ (653,679)	\$ 933,889	\$ 280,210

**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 2015. 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 2015 was \$22,563,434. Of the \$63,234,564 in total governmental revenues, income tax accounts for 36 percent of that total. Property taxes and payment in lieu of taxes of \$12,247,244 account for 20 percent of total revenues. Operating/capital grants and contributions, and general revenues from grants and entitlements account for 31 percent of total revenues, and charges for services, investment income and other revenue make up the remaining 13 percent.

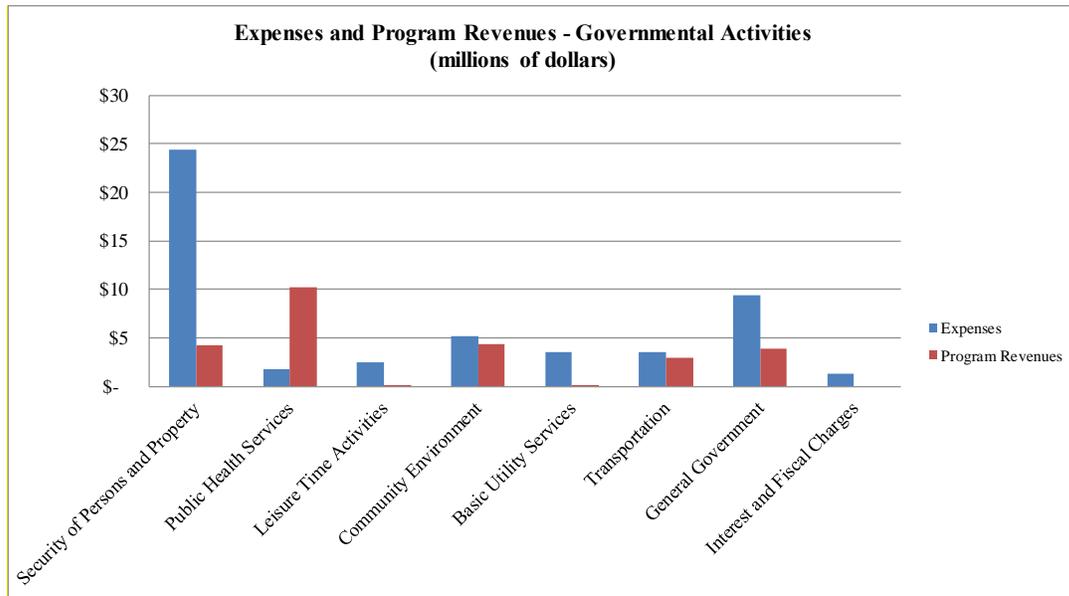
General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its sources of revenues very closely for fluctuations, especially income tax.



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During the year the City realized a change in several revenue sources. Operating grants and contributions experienced the largest increase of \$6,382,797, which was due to receipts from the sale of Lakewood Hospital to Cleveland Clinic as recognition of early termination of lease agreements and Capital Grants and Contributions experienced an increase of \$3,286,870 due to capital contributions from the master agreement with Lakewood Hospital Association. Property and Income taxes experienced an increase of \$634,326 and \$608,600, respectively, due to a reduction in delinquencies and increased collection percentage, and increase income tax payments from individuals.

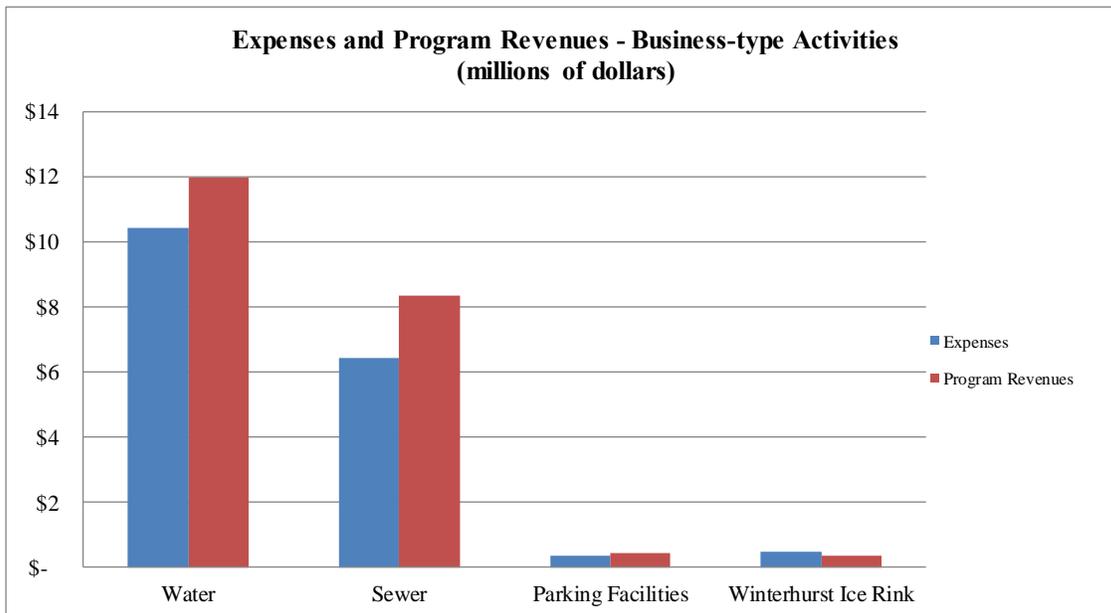
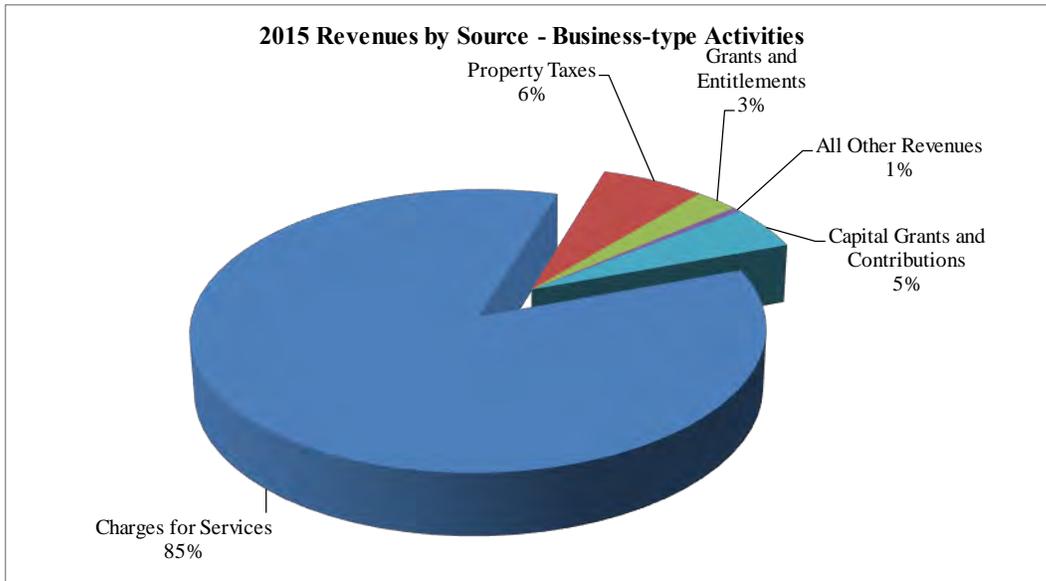
Total expenses of governmental activities for 2015 were \$51,532,843. The largest program function for the City relates to Security of Persons and Property, which includes the Police and Fire departments. Total Security of Persons and Property accounted for program expenses of \$24,418,737, which is 47 percent of the program expenses for governmental activities. General Government is the next largest program expense at 18 percent, followed by Community Environment expenses of 10 percent.



**Business-Type Activities**

Business-type activities increased the City's net position by \$4,031,043. 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 \$17,713,029, with the Water Department comprising 59 percent of that amount followed by the Sewer Department at 36 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.

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**Governmental Funds**

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

As of December 31, 2015, the City's governmental funds reported combined ending fund balances of \$37,481,828, a \$7,806,204 increase from 2014. Of that amount, \$9,471,390 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 \$37,295,197 and expenditures of \$37,114,346 (not including other financing sources and uses) leaving a decrease in fund balance after other financing sources and uses of \$304,604. This decrease is primarily due to decreased intergovernmental revenues coupled with higher expenditures.

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 \$9,506,549, while the total fund balance reached \$14,833,020. 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 23 percent of total General Fund expenditures (including other financing uses), while total fund balance represents 36 percent of that same amount.

The Police and Fire Pension Fund had total revenues of \$2,825,899 and expenditures of \$2,758,681 with a net change in fund balance after other financing uses of \$67,218. The increase is due to the increase in property taxes.

The Community Development Block Grant Fund had total revenues of \$2,134,528 and expenditures of \$2,108,885 with a net change in fund balance of \$25,643. The increase is insignificant compared to the fund balance at year end.

The Lakewood Hospital Fund had total revenues of \$11,770,174 and expenditures of \$2,266,312 with a net change in fund balance of \$9,503,862. The increase was mainly due to receipts from the sale of Lakewood Hospital to Cleveland Clinic as recognition of early termination of lease agreements.

The Debt Service Fund had total revenues of \$3,491,203, expenditures of \$13,491,283, and a net change in fund balance after other financing sources and uses of (\$495,428). The fund balance's decrease was due to the additional principal retirement.

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***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 \$14,815,158. The City's Water and Sewer Funds experienced increases in net position during 2015. The City's efforts to keep utility rates sufficient to cover expenses are evident in the increases in net position for 2015.

**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 2015, the City amended its General Fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for Ordinance enactment on the change. The legal level of budgetary control is at the object level (i.e. personnel costs). Adjustments to the budget can only be made within a department and then within each category. The General Fund supports many of our major activities such as the Police, Fire and Refuse departments, as well as most legislative and executive activities. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the General Fund, original and final budgeted revenues were \$35,205,323. Actual revenues were \$37,422,487. 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 and forfeitures increased in 2015 over 2014 while intergovernmental and charges for services decreased in 2015 compared to 2014.

Original General Fund budgeted expenditures were \$40,970,586 and the final amended budget was \$43,597,444. Actual General Fund expenditures were \$42,492,672 or \$1,104,772 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 \$5,883,761 was \$3,321,936 above the final budgeted amount of \$2,561,825.

**Capital Assets and Debt Administration**

**Capital Assets** - The City's investment in capital assets for governmental and business-type activities as of December 31, 2015, amounts to \$169,636,249 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, land improvements, furniture and equipment, vehicles, roads, traffic signals, sidewalks, curbing, water lines, and sewer lines.

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	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$6,139,702	\$6,139,702	\$78,140	\$78,140	\$6,217,842	\$6,217,842
Construction in progress	1,191,597	3,080,680	7,641,073	3,754,120	8,832,670	6,834,800
<b>Total Non-Depreciable</b>	<b>7,331,299</b>	<b>9,220,382</b>	<b>7,719,213</b>	<b>3,832,260</b>	<b>15,050,512</b>	<b>13,052,642</b>
Land improvements	5,502,987	2,558,445	737,516	788,851	6,240,503	3,347,296
Buildings and improvements	12,738,487	11,324,128	12,175,866	12,050,513	24,914,353	23,374,641
Furniture and equipment	2,068,740	2,159,750	3,541,004	3,818,498	5,609,744	5,978,248
Vehicles	7,017,467	6,962,158	1,540,924	1,781,281	8,558,391	8,743,439
Infrastructure:						
Roads	37,836,553	35,223,767	0	0	37,836,553	35,223,767
Traffic Signals	3,403,891	3,547,697	0	0	3,403,891	3,547,697
Sidewalks	3,236,208	2,231,174	65,118	0	3,301,326	2,231,174
Curbing	880,394	893,017	0	0	880,394	893,017
Water Lines	0	0	38,774,150	38,944,585	38,774,150	38,944,585
Sewer Lines	0	0	25,066,432	23,404,896	25,066,432	23,404,896
<b>Total Depreciable,</b>						
<b>Net of Depreciation</b>	<b>72,684,727</b>	<b>64,900,136</b>	<b>81,901,010</b>	<b>80,788,624</b>	<b>154,585,737</b>	<b>145,688,760</b>
<b>Total Capital Assets,</b>						
<b>Net of Depreciation</b>	<b>\$80,016,026</b>	<b>\$74,120,518</b>	<b>\$89,620,223</b>	<b>\$84,620,884</b>	<b>\$169,636,249</b>	<b>\$158,741,402</b>

The total increase in the City's capital assets for the current fiscal year was \$10,894,847, a \$5,895,508 increase for governmental activities and a \$4,999,339 increase for business-type activities. The most significant increase in capital assets came in the Land Improvement, Roads and Sidewalks categories within the governmental activities. The most significant increase in capital assets came in the construction in progress category within the business-type activities.

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

**Debt** – As of December 31, 2015, the City had \$79,554,304 in bonds, notes, loans, and capital leases outstanding. Of this amount, \$23,428,376 is due within one year.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Notes -						
Long-term	\$13,563,426	\$10,209,711	\$3,845,140	\$1,844,918	\$17,408,566	\$12,054,629
General Obligation Notes -						
Short-term	0	365,000	0	500,000	0	865,000
General Obligation Bonds	22,422,104	25,000,846	5,286,175	5,955,404	27,708,279	30,956,250
Revenue Bonds	0	0	19,597,867	20,587,776	19,597,867	20,587,776
OPWC Loan	92,400	123,200	2,047,894	2,395,609	2,140,294	2,518,809
Capital Leases	7,124,506	6,632,198	5,574,792	4,337,104	12,699,298	10,969,302
<b>Total Outstanding Debt</b>	<b>\$43,202,436</b>	<b>\$42,330,955</b>	<b>\$36,351,868</b>	<b>\$35,620,811</b>	<b>\$79,554,304</b>	<b>\$77,951,766</b>

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

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

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 \$56,196,539 at December 31, 2015.

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.

Assets transferred to the City from (LHA) on December 22, 2015 include the following:

- Medical office building located at 14601 Detroit Avenue
- Parking garage located at 1422 Belle Avenue
- Community Health Center located at 1450 Belle Avenue
- Seven residential properties the City previously had control over
- \$6.6 million as recognition of early termination of the 1996 lease.
- "Curtis Block" (corner of Marlowe Avenue and Detroit Avenue) transferred February 22, 2016

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

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

City received \$1,576,000 for the properties. The Cleveland Clinic will demolish those building and construct the Lakewood Family Health Center on the site expected to open in 2018.

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

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**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, 2015*

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$31,851,337	\$14,720,240	\$46,571,577
Cash and Cash Equivalents:			
In Segregated Accounts	542,717	189,012	731,729
With Fiscal Agents	933,368	700,431	1,633,799
Held by Trustee	0	1,127,533	1,127,533
Materials and Supplies Inventory	522,862	460,896	983,758
Accounts Receivable	725,554	3,743,706	4,469,260
Less: Allowance for Doubtful Accounts	0	(75,840)	(75,840)
Accrued Interest Receivable	32,616	10,988	43,604
Intergovernmental Receivable	2,602,952	98,523	2,701,475
Internal Balances	238,844	(238,844)	0
Prepaid Items	270,694	0	270,694
Municipal Income Taxes Receivable	14,647,293	0	14,647,293
Property Taxes Receivable	12,235,239	1,587,481	13,822,720
Special Assessments Receivable	470,714	0	470,714
Payments in Lieu of Taxes Receivable	510,852	0	510,852
Loans Receivable	1,501,302	0	1,501,302
Assets Held for Resale	2,799,725	0	2,799,725
Notes Receivable	1,800,018	0	1,800,018
Net Pension Asset	14,237	3,512	17,749
Nondepreciable Capital Assets	7,331,299	7,719,213	15,050,512
Depreciable Capital Assets	72,684,727	81,901,010	154,585,737
<b>Total Assets</b>	<b>151,716,350</b>	<b>111,947,861</b>	<b>263,664,211</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferral on Refunding	256,302	62,603	318,905
Pension	6,172,596	474,083	6,646,679
<b>Total Deferred Outflows of Resources</b>	<b>6,428,898</b>	<b>536,686</b>	<b>6,965,584</b>
<b>LIABILITIES</b>			
Accounts Payable	964,606	1,248,139	2,212,745
Accrued Wages and Benefits	379,842	40,008	419,850
Intergovernmental Payable	476,818	38,161	514,979
Accrued Interest Payable	203,494	41,015	244,509
Retainage Payable	141,829	189,012	330,841
Long-term Liabilities:			
Due within one year	19,702,192	6,648,108	26,350,300
Due in more than one year:			
Net Pension Liability (See Note 16)	44,013,380	2,671,986	46,685,366
Other Amounts	29,999,006	30,063,457	60,062,463
<b>Total Liabilities</b>	<b>95,881,167</b>	<b>40,939,886</b>	<b>136,821,053</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	11,684,577	1,517,428	13,202,005
Payments in Lieu of Taxes	456,076	0	456,076
Pension	194,601	48,013	242,614
Promissory Note	1,400,000	0	1,400,000
<b>Total Deferred Inflows of Resources</b>	<b>13,735,254</b>	<b>1,565,441</b>	<b>15,300,695</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	41,107,537	54,036,529	95,144,066
Restricted for:			
Capital Projects	6,501,371	0	6,501,371
Debt Service	2,151,445	931,832	3,083,277
Replacement and Improvement	0	195,701	195,701
Streets and Highways	1,295,948	0	1,295,948
Community Development	1,657,204	0	1,657,204
Indigent Drivers Alcohol Treatment	161,903	0	161,903
Lakewood Hospital	10,319,659	0	10,319,659
Other Purposes	1,542,015	0	1,542,015
Unrestricted	(16,208,255)	14,815,158	(1,393,097)
<b>Total Net Position</b>	<b>\$48,528,827</b>	<b>\$69,979,220</b>	<b>\$118,508,047</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, 2015

	<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	\$13,677,739	\$1,705,381	\$28,531	\$0
Fire	10,740,998	2,434,467	13,905	0
Public Health Services	1,824,905	72,200	6,902,085	3,296,758
Leisure Time Activities	2,474,236	0	2,669	0
Community Environment	5,135,801	1,194,867	2,878,700	226,337
Basic Utility Services	3,525,439	39,816	0	0
Transportation	3,518,156	48,242	2,001,462	858,161
General Government	9,341,967	2,417,220	15,400	0
Interest and Fiscal Charges	1,293,602	0	0	0
<b>Total Governmental activities</b>	<b>51,532,843</b>	<b>7,912,193</b>	<b>11,842,752</b>	<b>4,381,256</b>
<b>Business-type activities:</b>				
Water	10,437,438	10,786,061	0	1,171,927
Sewer	6,448,991	8,365,370	0	0
Parking Facilities	355,917	455,700	0	0
Winterhurst Ice Rink	470,683	351,858	0	0
<b>Total Business-type activities</b>	<b>17,713,029</b>	<b>19,958,989</b>	<b>0</b>	<b>1,171,927</b>
<b>Total Primary Government</b>	<b>\$69,245,872</b>	<b>\$27,871,182</b>	<b>\$11,842,752</b>	<b>\$5,553,183</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  
Gain on Sale of Assets  
All Other Revenues  
Transfers  
    Total General Revenues and Transfers  
Change in Net Position  
Net Position - Beginning of Year, Restated  
**Net Position - End of Year**

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

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

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
(\$11,943,827)	\$0	(\$11,943,827)
(8,292,626)	0	(8,292,626)
8,446,138	0	8,446,138
(2,471,567)	0	(2,471,567)
(835,897)	0	(835,897)
(3,485,623)	0	(3,485,623)
(610,291)	0	(610,291)
(6,909,347)	0	(6,909,347)
(1,293,602)	0	(1,293,602)
<u>(27,396,642)</u>	<u>0</u>	<u>(27,396,642)</u>
0	1,520,550	1,520,550
0	1,916,379	1,916,379
0	99,783	99,783
<u>0</u>	<u>(118,825)</u>	<u>(118,825)</u>
<u>0</u>	<u>3,417,887</u>	<u>3,417,887</u>
<u>(27,396,642)</u>	<u>3,417,887</u>	<u>(23,978,755)</u>
6,619,558	0	6,619,558
2,666,760	0	2,666,760
2,512,111	0	2,512,111
0	1,530,516	1,530,516
22,563,434	0	22,563,434
448,815	0	448,815
3,719,128	643,502	4,362,630
100,437	40,366	140,803
14,776	0	14,776
453,344	96,122	549,466
<u>1,697,350</u>	<u>(1,697,350)</u>	<u>0</u>
<u>40,795,713</u>	<u>613,156</u>	<u>41,408,869</u>
13,399,071	4,031,043	17,430,114
<u>35,129,756</u>	<u>65,948,177</u>	<u>101,077,933</u>
<u>\$48,528,827</u>	<u>\$69,979,220</u>	<u>\$118,508,047</u>

**City of Lakewood, Ohio**  
*Balance Sheet*  
**Governmental Funds**  
*December 31, 2015*

	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	\$9,693,231	\$845,003	\$38,882	\$7,485,543	\$1,371,262	\$8,654,543	\$28,088,464
Cash and Cash Equivalents:							
In Segregated Accounts	290,455	0	0	110,433	0	141,829	542,717
With Fiscal Agents	933,368	0	0	0	0	0	933,368
Materials and Supplies Inventory	405,144	0	0	0	0	117,718	522,862
Accrued Interest Receivable	29,616	0	0	0	2,847	153	32,616
Accounts Receivable	306,180	0	0	402,624	0	16,750	725,554
Interfund Receivable	391,000	0	0	0	0	0	391,000
Intergovernmental Receivable	1,398,695	161,577	8,482	0	170,941	863,257	2,602,952
Prepaid Items	269,009	0	1,685	0	0	0	270,694
Municipal Income Taxes Receivable	14,647,293	0	0	0	0	0	14,647,293
Property Taxes Receivable	6,865,213	2,603,461	0	0	2,766,565	0	12,235,239
Special Assessments Receivable	37,774	0	0	12,985	419,955	0	470,714
Notes Receivable	400,018	0	0	1,400,000	0	0	1,800,018
Payments in Lieu of Taxes Receivable	0	0	0	0	0	510,852	510,852
Loans Receivable	0	0	1,501,302	0	0	0	1,501,302
Assets Held for Resale	0	0	0	2,547,600	0	252,125	2,799,725
<b>Total Assets</b>	<b>35,666,996</b>	<b>3,610,041</b>	<b>1,550,351</b>	<b>11,959,185</b>	<b>4,731,570</b>	<b>10,557,227</b>	<b>68,075,370</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts Payable	\$511,395	\$0	\$77,836	\$38,553	\$0	\$336,822	\$964,606
Accrued Wages and Benefits	337,513	0	4,166	11,911	0	26,252	379,842
Intergovernmental Payable	134,263	302,941	3,720	10,896	0	24,998	476,818
Retainage Payable	0	0	0	0	0	141,829	141,829
Interfund Payable	169,453	0	131,015	5,580	0	58,682	364,730
<b>Total Liabilities</b>	<b>1,152,624</b>	<b>302,941</b>	<b>216,737</b>	<b>66,940</b>	<b>0</b>	<b>588,583</b>	<b>2,327,825</b>
<b>Deferred Inflows of Resources:</b>							
Property Taxes and Payments in Lieu of Taxes	6,562,236	2,488,575	0	0	2,633,766	456,076	12,140,653
Promissory Note	0	0	0	1,400,000	0	0	1,400,000
Unavailable Revenue - Delinquent Property Taxes and Payments in Lieu of Taxes	302,977	114,886	0	0	121,541	54,776	594,180
Unavailable Revenue - Income Taxes	11,729,436	0	0	0	0	0	11,729,436
Unavailable Revenue - Other	1,086,703	161,577	0	12,985	602,154	538,029	2,401,448
<b>Total Deferred Inflows of Resources</b>	<b>19,681,352</b>	<b>2,765,038</b>	<b>0</b>	<b>1,412,985</b>	<b>3,357,461</b>	<b>1,048,881</b>	<b>28,265,717</b>
<b>Fund Balances:</b>							
Nonspendable	1,465,171	0	1,685	0	0	117,718	1,584,574
Restricted	0	542,062	1,331,929	10,479,260	1,374,109	3,743,995	17,471,355
Committed	0	0	0	0	0	5,093,209	5,093,209
Assigned	3,861,300	0	0	0	0	0	3,861,300
Unassigned (Deficit)	9,506,549	0	0	0	0	(35,159)	9,471,390
<b>Total Fund Balances</b>	<b>14,833,020</b>	<b>542,062</b>	<b>1,333,614</b>	<b>10,479,260</b>	<b>1,374,109</b>	<b>8,919,763</b>	<b>37,481,828</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$35,666,996</b>	<b>\$3,610,041</b>	<b>\$1,550,351</b>	<b>\$11,959,185</b>	<b>\$4,731,570</b>	<b>\$10,557,227</b>	<b>\$68,075,370</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, 2015*

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**Total Governmental Funds Balance** \$37,481,828

*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 80,016,026

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

Delinquent property taxes	\$539,404	
Delinquent payments in lieu of taxes	54,776	
Municipal income taxes	11,729,436	
Special assessments	470,714	
Intergovernmental	1,930,734	
Total		14,725,064

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due. (203,494)

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	3,758,675	
Claims payable	216,772	
Total		3,975,447

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	6,172,596	
Deferred Inflows - Pension	(194,601)	
Net Pension Liability/Asset	(43,999,143)	
Total		(38,021,148)

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	(13,535,000)	
General obligation bonds	(22,234,389)	
Unamortized debt premiums	(216,141)	
Deferrals on refunding	256,302	
OPWC loans	(92,400)	
Capital leases	(7,124,506)	
Claims payable	(216,772)	
Compensated absences	(6,281,990)	
Total		(49,444,896)

**Net Position of Governmental Activities** \$48,528,827

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, 2015*

	General	Police and Fire Pension	Community Development Block Grant	Lakewood Hospital	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Property Taxes	\$6,568,916	\$2,492,908	\$0	\$0	\$2,646,445	\$0	\$11,708,269
Municipal Income Taxes	22,391,110	0	0	0	0	0	22,391,110
Payments in Lieu of Taxes	0	0	0	0	0	456,077	456,077
Intergovernmental	2,851,386	332,991	2,134,528	0	436,408	3,740,723	9,496,036
Interest	91,714	0	0	0	8,669	54	100,437
Fees, Licenses, and Permits	2,024,622	0	0	0	0	0	2,024,622
Fines and Forfeitures	1,694,493	0	0	0	0	223,100	1,917,593
Charges for Services	1,455,754	0	0	2,403,618	0	133,290	3,992,662
Contributions and Donations	0	0	0	9,347,600	0	98,212	9,445,812
Special Assessments	0	0	0	16,456	226,337	15,248	258,041
All Other Revenues	217,202	0	0	2,500	173,344	60,298	453,344
<b>Total Revenues</b>	<b>37,295,197</b>	<b>2,825,899</b>	<b>2,134,528</b>	<b>11,770,174</b>	<b>3,491,203</b>	<b>4,727,002</b>	<b>62,244,003</b>
<b>EXPENDITURES</b>							
Security of Persons and Property:							
Police and Other	11,118,601	1,368,799	0	0	0	105,609	12,593,009
Fire	6,663,071	1,389,882	0	1,610,985	0	0	9,663,938
Public Health Services	481,329	0	0	367,276	0	851,227	1,699,832
Leisure Time Activities	1,952,458	0	0	0	0	0	1,952,458
Community Environment	2,112,615	0	2,108,885	0	0	856,951	5,078,451
Basic Utility Services	3,020,504	0	0	0	0	0	3,020,504
Transportation	0	0	0	0	0	2,091,066	2,091,066
General Government	8,407,696	0	0	191,167	0	182,518	8,781,381
Capital Outlay	1,848,527	0	0	0	0	6,169,480	8,018,007
Debt Service:							
Principal Retirement	1,319,660	0	0	77,274	12,514,920	255,000	14,166,854
Interest and Fiscal Charges	189,885	0	0	18,410	954,807	185,414	1,348,516
Debt Issuance Costs	0	0	0	0	21,556	0	21,556
<b>Total Expenditures</b>	<b>37,114,346</b>	<b>2,758,681</b>	<b>2,108,885</b>	<b>2,265,112</b>	<b>13,491,283</b>	<b>10,697,265</b>	<b>68,435,572</b>
Excess of Revenues (Under) Expenditures	180,851	67,218	25,643	9,505,062	(10,000,080)	(5,970,263)	(6,191,569)
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of Capital Assets	0	0	0	0	0	14,776	14,776
Inception of Capital Lease	1,890,000	0	0	0	0	0	1,890,000
Bond Anticipation Notes Issued	0	0	0	0	10,185,000	3,350,000	13,535,000
Premium on Debt Issuance	0	0	0	0	109,332	0	109,332
Transfers In	1,509,545	0	0	0	2,024,152	1,640,000	5,173,697
Transfers Out	(3,885,000)	0	0	(1,200)	(2,813,832)	(25,000)	(6,725,032)
<b>Total Other Financing Sources (Uses)</b>	<b>(485,455)</b>	<b>0</b>	<b>0</b>	<b>(1,200)</b>	<b>9,504,652</b>	<b>4,979,776</b>	<b>13,997,773</b>
Net Change in Fund Balances	(304,604)	67,218	25,643	9,503,862	(495,428)	(990,487)	7,806,204
Fund Balances - Beginning of Year	15,137,624	474,844	1,307,971	975,398	1,869,537	9,910,250	29,675,624
<b>Fund Balances - End of Year</b>	<b>\$14,833,020</b>	<b>\$542,062</b>	<b>\$1,333,614</b>	<b>\$10,479,260</b>	<b>\$1,374,109</b>	<b>\$8,919,763</b>	<b>\$37,481,828</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, 2015*

**Net Change in Fund Balances-Total Governmental Funds** \$7,806,204

*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	8,305,683	
Capital Contribution	948,857	
Depreciation	<u>(2,531,705)</u>	
Total		6,722,835

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. (827,327)

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

Delinquent property taxes	90,160	
Delinquent payments in lieu of taxes	(7,262)	
Municipal income taxes	172,324	
Special assessments	14,474	
Intergovernmental	6,089	
Miscellaneous Revenues	<u>-</u>	
Total		275,785

Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the inception of capital leases and the issuance of Bond Anticipation Notes and the respective premiums issued. (15,534,332)

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. 14,166,854

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows 4,163,702

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (4,445,325)

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	(122,174)	
Accrued interest on bonds	(3,441)	
Amortization of bond premiums	130,997	
Amortization of loss on refunding	<u>(51,086)</u>	
Total		(45,704)

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. 1,116,379

**Change in Net Position of Governmental Activities** \$13,399,071

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, 2015*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property Taxes	\$6,092,184	\$6,092,184	\$6,568,916	\$476,732
Municipal Income Taxes	21,095,000	21,095,000	22,212,218	1,117,218
Charges for Services	1,342,607	1,342,607	1,448,818	106,211
Licenses, Permits and Fees	1,765,000	1,765,000	2,024,622	259,622
Fines and Forfeitures	1,483,845	1,483,845	1,722,837	238,992
Intergovernmental	2,752,939	2,752,939	2,868,332	115,393
Interest	56,298	56,298	88,753	32,455
Miscellaneous	117,450	117,450	214,991	97,541
<i>Total Revenues</i>	<u>34,705,323</u>	<u>34,705,323</u>	<u>37,149,487</u>	<u>2,444,164</u>
<b>Expenditures</b>				
<b>Current:</b>				
General Government	12,118,130	11,568,567	11,222,813	345,754
Security of Persons and Property	18,505,822	18,426,178	18,304,500	121,678
Public Health Services	612,386	485,235	474,720	10,515
Community Environment	3,474,707	3,389,396	3,226,857	162,539
Basic Utility Services	3,124,660	3,070,639	3,021,742	48,897
Leisure Time Activities	2,063,412	2,052,910	2,026,040	26,870
<i>Total Expenditures</i>	<u>39,899,117</u>	<u>38,992,925</u>	<u>38,276,672</u>	<u>716,253</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,193,794)</u>	<u>(4,287,602)</u>	<u>(1,127,185)</u>	<u>3,160,417</u>
<b>Other Financing Sources (Uses)</b>				
Advance In	500,000	500,000	273,000	(227,000)
Transfers Out	(1,071,469)	(3,885,000)	(3,885,000)	0
Advance Out	0	(719,519)	(331,000)	388,519
<i>Total Other Financing Sources (Uses)</i>	<u>(571,469)</u>	<u>(4,104,519)</u>	<u>(3,943,000)</u>	<u>161,519</u>
<i>Net Change in Fund Balance</i>	<u>(5,765,263)</u>	<u>(8,392,121)</u>	<u>(5,070,185)</u>	<u>3,321,936</u>
<i>Fund Balance Beginning of Year</i>	6,962,291	6,962,291	6,962,291	0
<i>Prior Year Encumbrances Appropriated</i>	<u>3,991,655</u>	<u>3,991,655</u>	<u>3,991,655</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,188,683</u></u>	<u><u>\$2,561,825</u></u>	<u><u>\$5,883,761</u></u>	<u><u>\$3,321,936</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  
 Police and Fire Pension Fund  
 For the Year Ended December 31, 2015*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property Taxes	\$2,317,236	\$2,317,236	\$2,492,908	\$175,672
Intergovernmental	341,600	341,600	332,991	(8,609)
<i>Total Revenues</i>	<u>2,658,836</u>	<u>2,658,836</u>	<u>2,825,899</u>	<u>167,063</u>
<b>Expenditures</b>				
<b>Current:</b>				
Security of Persons and Property	2,788,709	3,005,000	2,850,856	154,144
<i>Net Change in Fund Balance</i>	(129,873)	(346,164)	(24,957)	321,207
<i>Fund Balance Beginning of Year</i>	<u>869,960</u>	<u>869,960</u>	<u>869,960</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$740,087</u></u>	<u><u>\$523,796</u></u>	<u><u>\$845,003</u></u>	<u><u>\$321,207</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, 2015*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$2,949,480	\$2,949,480	\$2,315,880	(\$633,600)
<b>Expenditures</b>				
<b>Current:</b>				
Community Environment	2,563,319	2,299,017	2,268,700	30,317
<i>Excess of Revenues Over (Under) Expenditures</i>	386,161	650,463	47,180	(603,283)
<b>Other Financing Sources</b>				
Advances In	185,000	185,000	130,000	(55,000)
Advances Out	0	(215,000)	(215,000)	0
<i>Total Other Financing Uses</i>	185,000	(30,000)	(85,000)	(55,000)
<i>Net Change in Fund Balance</i>	571,161	620,463	(37,820)	(658,283)
<i>Fund Balance Beginning of Year</i>	76,702	76,702	76,702	0
<i>Fund Balance End of Year</i>	\$647,863	\$697,165	\$38,882	(\$658,283)

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, 2015*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$2,504,000	\$9,304,000	\$9,051,162	(\$252,838)
Special Assessments	11,000	11,000	16,456	5,456
Miscellaneous	3,000	3,000	2,500	(500)
<i>Total Revenues</i>	<u>2,518,000</u>	<u>9,318,000</u>	<u>9,070,118</u>	<u>(247,882)</u>
<b>Expenditures</b>				
<b>Current:</b>				
Security of Persons and Property	2,097,552	1,712,210	1,692,329	19,881
Public Health Services	381,220	376,337	369,693	6,644
Debt Service:				
Principal Retirement	105,000	78,089	77,274	815
Interest and Fiscal Charges	0	18,411	18,410	1
<i>Total Expenditures</i>	<u>2,583,772</u>	<u>2,185,047</u>	<u>2,157,706</u>	<u>27,341</u>
<i>Excess of Revenues Over Expenditures</i>	<u>(65,772)</u>	<u>7,132,953</u>	<u>6,912,412</u>	<u>(220,541)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	0	(1,200)	(1,200)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(1,200)</u>	<u>(1,200)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(65,772)	7,131,753	6,911,212	(220,541)
<i>Fund Balance Beginning of Year</i>	<u>684,764</u>	<u>684,764</u>	<u>684,764</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$618,992</u>	<u>\$7,816,517</u>	<u>\$7,595,976</u>	<u>(\$220,541)</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, 2015*

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Nonmajor Funds</b>	<b>Total</b>	<b>Activities Internal Service Funds</b>
<b>ASSETS</b>					
<b>Current Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$6,175,158	\$8,020,182	\$524,900	\$14,720,240	\$3,762,873
Cash and Cash Equivalents:					
In Segregated Accounts	141,022	47,990	0	189,012	0
With Fiscal Agents	350,392	350,039	0	700,431	0
Materials and Supplies Inventory	23,747	340,384	96,765	460,896	0
Accrued Interest Receivable	10,988	0	0	10,988	0
Accounts Receivable	1,841,886	1,520,733	381,087	3,743,706	0
Less: Allowance for Doubtful Accounts	(42,986)	(32,854)	0	(75,840)	0
Interfund Receivable	0	0	0	0	212,574
Intergovernmental Receivable	0	98,523	0	98,523	0
Property Taxes Receivable	0	1,587,481	0	1,587,481	0
<b>Total Current Assets</b>	<b>8,500,207</b>	<b>11,932,478</b>	<b>1,002,752</b>	<b>21,435,437</b>	<b>3,975,447</b>
<b>Noncurrent Assets:</b>					
<b>Restricted Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	656,313	471,220	0	1,127,533	0
Net Pension Asset	1,014	2,351	147	3,512	0
<b>Capital Assets:</b>					
Land	0	1,010	77,130	78,140	0
Construction in Progress	4,374,883	3,266,190	0	7,641,073	0
Depreciable Assets, Net of Depreciation	40,348,307	36,231,137	5,321,566	81,901,010	0
<b>Total Noncurrent Assets</b>	<b>45,380,517</b>	<b>39,971,908</b>	<b>5,398,843</b>	<b>90,751,268</b>	<b>0</b>
<b>Total Assets</b>	<b>53,880,724</b>	<b>51,904,386</b>	<b>6,401,595</b>	<b>112,186,705</b>	<b>3,975,447</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferral on Refunding	0	35,079	27,524	62,603	0
Pension	136,787	317,413	19,883	474,083	0
<b>Total Deferred Outflows of Resources</b>	<b>136,787</b>	<b>352,492</b>	<b>47,407</b>	<b>536,686</b>	<b>0</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	662,710	436,758	148,671	1,248,139	0
Accrued Wages and Benefits	10,800	27,544	1,664	40,008	0
Retainage Payable	141,022	47,990	0	189,012	0
Intergovernmental Payable	9,968	26,520	1,673	38,161	0
Interfund Payable	6,595	16,234	216,015	238,844	0
Compensated Absences Payable	26,177	107,162	369	133,708	0
Accrued Interest Payable	39,375	0	1,640	41,015	0
Claims Payable	0	0	0	0	216,772
General Obligation Bonds Payable	0	461,670	138,431	600,101	0
Notes Payable	0	3,840,000	0	3,840,000	0
Revenue Bonds Payable	560,380	480,000	0	1,040,380	0
OPWC Loans Payable	313,229	34,486	0	347,715	0
Capital Leases Payable	316,119	234,742	135,343	686,204	0
<b>Total Current Liabilities</b>	<b>2,086,375</b>	<b>5,713,106</b>	<b>643,806</b>	<b>8,443,287</b>	<b>216,772</b>
<b>Noncurrent Liabilities:</b>					
Compensated Absences Payable	49,228	170,670	6,091	225,989	0
General Obligation Bonds Payable	0	4,320,392	370,822	4,691,214	0
Revenue Bonds Payable	8,444,705	10,112,782	0	18,557,487	0
OPWC Loans Payable	1,536,300	163,879	0	1,700,179	0
Capital Leases Payable	3,482,874	1,177,747	227,967	4,888,588	0
Net Pension Liability	770,947	1,788,975	112,064	2,671,986	0
<b>Total Noncurrent Liabilities</b>	<b>14,284,054</b>	<b>17,734,445</b>	<b>716,944</b>	<b>32,735,443</b>	<b>0</b>
<b>Total Liabilities</b>	<b>16,370,429</b>	<b>23,447,551</b>	<b>1,360,750</b>	<b>41,178,730</b>	<b>216,772</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	0	1,517,428	0	1,517,428	0
Pension	13,853	32,146	2,014	48,013	0
<b>Total Deferred Inflows of Resources</b>	<b>13,853</b>	<b>1,549,574</b>	<b>2,014</b>	<b>1,565,441</b>	<b>0</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	30,419,974	19,062,898	4,553,657	54,036,529	0
<b>Restricted for:</b>					
Debt Service	460,612	471,220	0	931,832	0
Replacement and Improvement	195,701	0	0	195,701	0
Unrestricted	6,556,942	7,725,635	532,581	14,815,158	3,758,675
<b>Total Net Position</b>	<b>\$37,633,229</b>	<b>\$27,259,753</b>	<b>\$5,086,238</b>	<b>\$69,979,220</b>	<b>\$3,758,675</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, 2015*

	<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>OPERATING REVENUES</b>					
Charges for Services	\$10,702,074	\$8,343,711	\$807,558	\$19,853,343	\$3,440,593
Miscellaneous	16,372	250	79,500	96,122	895,963
<b>Total Operating Revenues</b>	<b>10,718,446</b>	<b>8,343,961</b>	<b>887,058</b>	<b>19,949,465</b>	<b>4,336,556</b>
<b>OPERATING EXPENSES</b>					
Salaries	1,057,295	2,546,661	156,077	3,760,033	0
Property Taxes	0	0	106,064	106,064	0
Materials and Supplies	267,582	354,340	2,384	624,306	0
Utilities	45,364	246,044	318,275	609,683	0
Contractual Services	1,277,108	971,765	32,159	2,281,032	152,816
Purchased Water	6,069,709	0	0	6,069,709	0
Depreciation	610,157	849,999	117,538	1,577,694	0
Claims	0	0	0	0	6,132,361
Other	575,140	783,533	51,611	1,410,284	0
<b>Total Operating Expense</b>	<b>9,902,355</b>	<b>5,752,342</b>	<b>784,108</b>	<b>16,438,805</b>	<b>6,285,177</b>
Operating Income (Loss)	816,091	2,591,619	102,950	3,510,660	(1,948,621)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Gain (Loss) on Sale of Capital Assets	(12,904)	(63,211)	27,025	(49,090)	0
Interest	40,209	157	0	40,366	0
Interest and Fiscal Charges	(522,179)	(633,438)	(69,517)	(1,225,134)	0
Property Taxes	0	1,530,516	0	1,530,516	0
Intergovernmental	0	643,502	0	643,502	0
Special Assessments	83,987	21,659	0	105,646	0
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(410,887)</b>	<b>1,499,185</b>	<b>(42,492)</b>	<b>1,045,806</b>	<b>0</b>
Capital Contributions	0	0	65,172	65,172	0
Capital Contributions from Grants	1,171,927	0	0	1,171,927	0
Transfers In	0	0	443,917	443,917	3,065,000
Transfers Out	(15,252)	(2,106,687)	(84,500)	(2,206,439)	0
Change in Net Position	1,561,879	1,984,117	485,047	4,031,043	1,116,379
Net Position - Beginning of Year, Restated	36,071,350	25,275,636	4,601,191	65,948,177	2,642,296
<b>Net Position - End of Year</b>	<b>\$37,633,229</b>	<b>\$27,259,753</b>	<b>\$5,086,238</b>	<b>\$69,979,220</b>	<b>\$3,758,675</b>

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, 2015

	<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	\$10,722,099	\$8,281,916	\$715,665	\$19,719,680	\$3,561,240
Cash Received from Other Operating Sources	16,372	250	79,500	96,122	895,963
Cash Payments for Employee Services and Benefits	(1,107,907)	(2,650,675)	(162,640)	(3,921,222)	0
Cash Payments for Goods and Services	(7,739,309)	(1,550,685)	(480,759)	(9,770,753)	(176,408)
Cash Payments for Claims	0	0	0	0	(6,480,157)
Cash Payments for Other Operating Expenses	(575,140)	(783,533)	(51,611)	(1,410,284)	0
Net Cash Provided by (Used in) Operating Activities	<u>1,316,115</u>	<u>3,297,273</u>	<u>100,155</u>	<u>4,713,543</u>	<u>(2,199,362)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Intergovernmental Revenue	0	642,978	0	642,978	0
Property Taxes	0	1,520,104	0	1,520,104	0
Special Assessments	168,470	117,962	0	286,432	0
Advances In	0	0	155,000	155,000	0
Advances Out	0	0	(50,000)	(50,000)	0
Transfers In	0	0	256,924	256,924	3,065,000
Transfers Out	(15,252)	(1,678,200)	(84,500)	(1,777,952)	0
Net Cash Provided by Noncapital Financing Activities	<u>153,218</u>	<u>602,844</u>	<u>277,424</u>	<u>1,033,486</u>	<u>3,065,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital Grants Received	1,171,927	0	0	1,171,927	0
Principal Paid on Debt	(1,121,080)	(3,580,534)	(257,051)	(4,958,665)	0
Interest Paid on Debt	(518,376)	(723,222)	(34,489)	(1,276,087)	0
Payments for Capital Acquisitions	(1,341,338)	(4,047,834)	0	(5,389,172)	0
Bond Anticipation Notes issued	0	3,840,000	0	3,840,000	0
Premium on Debt Issued	0	19,765	0	19,765	0
Net Cash (Used in) Capital and Related Financing Activities	<u>(1,808,867)</u>	<u>(4,491,825)</u>	<u>(291,540)</u>	<u>(6,592,232)</u>	<u>0</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on Investments	33,946	118	0	34,064	0
Net Cash Provided by Investing Activities	<u>33,946</u>	<u>118</u>	<u>0</u>	<u>34,064</u>	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(305,588)	(591,590)	86,039	(811,139)	865,638
Cash and Cash Equivalents - Beginning of Year	7,278,081	9,130,982	438,861	16,847,924	2,897,235
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$6,972,493</u></u>	<u><u>\$8,539,392</u></u>	<u><u>\$524,900</u></u>	<u><u>\$16,036,785</u></u>	<u><u>\$3,762,873</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, 2015

	<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)	\$816,091	\$2,591,619	\$102,950	\$3,510,660	(\$1,948,621)
Adjustments:					
Depreciation	610,157	849,999	117,538	1,577,694	0
(Increase) Decrease in Assets and Deferred Outflows of Resources:					
Accounts Receivable	20,025	(61,795)	(91,893)	(133,663)	0
Interfund Receivable	0	0	0	0	120,647
Materials and Supplies Inventory	2,717	17,908	(10,516)	10,109	0
Net Pension Asset	(738)	(1,710)	(107)	(2,555)	0
Deferred Outflows of Resources	(41,273)	(95,774)	(5,999)	(143,046)	0
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:					
Accounts Payable	(82,263)	3,556	(11,361)	(90,068)	0
Accrued Wages and Benefits	(24,200)	(64,891)	(4,126)	(93,217)	0
Compensated Absences Payable	(13,160)	(5,448)	(456)	(19,064)	0
Interfund Payable	(3,018)	(11,000)	(587)	(14,605)	0
Intergovernmental Payable	511	2,256	167	2,934	(23,592)
Net Pension Liability	17,413	40,407	2,531	60,351	(347,796)
Deferred Inflows of Resources	13,853	32,146	2,014	48,013	0
<b>Net Cash Provided by (Used In) Operating Activities</b>	<b>\$1,316,115</b>	<b>\$3,297,273</b>	<b>\$100,155</b>	<b>\$4,713,543</b>	<b>(\$2,199,362)</b>
<b>Schedule of Noncash Investing, Capital, and Financing Activities:</b>					
Capital Contribution from the Street and Highway Fund to the Parking Fund	\$0	\$0	\$65,172	\$65,172	\$0

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

**City of Lakewood, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Fiduciary Funds*  
*December 31, 2015*

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	<u>Agency Funds</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$2,170,356</u>
<b>Liabilities</b>	
Deposits Held and Due to Others	<u>\$2,170,356</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, 2015*

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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, 2015*  
*(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, 2015*  
*(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), lease payments received from Lakewood Hospital Association and 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, 2015*  
*(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, 2015*  
*(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, 2015, but which were levied to finance year 2016 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes (\$539,404) and payment in lieu of taxes (\$54,776), income taxes (\$11,729,436), intergovernmental grants and entitlements (\$1,930,734), and special assessments (\$470,714). 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, 2015*  
*(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 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 2015. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's net asset value per share which is the price the investment could be sold for on December 31, 2015.

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 2015 amounted to \$91,714 that includes \$62,510 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.

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

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

***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, 2015, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

***J. Capital Assets***

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

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

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

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

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

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

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

***K. Interfund Balances***

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

***L. Compensated Absences***

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

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

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

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

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

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

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

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

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

***N. Pensions***

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

***O. Fund Balance***

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

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

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

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.

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

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

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

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

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

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

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

**P. Net Position**

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

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

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

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

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

***R. Contributions of Capital***

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

***S. Interfund Activity***

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

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

***T. Bond Premium***

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

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

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

***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 2015.

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

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

***W. Estimates***

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

***X. Budgetary Process***

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2015.

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**

For year 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure.

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

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

The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Net Position as of December 31, 2014	\$72,869,281	\$68,227,818
Adjustments:		
Net Pension Liability	(41,782,376)	(2,611,635)
Net Pension Assets	3,880	957
Deferred Outflow - Payments Subsequent to Measurement Date	4,038,971	331,037
Restated Net Position December 31, 2014	<u>\$35,129,756</u>	<u>\$65,948,177</u>

	<u>Water</u>	<u>Sewer</u>	<u>Nonmajor Funds</u>	<u>Total Enterprise</u>
Net Position as of December 31, 2014	\$36,729,094	\$26,801,924	\$4,696,800	\$68,227,818
Adjustments:				
Net Pension Liability	(753,534)	(1,748,568)	(109,533)	(2,611,635)
Net Pension Assets	276	641	40	957
Deferred Outflow - Payments Subsequent to Measurement Date	95,514	221,639	13,884	331,037
Restated Net Position December 31, 2014	<u>\$36,071,350</u>	<u>\$25,275,636</u>	<u>\$4,601,191</u>	<u>\$65,948,177</u>

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

**Note 4 – Compliance and Accountability**

**Accountability**

Fund balances at December 31, 2015 included the following individual fund deficits:

	<u>Deficit</u>
Nonmajor Governmental Funds:	
Emergency Shelter Grant	\$23,695
Family to Family Fund	11,464
Total	<u>\$35,159</u>

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, 2015*  
*(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	Police and Fire Pension	Community Development Block Grant	Lakewood Hospital
Net Change in Fund Balance - GAAP Basis	(\$304,604)	\$67,218	\$25,643	\$9,503,862
Net Adjustment:				
Revenue Accruals	(3,541,255)	0	181,352	(2,700,056)
Advances In	273,000	0	130,000	0
Expenditure Accruals	2,692,088	(92,175)	(159,815)	107,406
Advances Out	(331,000)	0	(215,000)	0
Funds with Separate Legally Adopted Budgets:				
Community Festival	131	0	0	0
Outstanding Encumbrances	(3,858,545)	0	0	0
Net Change in Fund Balance - Budgetary Basis	<u>(\$5,070,185)</u>	<u>(\$24,957)</u>	<u>(\$37,820)</u>	<u>\$6,911,212</u>

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

**Note 6 – Fund Balance**

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

<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	\$269,009	\$0	\$1,685	\$0	\$0	\$0	\$270,694
Materials and Supplies Inventory	405,144	0	0	0	0	117,718	522,862
Interfund Balances	391,000	0	0	0	0	0	391,000
Notes Receivable	400,018	0	0	0	0	0	400,018
<b>Total Nonspendable</b>	<b>1,465,171</b>	<b>0</b>	<b>1,685</b>	<b>0</b>	<b>0</b>	<b>117,718</b>	<b>1,584,574</b>
<i>Restricted for</i>							
Streets and Highway Improvements	0	0	0	0	0	852,488	852,488
Police and Fire Pension	0	542,062	0	0	0	0	542,062
Community Development	0	0	1,331,929	0	0	0	1,331,929
Senior Programs	0	0	0	0	0	47,074	47,074
Law Enforcement	0	0	0	0	0	211,882	211,882
Lakewood Municipal Court	0	0	0	0	0	653,452	653,452
HOME Investment Program	0	0	0	0	0	6,881	6,881
FEMA	0	0	0	0	0	2,781	2,781
Neighborhood Stabilization	0	0	0	0	0	372,408	372,408
Litter Control Projects	0	0	0	0	0	5,709	5,709
Debt Service Payments	0	0	0	0	1,374,109	171,589	1,545,698
Capital Improvements	0	0	0	0	0	1,419,731	1,419,731
Hospital Operations	0	0	0	10,479,260	0	0	10,479,260
<b>Total Restricted</b>	<b>0</b>	<b>542,062</b>	<b>1,331,929</b>	<b>10,479,260</b>	<b>1,374,109</b>	<b>3,743,995</b>	<b>17,471,355</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	93,209	93,209
<b>Total Committed</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,093,209</b>	<b>5,093,209</b>
<i>Assigned to</i>							
Community Festival Projects	2,755	0	0	0	0	0	2,755
Purchases on Order	3,858,545	0	0	0	0	0	3,858,545
<b>Total Assigned</b>	<b>3,861,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,861,300</b>
<i>Unassigned (Deficit)</i>	<i>9,506,549</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(35,159)</i>	<i>9,471,390</i>
<b>Total Fund Balances</b>	<b>\$14,833,020</b>	<b>\$542,062</b>	<b>\$1,333,614</b>	<b>\$10,479,260</b>	<b>\$1,374,109</b>	<b>\$8,919,763</b>	<b>\$37,481,828</b>

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*  
*(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, 2015*  
*(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, \$14,360,384 of the City's bank balance of \$35,572,052 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, 2015*  
*(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**

Investments are reported at fair value. As of December 31, 2015, the City had investments in STAROhio with a fair value of \$198,980 with a weighted average maturity of 49 days; investments in various municipal bond securities with a total fair value of \$6,712,683 and had maturities of less than two years; investments in various U.S. debt securities with a total fair value of \$5,041,951 and had maturities of less than three years; and investments in negotiable certificates of deposit with a total fair value of \$2,896,138 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 \$1,127,534 and \$1,633,799, 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 \$2,896,138 was fully covered by the FDIC.

**Note 8 - Receivables**

Receivables at December 31, 2015, 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.

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

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**Note 8 – Receivables (Continued)**

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

Allowance for doubtful accounts has been recorded at \$42,986 in the Water Fund and \$32,854 in the Sewer Fund.

Loans receivable to be collected in more than one-year amount to \$1,501,302 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 \$470,714 in the various governmental funds. The amount of delinquent special assessments at December 31, 2015 was \$14,184.

**A. Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2015 for real and public utility property taxes represents collections of 2014 taxes.

2015 real property taxes are levied after October 1, 2015 on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016 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. 2016 public utility property taxes which became a lien December 31, 2015, are levied after October 1, 2015, and are collected in 2016 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2015, was \$17.40 per \$1,000 of assessed value. The assessed values of real property, public utility tangible property upon which 2015 property tax receipts were based, are as follows:

Category	Assessed Value
Real Estate:	
Residential and Agricultural	\$ 680,844,680
Commercial/Industrial/Public Utility	157,134,520
Public Utility	15,756,170
Total Assessed Value	\$ 853,735,370

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

**Note 8 – Receivables (Continued)**

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, 2015, 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 2015 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.

**C. Intergovernmental Receivables**

A summary of the principal items of intergovernmental receivables follows:

	Amount
<b>Governmental Activities:</b>	
Homestead and Rollback	\$ 758,631
Local Government	955,205
Gasoline Tax	682,775
Federal Grant Reimbursements	8,482
Motor Vehicle License Registration	123,270
State Grant Reimbursements	31,920
Permissive Motor Vehicle License Tax	25,292
Liquor Permit/Cigarette/Hotel Taxes	16,198
Other	1,179
<i>Total Governmental Activities</i>	2,602,952
 <b>Business-Type Activities:</b>	
Homestead and Rollback	98,523
<i>Total Business-Type Activities</i>	98,523
<i>Total Entity-wide</i>	\$ 2,701,475

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

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**Note 8 – Receivables (Continued)**

***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 of 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.

***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, 2015.

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

**Note 10 - Capital Assets**

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

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015
<b>Governmental Activities</b>				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$6,139,702	\$0	\$0	\$6,139,702
Construction in Progress	3,080,680	7,316,200	(9,205,283)	1,191,597
<i>Total Capital Assets, Not Being Depreciated</i>	<u>9,220,382</u>	<u>7,316,200</u>	<u>(9,205,283)</u>	<u>7,331,299</u>
<i>Capital Assets, Being Depreciated:</i>				
Land Improvements	5,378,071	3,230,598	(300,130)	8,308,539
Buildings and Improvements	17,518,956	1,701,045	(64,174)	19,155,827
Furniture and Equipment	5,062,897	142,730	(130,768)	5,074,859
Vehicles	13,865,445	911,924	(1,163,368)	13,614,001
Infrastructure:				
Roads	49,188,271	4,121,544	(1,119,442)	52,190,373
Traffic Signals	6,271,775	0	0	6,271,775
Sidewalks	3,390,858	1,035,782	0	4,426,640
Curbing	1,434,304	0	0	1,434,304
<i>Total Capital Assets, Being Depreciated</i>	<u>102,110,577</u>	<u>11,143,623</u>	<u>(2,777,882)</u>	<u>110,476,318</u>
Less Accumulated Depreciation:				
Land Improvements	(2,819,626)	(157,644)	171,718	(2,805,552)
Buildings	(6,194,828)	(235,398)	12,886	(6,417,340)
Furniture and Fixtures	(2,903,147)	(197,540)	94,568	(3,006,119)
Vehicles	(6,903,287)	(776,577)	1,083,330	(6,596,534)
Infrastructure:				
Roads	(13,964,504)	(977,369)	588,053	(14,353,820)
Traffic Signals	(2,724,078)	(143,806)	0	(2,867,884)
Sidewalks	(1,159,684)	(30,748)	0	(1,190,432)
Curbing	(541,287)	(12,623)	0	(553,910)
<i>Total Accumulated Depreciation</i>	<u>(37,210,441)</u>	<u>(2,531,705)*</u>	<u>1,950,555</u>	<u>(37,791,591)</u>
Total Capital Assets, Being Depreciated, Net	<u>64,900,136</u>	<u>8,611,918</u>	<u>(827,327)</u>	<u>72,684,727</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$74,120,518</u>	<u>\$15,928,118</u>	<u>(\$10,032,610)</u>	<u>\$80,016,026</u>

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

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

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015
<b>Business-Type Activities</b>				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$78,140	\$0	\$0	\$78,140
Construction in Progress	3,754,120	7,008,287	(3,121,334)	7,641,073
<i>Total Capital Assets, Not Being Depreciated</i>	<u>3,832,260</u>	<u>7,008,287</u>	<u>(3,121,334)</u>	<u>7,719,213</u>
<i>Capital Assets, Being Depreciated:</i>				
Land Improvements	2,025,447	0	0	2,025,447
Buildings	18,087,788	361,076	(21,000)	18,427,864
Furniture and Equipment	10,005,820	10,390	0	10,016,210
Vehicles	3,096,067	0	(391,033)	2,705,034
Infrastructure:				
Sidewalks	0	65,172	0	65,172
Water Lines	54,382,296	361,511	0	54,743,807
Sewer Lines	31,216,779	1,968,046	0	33,184,825
<i>Total Capital Assets, Being Depreciated</i>	<u>118,814,197</u>	<u>2,766,195</u>	<u>(412,033)</u>	<u>121,168,359</u>
Less Accumulated Depreciation:				
Land Improvements	(1,236,596)	(51,335)	0	(1,287,931)
Buildings	(6,037,275)	(226,960)	12,237	(6,251,998)
Furniture and Fixtures	(6,187,322)	(287,884)	0	(6,475,206)
Vehicles	(1,314,786)	(173,005)	323,681	(1,164,110)
Infrastructure:				
Sidewalks	0	(54)	0	(54)
Water Lines	(15,437,711)	(531,946)	0	(15,969,657)
Sewer Lines	(7,811,883)	(306,510)	0	(8,118,393)
<i>Total Accumulated Depreciation</i>	<u>(38,025,573)</u>	<u>(1,577,694) *</u>	<u>335,918</u>	<u>(39,267,349)</u>
Total Capital Assets, Being Depreciated, Net	<u>80,788,624</u>	<u>1,188,501</u>	<u>(76,115)</u>	<u>81,901,010</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u><u>\$84,620,884</u></u>	<u><u>\$8,196,788</u></u>	<u><u>(\$3,197,449)</u></u>	<u><u>\$89,620,223</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	\$153,936	Water Fund	\$610,157
Security of Persons and Property - Fire	234,799	Sewer Fund	849,999
Public Health Services	25,434	Parking Facilities Fund	32,538
Leisure Time Activities	299,058	Winterhurst Ice Rink Fund	85,000
Community Environment	9,706	Total Depreciation Expense	<u><u>\$1,577,694</u></u>
Basic Utility Services	309,298		
Transportation	1,308,699		
General Government	190,775		
Total Depreciation Expense	<u><u>\$2,531,705</u></u>		

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

In 1983 and 1989, the City issued Hospital Improvement Revenue Bonds for the purpose of providing funds to pay the cost of Lakewood Hospital facility improvements. In 1989, the City also issued Hospital Improvement Refunding Bonds to advance refund the Hospital Improvement Bonds, Series 1983. On November 13, 2003, the City issued \$27,570,000 Hospital Revenue Bonds, Series 2003 to advance refund the 1989 Series. As of December 31, 2015, the bond has been paid in full.

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, 2015, the aggregate principal amount of conduit debt obligation outstanding for St. Edward High School was \$8,115,000. 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, 2014	Additions	Deletions	Balance December 31, 2015
<b>Notes Payable</b>				
<i>Governmental Activities</i>				
2014 Various Purpose - 1.00%	\$ 365,000	\$0	\$ 365,000	\$0
<i>Total Governmental Activities</i>	365,000	0	365,000	0
<i>Business-Type Activities</i>				
2014 Various Purpose - 1.00%	500,000	0	500,000	0
<b>Total Notes Payable</b>	<b>\$865,000</b>	<b>\$0</b>	<b>\$865,000</b>	<b>\$0</b>

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

**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:

	<u>Original Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
<b>Governmental Activities</b>				
<i>Notes</i>				
Various Purpose	2014	1.000%	10,187,000	April 10, 2015
Various Purpose	2015	1.000%	13,535,000	April 7, 2016
<b>General Obligation Bonds</b>				
Various Purpose Refunding-2005	2005	3.00-5.00%	7,335,000	December 1, 2025
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
<b>Tax Increment Financing</b>				
Rockport Square Development	2004	4.40-5.95%	4,265,000	July 1, 2024
Vedda Printing	2005	3.00-5.00%	400,000	December 1, 2025
<b>OPWC Loan</b>				
Forest and Clifton Road	1999	0%	616,000	December 1, 2019
<b>Business-Type Activities</b>				
<i>Notes</i>				
<i>Sewer</i>				
Various Purpose	2014	1.00%	\$1,840,000	April 10, 2015
Various Purpose	2015	1.00%	3,840,000	April 7, 2016
<b>Revenue Bonds</b>				
<i>Water</i>				
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
<i>Sewer</i>				
Sewer Construction	2006	4.00-4.50%	14,320,000	December 1, 2031
<b>General Obligation Bonds</b>				
<i>Sewer</i>				
Sewer Construction	2005	3.00-5.00%	3,811,430	December 1, 2025
Sewer Construction Refunding	1998	3.00-5.00%	2,145,000	December 1, 2015
Sewer Construction Refunding	2012	2.00%	2,347,340	December 1, 2023
<i>Winterhurst</i>				
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
<i>Parking</i>				
Meter Replacement	2007	4.00-5.25%	355,000	December 1, 2026
<b>OPWC Loans</b>				
<i>Water</i>				
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
<i>Sewer</i>				
West Clifton Storm Sewer Rehab.	2000	0%	115,101	December 1, 2020
Edgewater Drive-Sewer Separation	2002	0%	604,258	December 1, 2022

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

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

	Restated Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015	Amount Due in One Year
<i>Governmental Activities</i>					
<b>Notes Payable</b>					
Various Purpose-2015	\$0	\$13,535,000	\$0	\$13,535,000	\$13,535,000
Unamortized Premium	0	109,332	80,906	28,426	0
Various Purpose-2014	10,187,000	0	10,187,000	0	0
Unamortized Premium	22,711	0	22,711	0	0
<i>Total Notes Payable</i>	<u>10,209,711</u>	<u>13,644,332</u>	<u>10,290,617</u>	<u>13,563,426</u>	<u>13,535,000</u>
<b>General Obligation Bonds</b>					
Various Purpose Refunding-2005	740,000	0	740,000	0	0
Unamortized Premium	7,018	0	7,018	0	0
Various Purpose-2005	1,906,631	0	380,745	1,525,886	184,241
Unamortized Premium	37,760	0	3,625	34,135	0
Various Purpose Refunding-2007	7,195,000	0	745,000	6,450,000	775,000
Unamortized Premium	34,794	0	2,899	31,895	0
Rockport Square Development-2004	3,090,000	0	235,000	2,855,000	250,000
Unamortized Premium	15,463	0	1,536	13,927	0
Vedda Printing-2005	255,000	0	20,000	235,000	20,000
Unamortized Premium	387	0	37	350	0
Various Purpose-2011	7,750,000	0	5,000	7,745,000	5,000
Unamortized Premium	3,010	0	1,003	2,007	0
Various Purpose Refunding-2011	979,019	0	303,304	675,715	341,696
Unamortized Premium	42,843	0	3,060	39,783	0
Various Purpose Refunding-2012	2,870,101	0	122,313	2,747,788	318,584
Unamortized Premium	73,820	0	8,202	65,618	0
<i>Total General Obligation Bonds</i>	<u>25,000,846</u>	<u>0</u>	<u>2,578,742</u>	<u>22,422,104</u>	<u>1,894,521</u>
<b>Other Long-Term Obligations</b>					
OPWC Loan-Forest and Clifton Road-1999	123,200	0	30,800	92,400	30,800
Claims Payable	564,568	6,132,361	6,480,157	216,772	216,772
Compensated Absences Payable	6,159,816	2,643,023	2,520,849	6,281,990	2,571,444
Capital Lease Payable	6,632,198	1,890,000	1,397,692	7,124,506	1,453,655
Net Pension Liability					
OPERS	10,585,104	244,608	0	10,829,712	0
OP&F	31,197,272	1,986,396	0	33,183,668	0
Total Net Pension Liability	<u>41,782,376</u>	<u>2,231,004</u>	<u>0</u>	<u>44,013,380</u>	<u>0</u>
<i>Total Other Long-Term Obligations</i>	<u>55,262,158</u>	<u>12,896,388</u>	<u>10,429,498</u>	<u>57,729,048</u>	<u>4,272,671</u>
<i>Total Governmental Activities</i>	<u><u>\$90,472,715</u></u>	<u><u>\$26,540,720</u></u>	<u><u>\$23,298,857</u></u>	<u><u>\$93,714,578</u></u>	<u><u>\$19,702,192</u></u>

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

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

	Restated Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015	Amount Due in One Year
<i>Business-Type Activities</i>					
<b>Notes</b>					
<i>Sewer</i>					
Various Purpose-2015	\$0	\$3,840,000	\$0	\$3,840,000	\$3,840,000
Unamortized Premium	0	19,765	14,625	5,140	0
Various Purpose-2014	1,840,000	0	1,840,000	0	0
Unamortized Premium	4,918	0	4,918	0	0
<i>Total Notes Payable</i>	<u>1,844,918</u>	<u>3,859,765</u>	<u>1,859,543</u>	<u>3,845,140</u>	<u>3,840,000</u>
<b>Revenue Bonds</b>					
<i>Water</i>					
Water Main Improvements-1995	\$1,225,000	\$0	\$175,000	\$1,050,000	\$185,000
Water Main Improvements-2005	393,598	0	29,039	364,559	30,380
Unamortized Premium	292	0	29	263	0
Water Main Improvements-2006	7,985,000	0	330,000	7,655,000	345,000
Unamortized Discount	(83,012)	0	(5,031)	(77,981)	0
Unamortized Premium	14,098	0	854	13,244	0
<i>Sewer</i>					
Sewer Construction-2006	11,135,000	0	465,000	10,670,000	480,000
Unamortized Discount	(115,770)	0	(7,016)	(108,754)	0
Unamortized Premium	33,570	0	2,034	31,536	0
<i>Total Revenue Bonds</i>	<u>20,587,776</u>	<u>0</u>	<u>989,909</u>	<u>19,597,867</u>	<u>1,040,380</u>
<b>General Obligation Bonds</b>					
<i>Sewer</i>					
Sewer Construction Refunding-1998	230,000	0	230,000	0	0
Unamortized Premium	2,152	0	2,152	0	0
Sewer Construction-2005	2,853,575	0	210,536	2,643,039	220,254
Unamortized Premium	2,153	0	207	1,946	0
Sewer Construction Refunding					
Bonds- 2012	2,174,899	0	92,687	2,082,212	241,416
Unamortized Premium	55,940	0	6,215	49,725	0
<i>Winterhurst</i>					
Recreational Facility Bonds -2005	131,199	0	9,680	121,519	10,127
Unamortized Premium	94	0	10	84	0
Recreational Facility					
Refunding Bonds- 2011	295,981	0	91,696	204,285	103,304
Unamortized Premium	12,953	0	925	12,028	0
<i>Parking</i>					
Meter Replacement-2007	195,000	0	25,000	170,000	25,000
Unamortized Premium	1,458	0	121	1,337	0
<i>Total General Obligation Bonds</i>	<u>\$5,955,404</u>	<u>\$0</u>	<u>\$669,229</u>	<u>\$5,286,175</u>	<u>\$600,101</u>

continued

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

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

	Restated Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015	Amount Due in One Year
<b>OPWC Loans</b>					
<i>Water Fund</i>					
Water Main Replacements-1999	\$249,688	\$0	\$62,423	\$187,265	\$62,423
Water Main Replacements-2001	583,201	0	97,201	486,000	97,201
Water Main Replacements-2003	422,709	0	49,731	372,978	49,731
Water Main Replacements-2003	676,958	0	79,642	597,316	79,642
Belle Avenue Improvements-2003	230,202	0	24,232	205,970	24,232
<i>Sewer</i>					
West Clifton Storm Sewer Rehabilitation-2000	21,361	0	4,273	17,088	4,273
Edgewater Drive-Sewer Separation-2002	211,490	0	30,213	181,277	30,213
<i>Total OPWC Loans</i>	<u>2,395,609</u>	<u>0</u>	<u>347,715</u>	<u>2,047,894</u>	<u>347,715</u>
<b>Other Long-Term Obligations</b>					
Compensated Absences Payable	378,761	148,743	167,807	359,697	133,708
Capital Lease Payable	4,337,104	1,850,000	612,312	5,574,792	686,204
Net Pension Liability - OPERS	2,611,635	60,351	0	2,671,986	0
<i>Total Other Long-Term Obligations</i>	<u>7,327,500</u>	<u>2,059,094</u>	<u>780,119</u>	<u>8,606,475</u>	<u>819,912</u>
<i>Total Business-Type Activities</i>	<u>\$38,111,207</u>	<u>\$5,918,859</u>	<u>\$4,646,515</u>	<u>\$39,383,551</u>	<u>\$6,648,108</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 26, 2005, the City issued \$7,335,000 in general obligation refunding bonds at interest rates varying from 3.00 percent to 5.00 percent. Proceeds were used to refund \$6,735,000 of the outstanding 1995 various purpose general obligation bonds.

The bonds were sold at a premium of \$219,898. Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded bonds. As a result, \$6,735,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the basic financial statements. As of December 31, 2015, the bond was paid in full.

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.

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

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

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, 2015 is \$6,620,000.

On August 1, 2004, the City issued \$4,265,000 in general obligation bonds for the Rockport Square development project. These 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.

On May 26, 2005, the City issued \$400,000 in General Obligation Bonds for the Vedda Printing Development project. These bonds will be paid through tax increment financing where the payments in lieu of taxes (PILOTS) generated will pay the debt service payments.

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, 2015 is \$880,000.

The City issued a \$1,948,000 various purpose bond anticipation note on April 21, 2011 at 1.50 percent that matured April 19, 2012. The proceeds were used for street and traffic signal improvements. This bond anticipation note was retired through the City's issuances of \$7,973,000 various purpose and refunding bond anticipation notes on April 18, 2012 at 1.125 percent that matured on October 18, 2012. A portion of the notes were used retire the \$1,948,000 notes and the remainder was used to refund previously issued Various Purpose 2003 bonds, \$3,427,889 in governmental activities and \$2,597,111 in business-type activities. All of the notes were considered long-term.

The refunding portion of the bond anticipation notes were sold at a premium of \$21,750. Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2003 Various Purpose bonds. As a result, \$6,025,000 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, 2015 is \$4,860,000.

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.

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

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

On April 14, 2014, the City issued \$12,892,000 in various purpose and refunding bond anticipation notes at 1.0 percent that will mature April 15, 2015. \$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 improvement improvements within the Governmental Activities and Sewer Fund. \$865,000 of these notes is considered short-term and the remaining \$12,027,000 is considered long-term.

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.

***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, 2015, were \$122,452. At December 31, 2015, \$1,050,000 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, 2015, were \$195,701 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. Restricted assets relating to the Water Main Improvement Revenue Bonds held with trustee at December 31, 2015, were \$338,160 restricted for debt service.

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

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

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. Restricted assets relating to the Sewer Main Improvement Revenue Bonds held with trustee at December 31, 2015, were \$471,220 restricted for debt service.

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.

See the information provided above in regards to 2015 bond anticipation notes issued partially for Sewer projects.

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 \$14,169,961. Principal and interest paid for the current year were \$1,280,276, total net revenues were \$1,550,444, and total revenues were \$10,842,642.

The City has pledged future revenues to repay the revenue bonds and OPWC loans in the Sewer Fund. The debt is payable solely from net revenues and is payable through 2031. Annual principal and interest payments on the debt is expected to require less than 4 percent of net revenues and less than 1.00 percent of total revenues. The total principal and interest remaining to be paid on the debt is \$15,287,338. Principal and interest paid for the current year were \$980,099, total net revenues were \$4,106,779, and total revenues were \$9,009,122.

The City's overall legal debt margin was \$56,196,539 at December 31, 2015.

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

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

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

	General Obligation Bonds		Governmental Activities		
	Principal	Interest	OPWC Loans	Total	
			Principal	Principal	Interest
2016	\$1,894,521	\$926,721	\$30,800	\$1,925,321	\$926,721
2017	1,882,707	856,101	30,800	1,913,507	856,101
2018	2,172,874	785,892	30,800	2,203,674	785,892
2019	2,249,903	705,108	0	2,249,903	705,108
2020	2,349,088	618,467	0	2,349,088	618,467
2021-2025	8,820,296	1,759,412	0	8,820,296	1,759,412
2026-2028	2,865,000	270,338	0	2,865,000	270,338
	<u>\$22,234,389</u>	<u>\$5,922,039</u>	<u>\$92,400</u>	<u>\$22,326,789</u>	<u>\$5,922,039</u>

	Business Type Activities						
	Revenue Bonds		General Obligation Bonds		OPWC Loans	Total	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2016	\$1,040,380	\$913,621	\$600,101	\$169,706	\$347,715	\$1,988,196	\$1,083,327
2017	1,086,273	825,093	611,020	151,564	347,715	2,045,008	976,657
2018	1,137,614	778,035	529,513	132,992	347,714	2,014,841	911,027
2019	1,188,954	727,527	546,143	116,855	285,291	2,020,388	844,382
2020	1,240,294	674,644	560,618	100,183	281,018	2,081,930	774,827
2021-2025	5,701,044	2,632,479	2,373,660	236,818	438,441	8,513,145	2,869,297
2026-2030	6,800,000	1,585,772	0	0	0	6,800,000	1,585,772
2031	1,545,000	69,525	0	0	0	1,545,000	69,525
	<u>\$19,739,559</u>	<u>\$8,206,696</u>	<u>\$5,221,055</u>	<u>\$908,118</u>	<u>\$2,047,894</u>	<u>\$27,008,508</u>	<u>\$9,114,814</u>

**Note 14 – Leases**

**A. Capital Leases**

In 2015, the City entered into a lease for the acquisition of police vehicles, fire vehicles, a fiber optic network, sewer flow meters, and water meters for various City departments. In prior years, the City entered into leases for the acquisition of police vehicles, refuse vehicles, street vehicles, fire vehicles, forestry vehicles, computer hardware, copier equipment, building HVAC improvements and water meters. The assets of such agreement are recorded in the Governmental Activities and Business-Type Activities as shown on the Statement of Net Position.

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

**Note 14 – Leases (Continued)**

The following is a schedule of the future minimum lease payments for capital leases and the present value of net minimum lease payments as of December 31, 2015:

	Governmental Activities	Business-Type Activities
Building and Improvements	\$2,100,000	\$1,200,000
Equipment Machinery and Furniture	319,076	310,125
Vehicles	7,764,869	1,311,350
Total Capital Leases, being depreciated	10,183,945	2,821,475
Less Accumulated Depreciation		
Building and Improvements	1,680,000	960,000
Equipment Machinery and Furniture	255,261	168,140
Vehicles	4,221,612	764,861
Total Accumulated Depreciation	6,156,873	1,893,001
Capital Leases, Net	\$4,027,072	\$928,474
	Governmental Activities	Business-Type Activities
2016	\$1,630,930	\$829,324
2017	1,594,825	829,488
2018	1,291,561	741,465
2019	646,124	649,946
2020	579,682	649,946
2021-2025	1,551,332	1,713,087
2026-2030	485,900	898,773
Total minimum lease payments	7,780,354	6,312,029
Less: amount representing interest	(655,848)	(737,237)
Total	\$7,124,506	\$5,574,792

**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 Government Underwriter's Association Insurance Company 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.

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

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

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 \$116,638,785 with a \$10,000 deductible for all property.

Coverage for the City's buildings, furniture, fixtures, and contents has a limit of \$116,638,785, with a \$10,000 deductible. Inland marine coverage for all City property that moves has coverage of \$32,345,262 with a \$500 deductible and EDP equipment is covered at \$1,262,146 with a \$500 deductible.

Allied World Assurance Co. Policy covers Cyber liability at \$1,000,000 annual aggregate, with a \$10,000 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, 2015, \$187,734 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:

	2015	2014
Estimated claims payable January 1	\$443,408	\$378,000
Plus: Current year claims	6,002,888	5,739,783
Less: Claim payments	(6,258,562)	(5,674,375)
Estimated claims payable December 31	\$187,734	\$443,408

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*  
*(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, 2015, \$29,038 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:

	2015	2014
Estimated claims payable January 1	\$121,160	\$144,251
Plus: Current year claims	129,473	234,824
Less: Claim payments	(221,595)	(257,915)
Estimated claims payable December 31	\$29,038	\$121,160

**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, 2015*  
*(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, 2015*  
(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, 2015*  
*(Continued)*

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**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>2015 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2015 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 \$1,674,073 for 2015. Of this amount, \$167,171 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, 2015*  
(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>2015 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %
<b>2015 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$2,820,928 for 2015. Of this amount, \$309,871 is reported as an intergovernmental payable.

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

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

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

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Police	OP&F Fire	Total
Proportionate Share of the Net Pension Liability/(Asset)	\$13,501,698	(\$17,749)	\$16,939,238	\$16,244,430	\$46,667,617
Proportion of the Net Pension Liability/Asset	0.111944%	0.046096%	0.3269860%	0.3135738%	
Pension Expense	1,474,123	11,794	1,657,960	1,595,510	4,739,387

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

	OPERS	OP&F Police	OP&F Fire	Total
<b>Deferred Outflows of Resources</b>				
Net difference between projected and actual earnings on pension plan investments	\$721,493	\$730,065	\$700,120	\$2,151,678
City contributions subsequent to the measurement date	1,674,073	1,409,080	1,411,848	4,495,001
Total Deferred Outflows of Resources	<u>\$2,395,566</u>	<u>\$2,139,145</u>	<u>\$2,111,968</u>	<u>\$6,646,679</u>
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	<u>\$242,614</u>	<u>\$0</u>	<u>\$0</u>	<u>\$242,614</u>

\$4,495,001 reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*  
*(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
2016	\$70,285	\$182,516	\$175,030	\$427,831
2017	70,285	182,516	175,030	\$427,831
2018	161,419	182,516	175,030	\$518,965
2019	179,729	182,517	175,030	\$537,276
2020	(644)	0	0	(644)
Thereafter	(2,195)	0	0	(2,195)
Total	<u>\$478,879</u>	<u>\$730,065</u>	<u>\$700,120</u>	<u>\$1,909,064</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, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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, 2015*  
(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 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*  
*(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	\$24,839,254	\$13,501,698	\$3,952,743
Combined Plan	\$2,305	(17,749)	(\$33,650)

**F. Actuarial Assumptions – OP&F**

OP&F's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*  
(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, 2014 are summarized below:

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

\* levered 2x

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

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

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**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	\$ 45,898,034	\$ 33,183,668	\$ 22,418,467

**Note 17 – Post-Employment Benefits**

**A. Ohio Public Employees Retirement System**

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

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

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

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

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

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

*Funding Policy* - The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, State and Local employers contributed at a rate of 14.00 percent of earnable salary and Public Safety and Law Enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined Plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.00 percent during calendar year 2015. As recommended by the OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.00 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA participants in the Member-Directed Plan for 2015 was 4.50 percent. The City's actual employer contributions for December 31, 2015, 2014 and 2013 which were used to fund post-employment benefits were \$291,400, \$288,967, and \$140,438, respectively; 91.80 percent has been contributed for 2015, and 100.00 percent has been contributed for 2014 and 2013.

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

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

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*  
*(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, 2015 thru December 31, 2015. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of the Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$36,615 and \$29,872 for the year ended December 31, 2015, \$36,421 and \$28,210 for the year ended December 31, 2014, and \$246,029 and \$188,052 for the year ended December 31, 2013, respectively. 91.88 percent has been contributed for police and 91.90 percent has been contributed for firefighters for 2015. The full amount has been contributed for 2014 and 2013.

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*  
*(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. Kaiser Permanente is a traditionally funded HMO. For those employees choosing Kaiser Permanente, the monthly insurance premiums are paid by the City and partly by the 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 2015, the City contributed \$93,795.

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

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

**A. Construction Contractual Commitments**

The following were significant contractual commitments outstanding at December 31, 2015.

Project	Contract Amount	Amount Paid	Amount Remaining
Waterline Improvements	\$4,700,000	\$2,842,200	\$1,857,800
Wastewater Improvements	7,805,850	3,260,056	4,545,794
Totals	<u>\$12,505,850</u>	<u>\$6,102,256</u>	<u>\$6,403,594</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, 2015, the City's commitments for encumbrances in the governmental funds were as follows:

Major Fund:	Encumbrances Outstanding
General	<u>\$3,858,545</u>

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*  
(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. The transfer from the Debt Service Fund to the Permanent Capital Improvement Fund was for unspent bond proceeds for Lakewood Park improvements. The transfer from the Sewer Fund to the Parking Fund were attributed to transferring of capital assets.

During 2015, a transfer was made from the Sewer Fund to the general capital assets in the amount of \$248,857 in construction in progress related to Madison Park.

	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	\$1,509,545	\$0	\$0	\$0	\$0	\$1,509,545
Debt Service	220,000	1,200	0	25,000	15,252	1,678,200	84,500	2,024,152
<u>Nonmajor Funds:</u>								
Office on Aging	600,000	0	0	0	0	0	0	600,000
Permanent Capital Improvement	0	0	1,040,000	0	0	0	0	1,040,000
Total Governmental Activities	820,000	1,200	2,549,545	25,000	15,252	1,678,200	84,500	5,173,697
<i>Business-Type Activities</i>								
<u>Major Fund:</u>								
Sewer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Nonmajor Fund:</u>								
Parking	0	0	0	0	0	179,630	0	179,630
Winterhurst	0	0	264,287	0	0	0	0	264,287
Total Business-Type Activities	0	0	264,287	0	0	179,630	0	443,917
<i>Internal Service Funds</i>								
Hospitalization	2,950,000	0	0	0	0	0	0	2,950,000
Workers' Compensation	115,000	0	0	0	0	0	0	115,000
Entity-Wide	0	0	0	0	0	248,857	0	248,857
Total	\$3,885,000	\$1,200	\$2,813,832	\$25,000	\$15,252	\$2,106,687	\$84,500	\$8,931,471

**City of Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*  
(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, 2015, 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	\$23,148	\$146,305	\$169,453
Community Development Block Grant	130,000	139	876	131,015
Lakewood Hospital		762	4,818	5,580
<b>Nonmajor Funds:</b>				
Street and Highway	0	970	6,132	7,102
Office on Aging	0	762	4,818	5,580
Emergency Shelter Grant	6,000	0	0	6,000
Help to Others	40,000	0	0	40,000
<i>Total Governmental Funds</i>	<u>176,000</u>	<u>25,781</u>	<u>162,949</u>	<u>364,730</u>
<b><i>Proprietary Funds</i></b>				
<b>Major Funds:</b>				
Water	0	901	5,694	6,595
Sewer	0	2,217	14,017	16,234
<b>Nonmajor Funds:</b>				
Parking Facilities	0	139	876	1,015
Winterhurst	215,000	0	0	215,000
<i>Total Proprietary Funds</i>	<u>215,000</u>	<u>3,257</u>	<u>20,587</u>	<u>238,844</u>
<b>Total</b>	<u><u>\$391,000</u></u>	<u><u>\$29,038</u></u>	<u><u>\$183,536</u></u>	<u><u>\$603,574</u></u>

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

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**Note 22 – Lakewood Hospital**

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

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

On December 22, 2015 the city received title from LHA for the medical office building located at 14601 Detroit Avenue, the parking garage located at 1422 Belle Avenue and the Community Health Center located at 1450 Belle Avenue. In addition, LHA returned control of seven residential properties on Belle Avenue and St. Charles Avenue to the City and these properties are recorded as an asset held for resale at year end. Per the master agreement, the medical office building and parking garage will be transferred to the Cleveland Clinic by March 1, 2016 and is recorded as an asset held for resale at year end. The seven residential properties are expected to be sold by the city by December 31, 2016. The City will retain ownership of the Community Health Center.

On December 31, 2015 the City received a net amount of \$6,644,731 per the master agreement from the Cleveland Clinic as recognition of early termination of the 1996 lease agreements and loss of future income tax. An additional payment of \$1,400,000 will be made by the Cleveland Clinic upon the opening of the Lakewood Family Health Center and is recorded as a notes receivable at year end. The Center will be built by the Cleveland Clinic on the former site of the medical office building and parking garage.

LHA will continue lease payments to the City until the opening of the Lakewood Family Health Center and vacation by LHA of the Lakewood Hospital property under the existing lease up to a maximum of \$2,877,500.

The City will retain ownership of the existing Lakewood Hospital site and all other property currently leased to LHA. The Lakewood Hospital site (consisting of approximately 5.7 acres) will be available for redevelopment.

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

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**Note 23 - Subsequent Events**

On April 5, 2016, the City issued \$10,644,000 in various purpose improvement notes, series 2016 at 1.0 percent that will mature April 4, 2017.

On April 5, 2016, The City issued \$40,522,192 in various purpose improvement & refunding bonds, series 2016A (Tax-Exempt). \$17,509,047 of the bonds were issued to pay off outstanding 2015 notes, \$5,012,058 were issued to refund 2005 various purpose general obligation bonds, \$10,481,467 were issued to refund 2006 Sewer mortgage revenue bonds, \$7,519,620 were issued to refund 2006 Water mortgage revenue bonds. These bonds were issued at an interest rate of 1.6-5.00%.

On April 5, 2016, The City issued \$2,957,614 in refunding bonds, series 2016B (Taxable). The bonds were issued to refund Rockport Square Development, Series 2004. These bonds were issued at an interest rate of 2.5-3.00%.

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 Avenue and the parking garage located at 1422 Belle Avenue 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 Avenue and Detroit Avenue). This property is currently under evaluation for future development. The City also took control of three additional residential properties on Belle Avenue and St Charles Avenue, with the intention of selling those properties during 2016.

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

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**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 Two Years (1)*

<b>Traditional Plan</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension Liability	0.111944%	0.111944%
City's Proportionate Share of the Net Pension Liability	\$13,501,698	\$13,196,739
City's Covered-Employee Payroll	\$13,769,800	\$13,724,831
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	98.05%	96.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%
<b>Combined Plan</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension (Asset)	0.046096%	0.046096%
City's Proportionate Share of the Net Pension (Asset)	(\$17,749)	(\$4,837)
City's Covered-Employee Payroll	\$169,775	\$225,769
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	10.45%	2.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	114.83%	104.33%

(1) Information prior to 2013 is not available.

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

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

<b>Police</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension Liability	0.3269860%	0.3269860%
City's Proportionate Share of the Net Pension Liability	\$16,939,238	\$15,925,244
City's Covered-Employee Payroll	\$7,231,742	\$7,006,764
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	234.23%	227.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%
<b>Fire</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension Liability	0.3135738%	0.3135738%
City's Proportionate Share of the Net Pension Liability	\$16,244,430	\$15,272,028
City's Covered-Employee Payroll	\$5,630,757	\$5,366,792
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	288.49%	284.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) Information prior to 2013 is not available.

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

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

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

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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Contractually Required Contributions</u>										
Police	\$1,409,080	\$1,374,031	\$1,102,164	\$896,221	\$921,634	\$877,675	\$862,453	\$818,886	\$777,541	\$630,850
Fire	\$1,411,848	\$1,323,228	\$1,085,702	\$936,402	\$959,008	\$925,438	\$972,154	\$956,658	\$999,452	\$826,311
Total Required Contributions	\$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	\$1,457,161
Contributions in Relation to the Contractually Required Contribution	(\$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)	(\$1,457,161)
Contribution Deficiency / (Excess)	<u>\$0</u>									
<u>City's Covered-Employee Payroll</u>										
Police	\$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	\$5,368,936
Fire	\$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	\$5,084,991
<u>Pension Contributions as a Percentage of Covered- Employee Payroll</u>										
Police	19.00%	19.00%	[2]	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%	11.75%
Fire	23.50%	23.50%	[2]	17.25%	17.25%	17.25%	17.25%	17.25%	17.25%	16.25%

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

## **Combining Statements**

## *Fund Descriptions – Nonmajor Governmental Funds*

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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.
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.
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.
FEMA Fund	To account for and report grants received from the Federal government restricted to provide safety programs for the City.
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.

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

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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.
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.
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.
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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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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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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**City of Lakewood, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2015*

	<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	\$1,775,689	\$208,058	\$6,670,796	\$8,654,543
Cash and Cash Equivalents:				
In Segregated Accounts	0	0	141,829	141,829
Materials and Supplies Inventory	117,718	0	0	117,718
Accrued Interest Receivable	153	0	0	153
Accounts Receivable	16,750	0	0	16,750
Intergovernmental Receivable	863,257	0	0	863,257
Payments in Lieu of Taxes Receivable	0	510,852	0	510,852
Assets Held for Resale	252,125	0	0	252,125
<b>Total Assets</b>	<b>#REF!</b>	<b>\$718,910</b>	<b>\$6,812,625</b>	<b>#REF!</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$130,928	\$36,469	\$169,425	\$336,822
Accrued Wages and Benefits	26,252	0	0	26,252
Intergovernmental Payable	24,998	0	0	24,998
Retainage Payable	0	0	141,829	141,829
Interfund Payable	58,682	0	0	58,682
<b>Total Liabilities</b>	<b>240,860</b>	<b>36,469</b>	<b>311,254</b>	<b>588,583</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes and Payments in Lieu of Taxes	0	456,076	0	456,076
Unavailable Revenue - Delinquent Payments in Lieu of Taxes	0	54,776	0	54,776
Unavailable Revenue - Other	538,029	0	0	538,029
<b>Total Deferred Inflows of Resources</b>	<b>538,029</b>	<b>510,852</b>	<b>0</b>	<b>1,048,881</b>
<b>Fund Balances:</b>				
Nonspendable	117,718	0	0	117,718
Restricted	2,152,675	171,589	1,419,731	3,743,995
Committed	11,569	0	5,081,640	5,093,209
Unassigned (Deficit)	(35,159)	0	0	(35,159)
<b>Total Fund Balance</b>	<b>#REF!</b>	<b>171,589</b>	<b>6,501,371</b>	<b>#REF!</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>#REF!</b>	<b>\$718,910</b>	<b>\$6,812,625</b>	<b>#REF!</b>

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

	<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	\$456,077	\$0	\$456,077
Intergovernmental	2,902,243	34,634	803,846	3,740,723
Interest	54	0	0	54
Fines and Forfeitures	223,100	0	0	223,100
Charges for Services	133,290	0	0	133,290
Contributions and Donations	98,212	0	0	98,212
Special Assessments	15,248	0	0	15,248
All Other Revenues	54,900	0	5,398	60,298
<b>Total Revenues</b>	<u>3,427,047</u>	<u>490,711</u>	<u>809,244</u>	<u>4,727,002</u>
<b>EXPENDITURES</b>				
Security of Persons and Property:				
Police	105,609	0	0	105,609
Public Health Services	851,227	0	0	851,227
Community Environment	856,951	0	0	856,951
Transportation	2,091,066	0	0	2,091,066
General Government	108,516	74,002	0	182,518
Capital Outlay	0	0	6,169,480	6,169,480
Debt Service:				
Principal Retirement	0	255,000	0	255,000
Interest and Fiscal Charges	0	185,414	0	185,414
<b>Total Expenditures</b>	<u>4,013,369</u>	<u>514,416</u>	<u>6,169,480</u>	<u>10,697,265</u>
Excess of Revenues Over (Under) Expenditures	<u>(586,322)</u>	<u>(23,705)</u>	<u>(5,360,236)</u>	<u>(5,970,263)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	14,776	0	0	14,776
Bond Anticipation Notes Issued	0	0	3,350,000	3,350,000
Transfer In	600,000	0	1,040,000	1,640,000
Transfer Out	(25,000)	0	0	(25,000)
<b>Total Other Financing Sources (Uses)</b>	<u>589,776</u>	<u>0</u>	<u>4,390,000</u>	<u>4,979,776</u>
Net Change in Fund Balances	3,454	(23,705)	(970,236)	(990,487)
Fund Balances - Beginning of Year	2,243,349	195,294	7,471,607	9,910,250
<b>Fund Balances - End of Year</b>	<u><u>\$2,246,803</u></u>	<u><u>\$171,589</u></u>	<u><u>\$6,501,371</u></u>	<u><u>\$8,919,763</u></u>

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

	<u>Street and Highway</u>	<u>Litter Control Grant</u>	<u>Law and Drug Enforcement Trust</u>	<u>Federal Forfeiture</u>	<u>Indigent Drivers Alcohol Treatment</u>
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$622,394	\$5,709	\$126,372	\$23,805	\$170,251
Cash and Cash Equivalents:					
Materials and Supplies Inventory	117,718	0	0	0	0
Accrued Interest Receivable	0	0	0	153	0
Accounts Receivable	0	0	722	0	792
Intergovernmental Receivable	831,337	0	0	0	0
Assets held for Resale	0	0	0	0	0
<b>Total Assets</b>	<u>\$1,571,449</u>	<u>\$5,709</u>	<u>\$127,094</u>	<u>\$23,958</u>	<u>\$171,043</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$29,369	\$0	\$2,840	\$0	\$9,140
Accrued Wages and Benefits	13,653	0	0	0	0
Intergovernmental Payable	13,090	0	0	0	0
Interfund Payable	7,102	0	0	0	0
<b>Total Liabilities</b>	<u>63,214</u>	<u>0</u>	<u>2,840</u>	<u>0</u>	<u>9,140</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable Revenue - Other	538,029	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<u>538,029</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances:</b>					
Nonspendable	117,718	0	0	0	0
Restricted	852,488	5,709	124,254	23,958	161,903
Committed	0	0	0	0	0
Unassigned (Deficit)	0	0	0	0	0
<b>Total Fund Balances (Deficit)</b>	<u>970,206</u>	<u>5,709</u>	<u>124,254</u>	<u>23,958</u>	<u>161,903</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$1,571,449</u>	<u>\$5,709</u>	<u>\$127,094</u>	<u>\$23,958</u>	<u>\$171,043</u>

(Continued)

**City of Lakewood, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2015*

	<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	\$28,775	\$17,395	\$33,090	\$332,160
Cash and Cash Equivalents:				
Materials and Supplies Inventory	0	0	0	0
Accrued Interest Receivable	0	0	0	0
Accounts Receivable	350	50	2,259	8,968
Intergovernmental Receivable	0	0	0	0
Assets held for Resale	0	0	0	0
<b>Total Assets</b>	<b>\$29,125</b>	<b>\$17,445</b>	<b>\$35,349</b>	<b>\$341,128</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$0	\$0	\$126	\$2,235
Accrued Wages and Benefits	0	0	0	53
Intergovernmental Payable	0	0	0	41
Interfund Payable	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>126</b>	<b>2,329</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	29,125	17,445	35,223	338,799
Committed	0	0	0	0
Unassigned (Deficit)	0	0	0	0
<b>Total Fund Balances (Deficit)</b>	<b>29,125</b>	<b>17,445</b>	<b>35,223</b>	<b>338,799</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$29,125</b>	<b>\$17,445</b>	<b>\$35,349</b>	<b>\$341,128</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>
\$36,056	\$79,212	\$4,621	\$55,707	\$120,283	\$74,748
0	0	0	0	0	0
0	0	0	0	0	0
3,259	350	0	0	0	0
0	0	0	0	0	6,385
0	0	0	0	252,125	0
<u>\$39,315</u>	<u>\$79,562</u>	<u>\$4,621</u>	<u>\$55,707</u>	<u>\$372,408</u>	<u>\$81,133</u>
\$1,350	\$0	\$22,316	\$48,826	\$0	\$11,941
0	0	0	0	0	8,425
0	0	0	0	0	8,113
0	0	6,000	0	0	5,580
<u>1,350</u>	<u>0</u>	<u>28,316</u>	<u>48,826</u>	<u>0</u>	<u>34,059</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
37,965	79,562	0	6,881	372,408	47,074
0	0	0	0	0	0
0	0	(23,695)	0	0	0
<u>37,965</u>	<u>79,562</u>	<u>(23,695)</u>	<u>6,881</u>	<u>372,408</u>	<u>47,074</u>
<u>\$39,315</u>	<u>\$79,562</u>	<u>\$4,621</u>	<u>\$55,707</u>	<u>\$372,408</u>	<u>\$81,133</u>

(Continued)

**City of Lakewood, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2015*

	<b>Help-to- Others</b>	<b>Juvenile Diversion</b>	<b>Family to Family</b>	<b>FEMA</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$11,569	\$17,185	\$13,576	\$2,781	\$1,775,689
Cash and Cash Equivalents:					
Materials and Supplies Inventory	0	0	0	0	117,718
Accrued Interest Receivable	0	0	0	0	153
Accounts Receivable	0	0	0	0	16,750
Intergovernmental Receivable	0	0	25,535	0	863,257
Assets held for Resale	0	0	0	0	252,125
<b>Total Assets</b>	<u>\$11,569</u>	<u>\$17,185</u>	<u>\$39,111</u>	<u>\$2,781</u>	<u>\$3,025,692</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$0	\$0	\$2,785	\$0	\$130,928
Accrued Wages and Benefits	0	0	4,121	0	26,252
Intergovernmental Payable	0	85	3,669	0	24,998
Interfund Payable	0	0	40,000	0	58,682
<b>Total Liabilities</b>	<u>0</u>	<u>85</u>	<u>50,575</u>	<u>0</u>	<u>240,860</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable Revenue - Other	0	0	0	0	538,029
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>538,029</u>
<b>Fund Balances:</b>					
Nonspendable	0	0	0	0	117,718
Restricted	0	17,100	0	2,781	2,152,675
Committed	11,569	0	0	0	11,569
Unassigned (Deficit)	0	0	(11,464)	0	(35,159)
<b>Total Fund Balances (Deficit)</b>	<u>11,569</u>	<u>17,100</u>	<u>(11,464)</u>	<u>2,781</u>	<u>#VALUE!</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$11,569</u>	<u>\$17,185</u>	<u>\$39,111</u>	<u>\$2,781</u>	<u>#VALUE!</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, 2015*

	<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	\$1,975,963	\$0	\$0	\$21,904	\$10,642
Interest	0	0	0	54	0
Fines and Forfeitures	0	0	6,602	0	11,657
Charges for Services	48,605	0	0	0	0
Contributions and Donations	0	0	0	0	0
Special Assessments	15,248	0	0	0	0
All Other Revenues	0	0	53,800	0	0
<b>Total Revenues</b>	<b>2,039,816</b>	<b>0</b>	<b>60,402</b>	<b>21,958</b>	<b>22,299</b>
<b>EXPENDITURES</b>					
Security of Persons and Property					
Police and Other	0	0	94,113	1,208	0
Public Health Services	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	2,091,066	0	0	0	0
General Government	0	0	0	0	28,712
<b>Total Expenditures</b>	<b>2,091,066</b>	<b>0</b>	<b>94,113</b>	<b>1,208</b>	<b>28,712</b>
Excess of Revenues Over (Under) Expenditures	(51,250)	0	(33,711)	20,750	(6,413)
<b>OTHER FINANCING SOURCES</b>					
Sale of Capital Assets	0	0	14,776	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>14,776</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	(76,250)	0	(18,935)	20,750	(6,413)
Fund Balances - Beginning of Year	1,046,456	5,709	143,189	3,208	168,316
<b>Fund Balances - End of Year</b>	<b>\$970,206</b>	<b>\$5,709</b>	<b>\$124,254</b>	<b>\$23,958</b>	<b>\$161,903</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, 2015*

	<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	4,286	450	29,984	124,850	36,647
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>5,386</u>	<u>450</u>	<u>29,984</u>	<u>124,850</u>	<u>36,647</u>
<b>EXPENDITURES</b>					
Security of Persons and Property					
Police and Other	10,288	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	33,743	36,283	8,478
<b>Total Expenditures</b>	<u>10,288</u>	<u>0</u>	<u>33,743</u>	<u>36,283</u>	<u>8,478</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,902)</u>	<u>450</u>	<u>(3,759)</u>	<u>88,567</u>	<u>28,169</u>
<b>OTHER FINANCING SOURCES</b>					
Sale of Capital Assets	0	0	0	0	0
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
<b>Total Other Financing Sources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>(4,902)</u>	<u>450</u>	<u>(3,759)</u>	<u>88,567</u>	<u>28,169</u>
Fund Balances - Beginning of Year	<u>34,027</u>	<u>16,995</u>	<u>38,982</u>	<u>250,232</u>	<u>9,796</u>
<b>Fund Balances - End of Year</b>	<u><u>\$29,125</u></u>	<u><u>\$17,445</u></u>	<u><u>\$35,223</u></u>	<u><u>\$338,799</u></u>	<u><u>\$37,965</u></u>

<b>Indigent Drivers Interlock and Alcohol Monitoring</b>	<b>Emergency Shelter Grant</b>	<b>HOME Investment Program</b>	<b>Neighborhood Stabilization</b>	<b>Office on Aging</b>
\$0	\$142,308	\$310,149	\$0	\$100,287
0	0	0	0	0
8,624	0	0	0	0
0	0	0	0	70,230
0	0	0	0	51,319
0	0	0	0	0
0	0	0	0	0
<u>8,624</u>	<u>142,308</u>	<u>310,149</u>	<u>0</u>	<u>221,836</u>
0	0	0	0	0
0	0	0	0	851,227
0	160,662	277,057	523	0
0	0	0	0	0
<u>1,300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>1,300</u>	<u>160,662</u>	<u>277,057</u>	<u>523</u>	<u>851,227</u>
<u>7,324</u>	<u>(18,354)</u>	<u>33,092</u>	<u>(523)</u>	<u>(629,391)</u>
0	0	0	0	0
0	0	0	0	600,000
<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>600,000</u>
<u>7,324</u>	<u>(18,354)</u>	<u>33,092</u>	<u>(523)</u>	<u>(29,391)</u>
<u>72,238</u>	<u>(5,341)</u>	<u>(26,211)</u>	<u>372,931</u>	<u>76,465</u>
<u>\$79,562</u>	<u>(\$23,695)</u>	<u>\$6,881</u>	<u>\$372,408</u>	<u>\$47,074</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, 2015*

	<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	\$19,063	\$321,927	\$0	\$2,902,243
Interest	0	0	0	0	54
Fines and Forfeitures	0	0	0	0	223,100
Charges for Services	14,455	0	0	0	133,290
Contributions and Donations	43,044	3,849	0	0	98,212
Special Assessments	0	0	0	0	15,248
All Other Revenues	0	0	0	0	54,900
<b>Total Revenues</b>	<u>57,499</u>	<u>22,912</u>	<u>321,927</u>	<u>0</u>	<u>3,427,047</u>
<b>EXPENDITURES</b>					
Security of Persons and Property					
Police and Other	0	0	0	0	105,609
Public Health Services	0	0	0	0	851,227
Community Environment	57,499	17,306	343,904	0	856,951
Transportation	0	0	0	0	2,091,066
General Government	0	0	0	0	108,516
<b>Total Expenditures</b>	<u>57,499</u>	<u>17,306</u>	<u>343,904</u>	<u>0</u>	<u>4,013,369</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>5,606</u>	<u>(21,977)</u>	<u>0</u>	<u>(586,322)</u>
<b>OTHER FINANCING SOURCES</b>					
Sale of Capital Assets	0	0	0	0	14,776
Transfers In	0	0	0	0	600,000
Transfers Out	0	0	0	0	(25,000)
<b>Total Other Financing Sources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>589,776</u>
Net Change in Fund Balances	0	5,606	(21,977)	0	3,454
Fund Balances - Beginning of Year	11,569	11,494	10,513	2,781	2,243,349
<b>Fund Balances - End of Year</b>	<u>\$11,569</u>	<u>\$17,100</u>	<u>(\$11,464)</u>	<u>\$2,781</u>	<u>\$2,246,803</u>

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

	<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	\$1,365,945	\$ 5,000,000	\$81,640	\$223,211	\$6,670,796
Cash and Cash Equivalents:					
In Segregated Accounts	120,111	0	0	21,718	141,829
<b>Total Assets</b>	<u>\$1,486,056</u>	<u>\$5,000,000</u>	<u>\$81,640</u>	<u>\$244,929</u>	<u>\$6,812,625</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Retainage Payable	\$120,111	\$0	\$0	\$21,718	\$141,829
<b>Total Liabilities</b>	<u>289,536</u>	<u>0</u>	<u>0</u>	<u>21,718</u>	<u>311,254</u>
<b>Fund Balances:</b>					
Restricted	1,196,520	0	0	223,211	1,419,731
Committed	0	5,000,000	81,640	0	5,081,640
<b>Total Fund Balances</b>	<u>1,196,520</u>	<u>5,000,000</u>	<u>81,640</u>	<u>223,211</u>	<u>6,501,371</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$1,486,056</u>	<u>\$5,000,000</u>	<u>\$81,640</u>	<u>\$244,929</u>	<u>\$6,812,625</u>

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

	<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>REVENUES</b>					
Intergovernmental	\$803,846	\$0	\$0	\$0	\$803,846
All Other Revenues	0	0	5,398	0	5,398
<b>Total Revenues</b>	<u>803,846</u>	<u>0</u>	<u>5,398</u>	<u>0</u>	<u>809,244</u>
<b>EXPENDITURES</b>					
Capital Outlay	6,161,857	0	7,623	0	6,169,480
<b>Total Expenditures</b>	<u>6,161,857</u>	<u>0</u>	<u>7,623</u>	<u>0</u>	<u>6,169,480</u>
Excess of Revenues (Under) Expenditures	<u>(5,358,011)</u>	<u>0</u>	<u>(2,225)</u>	<u>0</u>	<u>(5,360,236)</u>
<b>OTHER FINANCING SOURCES</b>					
Bond Anticipation Notes Issued	3,350,000	0	0	0	3,350,000
Transfer In	1,040,000	0	0	0	1,040,000
<b>Total Other Financing Sources</b>	<u>4,390,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,390,000</u>
Net Change in Fund Balances	(968,011)	0	(2,225)	0	(970,236)
Fund Balances - Beginning of Year	2,164,531	5,000,000	83,865	223,211	7,471,607
<b>Fund Balances - End of Year</b>	<u>\$1,196,520</u>	<u>\$5,000,000</u>	<u>\$81,640</u>	<u>\$223,211</u>	<u>\$6,501,371</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, 2015*

	<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	\$491,568	\$33,332	\$524,900
Materials and Supplies Inventory	96,765	0	96,765
Accounts Receivable	0	381,087	381,087
<b>Total Current Assets</b>	<b>588,333</b>	<b>414,419</b>	<b>1,002,752</b>
<b>Noncurrent Assets:</b>			
Advances to Other Funds	147	0	147
Capital Assets:			
Land	77,120	10	77,130
Depreciable Capital Assets, Net of Depreciation	762,889	4,558,677	5,321,566
<b>Total Noncurrent Assets</b>	<b>840,156</b>	<b>4,558,687</b>	<b>5,398,843</b>
<b>Total Assets</b>	<b>1,428,489</b>	<b>4,973,106</b>	<b>6,401,595</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferral on Refunding	0	27,524	27,524
Pension	19,883	0	19,883
<b>Total Deferred Outflows of Resources</b>	<b>19,883</b>	<b>27,524</b>	<b>47,407</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	53,220	95,451	148,671
Accrued Wages	1,664	0	1,664
Intergovernmental Payable	1,673	0	1,673
Interfund Payable	1,015	215,000	216,015
Compensated Absences Payable	369	0	369
Accrued Interest Payable	579	1,061	1,640
General Obligation Bonds Payable	25,000	113,431	138,431
Capital Leases Payable	2,025	133,318	135,343
<b>Total Current Liabilities</b>	<b>85,545</b>	<b>558,261</b>	<b>643,806</b>
<b>Noncurrent Liabilities:</b>			
Compensated Absences Payable	6,091	0	6,091
General Obligation Bonds Payable	146,337	224,485	370,822
Capital Leases Payable	5,075	222,892	227,967
Net Pension Liability	112,064	0	112,064
<b>Total Noncurrent Liabilities</b>	<b>269,567</b>	<b>447,377</b>	<b>716,944</b>
<b>Total Liabilities</b>	<b>355,112</b>	<b>1,005,638</b>	<b>1,360,750</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	2,014	0	2,014
<b>Total Deferred Inflows of Resources</b>	<b>2,014</b>	<b>0</b>	<b>2,014</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	661,572	3,892,085	4,553,657
Unrestricted	429,674	102,907	532,581
<b>Total Net Position</b>	<b>\$1,091,246</b>	<b>\$3,994,992</b>	<b>\$5,086,238</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, 2015*

	<b>Parking Facilities</b>	<b>Winterhurst Ice Rink</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$455,700	\$351,858	\$807,558
Miscellaneous	0	79,500	79,500
<b>Total Operating Revenues</b>	<u>455,700</u>	<u>431,358</u>	<u>887,058</u>
<b>OPERATING EXPENSES</b>			
Salaries	156,077	0	156,077
Property Taxes	47,029	59,035	106,064
Materials and Supplies	2,384	0	2,384
Utilities	26,755	291,520	318,275
Contractual Services	32,159	0	32,159
Depreciation	32,538	85,000	117,538
Other	51,611	0	51,611
<b>Total Operating Expense</b>	<u>348,553</u>	<u>435,555</u>	<u>784,108</u>
Operating Income (Loss)	<u>107,147</u>	<u>(4,197)</u>	<u>102,950</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
(Loss) on Sale of Capital Assets	27,025	0	27,025
Interest and Fiscal Charges	(34,389)	(35,128)	(69,517)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(7,364)</u>	<u>(35,128)</u>	<u>(42,492)</u>
Capital Contributions from Special Assessments	65,172	0	65,172
Transfers In	179,630	264,287	443,917
(Transfers Out)	(4,500)	(80,000)	(84,500)
Change in Net Position	<u>340,085</u>	<u>144,962</u>	<u>485,047</u>
Net Position - Beginning of Year, Restated	<u>751,161</u>	<u>3,850,030</u>	<u>4,601,191</u>
<b>Net Position - End of Year</b>	<u><u>\$1,091,246</u></u>	<u><u>\$3,994,992</u></u>	<u><u>\$5,086,238</u></u>

**City of Lakewood, Ohio**  
*Combining Statement of Cash Flows*  
*Nonmajor Enterprise Funds*  
*For the Year Ended December 31, 2015*

	<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	\$455,700	\$259,965	\$715,665
Cash Received from Other Operating Sources	0	79,500	79,500
Cash Payments for Employee Services and Benefits	(162,640)	0	(162,640)
Cash Payments for Goods and Services	(118,993)	(361,766)	(480,759)
Cash Payments for Other Operating Expenses	(51,611)	0	(51,611)
Net Cash Provided by (Used in) Operating Activities	<u>122,456</u>	<u>(22,301)</u>	<u>100,155</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Advances In	0	155,000	155,000
Advances Out	0	(50,000)	(50,000)
Transfers In	0	256,924	256,924
Transfers Out	(4,500)	(80,000)	(84,500)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(4,500)</u>	<u>281,924</u>	<u>277,424</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	(7,591)	(26,898)	(34,489)
Net Cash Used in Capital and Related Financing Activities	<u>(34,616)</u>	<u>(256,924)</u>	<u>(291,540)</u>
Net Increase in Cash and Cash Equivalents	83,340	2,699	86,039
Cash and Cash Equivalents - Beginning of Year	<u>408,228</u>	<u>30,633</u>	<u>438,861</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$491,568</u></u>	<u><u>\$33,332</u></u>	<u><u>\$524,900</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating Income	\$107,147	(\$4,197)	\$102,950
Adjustments:			
Depreciation	32,538	85,000	117,538
(Increase) Decrease in Assets and Deferred Outflows of Resources:			
Accounts Receivable	0	(91,893)	(91,893)
Materials and Supplies Inventory	(10,516)	0	(10,516)
Net Pension Asset	(107)	0	(107)
Deferred Outflows of Resources	(5,999)	0	(5,999)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:			
Accounts Payable	(150)	(11,211)	(11,361)
Accrued Wages and Benefits	(4,126)	0	(4,126)
Compensated Absences Payable	(456)	0	(456)
Interfund Payable	(587)	0	(587)
Intergovernmental Payable	167	0	167
Net Pension Liability	2,531	0	2,531
Deferred Inflows of Resources	2,014	0	2,014
Net Cash Provided by Operating Activities	<u><u>\$122,456</u></u>	<u><u>(\$22,301)</u></u>	<u><u>\$100,155</u></u>

**City of Lakewood, Ohio**  
*Combining Statement of Net Position*  
*Nonmajor Internal Service Funds*  
*December 31, 2015*

	<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>ASSETS</b>			
<b>Current Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$3,142,266	\$620,607	\$3,762,873
Interfund Receivable	183,536	29,038	212,574
<b>Total Assets</b>	<u>3,325,802</u>	<u>649,645</u>	<u>3,975,447</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Claims Payable	187,734	29,038	216,772
<b>Total Current Liabilities</b>	<u>187,734</u>	<u>29,038</u>	<u>216,772</u>
<b>NET POSITION</b>			
Unrestricted	3,138,068	620,607	3,758,675
<b>Total Net Position</b>	<u><u>\$3,138,068</u></u>	<u><u>\$620,607</u></u>	<u><u>\$3,758,675</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, 2015*

	<u>Hospitalization</u>	<u>Workers' Compensation</u>	<u>Total Nonmajor Internal Service Funds</u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$3,166,363	\$274,230	\$3,440,593
Miscellaneous	894,530	1,433	895,963
<b>Total Operating Revenues</b>	<u>4,060,893</u>	<u>275,663</u>	<u>4,336,556</u>
<b>OPERATING EXPENSES</b>			
Contractual Services	69,066	83,750	152,816
Claims	6,002,888	129,473	6,132,361
<b>Total Operating Expense</b>	<u>6,071,954</u>	<u>213,223</u>	<u>6,285,177</u>
Operating (Loss)	<u>(2,011,061)</u>	<u>62,440</u>	<u>(1,948,621)</u>
Transfers In	<u>2,950,000</u>	<u>115,000</u>	<u>3,065,000</u>
Change in Net Position	938,939	177,440	1,116,379
Net Position - Beginning of Year	<u>2,199,129</u>	<u>443,167</u>	<u>2,642,296</u>
<b>Net Position - End of Year</b>	<u><u>\$3,138,068</u></u>	<u><u>\$620,607</u></u>	<u><u>\$3,758,675</u></u>

**City of Lakewood, Ohio**  
*Combining Statement of Cash Flows*  
*Nonmajor Internal Service Funds*  
*For the Year Ended December 31, 2015*

	<u>Hospitalization</u>	<u>Workers' Compensation</u>	<u>Total Nonmajor Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers and Users	\$3,294,264	\$266,976	\$3,561,240
Other Cash Receipts	894,530	1,433	895,963
Cash Payments for Goods and Services	(69,066)	(107,342)	(176,408)
Cash Payments for Claims	(6,258,562)	(221,595)	(6,480,157)
Net Cash Used in Operating Activities	<u>(2,138,834)</u>	<u>(60,528)</u>	<u>(2,199,362)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers In	<u>2,950,000</u>	<u>115,000</u>	<u>3,065,000</u>
Net Cash Provided by Noncapital Financing Activities	<u>2,950,000</u>	<u>115,000</u>	<u>3,065,000</u>
Net (Decrease) in Cash and Cash Equivalents	811,166	54,472	865,638
Cash and Cash Equivalents - Beginning of Year	<u>2,331,100</u>	<u>566,135</u>	<u>2,897,235</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$3,142,266</u></u>	<u><u>\$620,607</u></u>	<u><u>\$3,762,873</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES</b>			
Operating Income (Loss)	(\$2,011,061)	\$62,440	(\$1,948,621)
Adjustments:			
(Increase) Decrease in Assets:			
Interfund Receivable	127,901	(7,254)	120,647
Increase (Decrease) in Liabilities:			
Intergovernmental Payable	0	(23,592)	(23,592)
Claims Payable	(255,674)	(92,122)	(347,796)
Net Cash Used in Operating Activities	<u><u>(\$2,138,834)</u></u>	<u><u>(\$60,528)</u></u>	<u><u>(\$2,199,362)</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, 2015*

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	Balance 12/31/2014	Additions	Deletions	Balance 12/31/2015
<b>Deposits</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 1,416,525</u>	<u>\$ 33,547,561</u>	<u>\$ 32,793,730</u>	<u>\$ 2,170,356</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	<u>\$ 1,416,525</u>	<u>\$ 33,547,561</u>	<u>\$ 32,793,730</u>	<u>\$ 2,170,356</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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$6,092,184	\$6,568,916	\$476,732
Municipal Income Taxes	21,095,000	22,212,218	1,117,218
Charges for Services	1,342,607	1,448,818	106,211
Licenses, Permits and Fees	1,765,000	2,024,622	259,622
Fines and Forfeitures	1,483,845	1,722,837	238,992
Intergovernmental	2,752,939	2,868,332	115,393
Interest	56,298	88,753	32,455
Miscellaneous	117,450	214,991	97,541
<i>Total Revenues</i>	<u>34,705,323</u>	<u>37,149,487</u>	<u>2,444,164</u>
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Council			
Salaries	128,424	126,044	2,380
Fringe Benefits	28,905	27,691	1,214
Professional Services	7,500	7,464	36
Communications	450	302	148
Materials and Supplies	2,156	1,137	1,019
Capital Outlay	2,600	2,246	354
Other	2,265	2,085	180
Total Council	<u>172,300</u>	<u>166,969</u>	<u>5,331</u>
Municipal Court			
Salaries	886,319	871,124	15,195
Fringe Benefits	138,036	134,123	3,913
Travel and Transportation	2,550	1,235	1,315
Professional Services	59,830	37,523	22,307
Communications	46,500	38,321	8,179
Materials and Supplies	21,120	15,712	5,408
Other	25,500	19,618	5,882
Total Municipal Court	<u>1,179,855</u>	<u>1,117,656</u>	<u>62,199</u>
Civil Service			
Salaries	58,512	57,830	682
Fringe Benefits	17,618	17,392	226
Professional Services	7,500	7,400	100
Communications	675	374	301
Materials and Supplies	75	70	5
Other	60	6	54
Total Civil Service	<u>84,440</u>	<u>83,072</u>	<u>1,368</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, 2015  
 (Continued)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Mayor's Office			
Salaries	185,050	184,197	853
Fringe Benefits	56,131	54,945	1,186
Travel and Transportation	2,125	1,895	230
Professional Services	6,600	6,522	78
Communications	2,510	1,258	1,252
Materials and Supplies	2,865	1,634	1,231
Other	900	779	121
Total Mayor's Office	<u>256,181</u>	<u>251,230</u>	<u>4,951</u>
Human Resources			
Salaries	184,225	183,784	441
Fringe Benefits	53,466	53,243	223
Professional Services	25,800	22,898	2,902
Communications	1,235	713	522
Materials and Supplies	2,267	1,863	404
Other	2,850	2,127	723
Total Human Resources	<u>269,843</u>	<u>264,628</u>	<u>5,215</u>
Community Relations			
Salaries	58,113	57,211	902
Fringe Benefits	16,183	15,963	220
Professional Services	10,565	9,798	767
Communications	4,100	3,642	458
Contractual Services	5,000	5,000	0
Materials and Supplies	1,810	939	871
Other	750	444	306
Total Community Relations	<u>96,521</u>	<u>92,997</u>	<u>3,524</u>
Public Works Administration			
Salaries	37,120	36,687	433
Fringe Benefits	12,297	11,329	968
Travel and Transportation	455	410	45
Professional Services	1,650	1,526	124
Communications	1,265	820	445
Materials and Supplies	1,595	659	936
Other	600	482	118
Total Public Works Administration	<u>54,982</u>	<u>51,913</u>	<u>3,069</u>
Buildings and Facilities-Security			
Salaries	117,000	115,141	1,859
Fringe Benefits	19,350	17,789	1,561
Total Buildings and Facilities	<u>136,350</u>	<u>132,930</u>	<u>3,420</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, 2015  
 (Continued)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fleet Management			
Salaries	563,564	560,008	3,556
Fringe Benefits	179,841	179,841	0
Travel and Transportation	150	0	150
Professional Services	14,000	13,410	590
Communications	1,400	1,289	111
Contractual Services	22,800	21,270	1,530
Materials and Supplies	471,235	460,362	10,873
Capital Outlay	104,000	103,093	907
Other	5,935	1,808	4,127
Total Fleet Management	<u>1,362,925</u>	<u>1,341,081</u>	<u>21,844</u>
Engineering			
Salaries	128,976	127,042	1,934
Fringe Benefits	42,496	41,188	1,308
Travel and Transportation	1,680	1,509	171
Professional Services	2,000	1,364	636
Communications	3,285	2,281	1,004
Contractual Services	12,000	11,123	877
Materials and Supplies	1,700	1,285	415
Other	2,701	2,339	362
Total Engineering	<u>194,838</u>	<u>188,131</u>	<u>6,707</u>
Finance			
Salaries	421,080	419,173	1,907
Fringe Benefits	128,754	125,426	3,328
Travel and Transportation	1,425	363	1,062
Professional Services	64,675	59,089	5,586
Communications	6,000	5,239	761
Materials and Supplies	2,700	2,470	230
Other	6,900	6,383	517
Total Finance	<u>631,534</u>	<u>618,143</u>	<u>13,391</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, 2015  
 (Continued)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Income Tax</b>			
Salaries	392,610	389,701	2,909
Fringe Benefits	113,911	112,238	1,673
Travel and Transportation	1,525	1,448	77
Professional Services	106,255	104,351	1,904
Communications	69,760	69,208	552
Contractual Services	1,550	1,450	100
Materials and Supplies	4,525	3,846	679
Refunds	410,000	409,668	332
Utilities	4,100	3,441	659
Other	88,400	85,047	3,353
<b>Total Income Tax</b>	<u>1,192,636</u>	<u>1,180,398</u>	<u>12,238</u>
<b>Information Systems</b>			
Salaries	303,084	302,176	908
Fringe Benefits	82,180	80,925	1,255
Professional Services	43,600	42,710	890
Communications	8,205	7,708	497
Contractual Services	48,000	46,460	1,540
Materials and Supplies	90,340	85,842	4,498
Capital Outlay	476,000	315,848	160,152
Other	277,630	277,359	271
<b>Total Information Systems</b>	<u>1,329,039</u>	<u>1,159,028</u>	<u>170,011</u>
<b>General Administration</b>			
Salaries	155,588	155,232	356
Fringe Benefits	42,778	40,298	2,480
Professional Services	175,500	172,973	2,527
Communications	13,425	12,754	671
Contractual Services	1,200	1,092	108
Materials and Supplies	4,110	371	3,739
Insurance	612,000	605,287	6,713
Other	2,863,731	2,855,088	8,643
<b>Total General Administration</b>	<u>3,868,332</u>	<u>3,843,095</u>	<u>25,237</u>
<b>Law</b>			
Salaries	341,583	340,537	1,046
Fringe Benefits	82,597	80,699	1,898
Travel and Transportation	925	375	550
Professional Services	293,385	292,526	859
Communications	2,555	1,653	902
Materials and Supplies	14,589	13,374	1,215
Other	3,157	2,378	779
<b>Total Law</b>	<u>738,791</u>	<u>731,542</u>	<u>7,249</u>
<b>Total General Government</b>	<u>11,568,567</u>	<u>11,222,813</u>	<u>345,754</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, 2015  
 (Continued)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Security of Persons and Property:			
Police			
Salaries	8,149,769	8,122,379	27,390
Fringe Benefits	1,082,416	1,074,621	7,795
Professional Services	22,400	20,978	1,422
Communications	59,100	52,525	6,575
Contractual Services	136,125	137,716	(1,591)
Materials and Supplies	175,750	170,015	5,735
Capital Outlay	35,500	34,457	1,043
Other	66,075	41,497	24,578
Total Police	<u>9,727,135</u>	<u>9,654,188</u>	<u>72,947</u>
Police Communications			
Salaries	564,467	561,387	3,080
Fringe Benefits	187,974	186,383	1,591
Professional Services	750	0	750
Other	11,675	9,885	1,790
Total Police Communications	<u>764,866</u>	<u>757,655</u>	<u>7,211</u>
School Guards			
Salaries	166,700	165,988	712
Fringe Benefits	30,700	27,979	2,721
Other	750	400	350
Total School Guards	<u>198,150</u>	<u>194,367</u>	<u>3,783</u>
Fire			
Salaries	5,878,407	5,872,544	5,863
Fringe Benefits	736,652	740,696	(4,044)
Travel and Transportation	7,765	6,914	851
Professional Services	18,200	16,205	1,995
Communications	27,600	25,771	1,829
Contractual Services	25,095	24,805	290
Materials and Supplies	101,960	95,475	6,485
Capital Outlay	2,700	2,668	32
Other	85,925	76,733	9,192
Total Fire	<u>6,884,304</u>	<u>6,861,811</u>	<u>22,493</u>
Street Lighting			
Other	<u>650,000</u>	<u>638,487</u>	<u>11,513</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, 2015  
 (Continued)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Animal Control			
Salaries	137,250	136,265	985
Fringe Benefits	47,554	47,392	162
Communications	1,175	1,005	170
Contractual Services	1,725	1,569	156
Materials and Supplies	3,964	3,109	855
Utilities	9,500	8,253	1,247
Other	555	399	156
Total Animal Control	<u>201,723</u>	<u>197,992</u>	<u>3,731</u>
<i>Total Security of Persons and Property</i>	<u>18,426,178</u>	<u>18,304,500</u>	<u>121,678</u>
Public Health Services:			
Support of Prisoners			
Salaries	114,547	113,455	1,092
Fringe Benefits	36,633	35,094	1,539
Professional Services	45,000	43,634	1,366
Contractual Services	50,500	48,846	1,654
Materials and Supplies	49,685	47,354	2,331
Total Support of Prisoners	<u>296,365</u>	<u>288,383</u>	<u>7,982</u>
Human Services Administration			
Salaries	147,908	146,504	1,404
Fringe Benefits	39,087	38,787	300
Communications	775	338	437
Materials and Supplies	625	307	318
Other	475	401	74
Total Human Services Administration	<u>188,870</u>	<u>186,337</u>	<u>2,533</u>
<i>Total Public Health Services</i>	<u>485,235</u>	<u>474,720</u>	<u>10,515</u>
Community Environment:			
Housing and Building			
Salaries	700,138	697,246	2,892
Fringe Benefits	239,343	237,871	1,472
Travel and Transportation	1,630	1,606	24
Professional Services	59,000	53,808	5,192
Communications	13,275	11,941	1,334
Contractual Services	11,000	10,374	626
Materials and Supplies	5,900	4,861	1,039
Other	26,200	23,111	3,089
Total Housing and Building	<u>1,056,486</u>	<u>1,040,818</u>	<u>15,668</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, 2015  
 (Continued)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Forestry			
Salaries	230,498	228,574	1,924
Fringe Benefits	74,582	73,058	1,524
Professional Services	750	551	199
Communications	500	65	435
Contractual Services	49,731	48,830	901
Materials and Supplies	20,550	16,140	4,410
Capital Outlay	149,100	148,648	452
Other	750	142	608
Total Forestry	<u>526,461</u>	<u>516,008</u>	<u>10,453</u>
Child Care			
Salaries	42,000	41,997	3
Fringe Benefits	15,171	15,040	131
Communications	700	259	441
Materials and Supplies	635	281	354
Other	300	0	300
Total Child Care	<u>58,806</u>	<u>57,577</u>	<u>1,229</u>
Youth			
Salaries	118,591	107,246	11,345
Fringe Benefits	70,107	69,206	901
Communications	3,600	3,243	357
Materials and Supplies	1,400	1,215	185
Utilities	5,900	4,587	1,313
Other	3,645	2,545	1,100
Total Youth	<u>203,243</u>	<u>188,042</u>	<u>15,201</u>
Planning and Development			
Salaries	197,550	195,503	2,047
Fringe Benefits	65,817	64,353	1,464
Travel and Transportation	325	150	175
Professional Services	11,100	10,582	518
Communications	5,715	3,688	2,027
Contractual Services	100	59	41
Materials and Supplies	2,175	981	1,194
Capital Outlay	5,000	4,531	469
Other	1,256,618	1,144,565	112,053
Total Planning and Development	<u>1,544,400</u>	<u>1,424,412</u>	<u>119,988</u>
<i>Total Community Environment</i>	<u>3,389,396</u>	<u>3,226,857</u>	<u>162,539</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, 2015  
 (Continued)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Basic Utility Services:</b>			
Refuse and Recycling			
Salaries	1,603,840	1,598,511	5,329
Fringe Benefits	522,184	520,676	1,508
Communications	10,165	8,692	1,473
Contractual Services	719,625	686,030	33,595
Materials and Supplies	143,975	140,903	3,072
Utilities	28,000	25,602	2,398
Capital Outlay	36,375	36,371	4
Other	6,475	4,957	1,518
<i>Total Basic Utility Services</i>	<u>3,070,639</u>	<u>3,021,742</u>	<u>48,897</u>
<b>Leisure Time Activities:</b>			
Parks			
Salaries	1,004,200	997,611	6,589
Fringe Benefits	323,650	321,507	2,143
Professional Services	1,500	1,443	57
Communications	10,700	10,134	566
Contractual Services	71,000	69,742	1,258
Materials and Supplies	179,710	171,058	8,652
Utilities	203,000	198,901	4,099
Capital Outlay	76,000	75,483	517
Other	111,413	110,268	1,145
<i>Total Parks</i>	<u>1,981,173</u>	<u>1,956,147</u>	<u>25,026</u>
Band Concerts			
Salaries	225	224	1
Fringe Benefits	91	34	57
Professional Services	9,723	9,722	1
<i>Total Band Concerts</i>	<u>10,039</u>	<u>9,980</u>	<u>59</u>
Museums			
Contractual Services	1,900	1,854	46
Utilities	3,800	3,098	702
<i>Total Museums</i>	<u>5,700</u>	<u>4,952</u>	<u>748</u>
July 4th Festival			
Salaries	8,681	8,680	1
Fringe Benefits	1,333	1,331	2
Contractual Services	37,994	37,993	1
Materials and Supplies	2,390	2,387	3
<i>Total July 4th Festival</i>	<u>50,398</u>	<u>50,391</u>	<u>7</u>
Tennis Courts			
Utilities	5,600	4,570	1,030
<i>Total Tennis Courts</i>	<u>5,600</u>	<u>4,570</u>	<u>1,030</u>
<i>Total Leisure Time Activities</i>	<u>2,052,910</u>	<u>2,026,040</u>	<u>26,870</u>
<i>Total Expenditures</i>	<u>38,992,925</u>	<u>38,276,672</u>	<u>716,253</u>
<i>Excess of Revenues Over Expenditures</i>	<u>(4,287,602)</u>	<u>(1,127,185)</u>	<u>3,160,417</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, 2015  
 (Continued)*

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses)</b>			
Advance In	\$500,000	\$273,000	(\$227,000)
Transfers Out	(3,885,000)	(3,885,000)	0
Advance Out	(719,519)	(331,000)	388,519
<i>Total Other Financing Sources (Uses)</i>	<u>(4,104,519)</u>	<u>(3,943,000)</u>	<u>161,519</u>
<i>Net Change in Fund Balance</i>	(8,392,121)	(5,070,185)	3,321,936
<i>Fund Balance Beginning of Year</i>	6,962,291	6,962,291	0
<i>Prior Year Encumbrances Appropriated</i>	<u>3,991,655</u>	<u>3,991,655</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,561,825</u></u>	<u><u>\$5,883,761</u></u>	<u><u>\$3,321,936</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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$2,317,236	\$2,492,908	\$175,672
Intergovernmental	341,600	332,991	(8,609)
<i>Total Revenues</i>	<u>2,658,836</u>	<u>2,825,899</u>	<u>167,063</u>
<b>Expenditures</b>			
<b>Current:</b>			
Security of Persons and Property:			
Fringe Benefits Police	1,510,000	1,433,693	76,307
Fringe Benefits Fire	1,495,000	1,417,163	77,837
<i>Total Expenditures</i>	<u>3,005,000</u>	<u>2,850,856</u>	<u>154,144</u>
<i>Excess of Revenues Over Expenditures</i>	(346,164)	(24,957)	321,207
<i>Net Change in Fund Balance</i>	(346,164)	(24,957)	321,207
<i>Fund Balance Beginning of Year</i>	<u>869,960</u>	<u>869,960</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$523,796</u></u>	<u><u>\$845,003</u></u>	<u><u>\$321,207</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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$2,949,480	\$2,315,880	(\$633,600)
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Salaries	347,640	336,685	10,955
Fringe Benefits	93,115	87,009	6,106
Travel and Transportation	1,150	423	727
Professional Services	19,095	18,227	868
Communications	2,625	1,511	1,114
Contractual Services	1,190,637	1,182,207	8,430
Materials and Supplies	270	224	46
Capital Outlay	537,041	535,757	1,284
Other	107,444	106,657	787
<i>Total Expenditures</i>	<u>2,299,017</u>	<u>2,268,700</u>	<u>30,317</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	650,463	47,180	(603,283)
<b>Other Financing Sources (Uses)</b>			
Advances In	185,000	130,000	(55,000)
Advances Out	(215,000)	(215,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(30,000)</u>	<u>(85,000)</u>	<u>(55,000)</u>
<i>Net Change in Fund Balance</i>	620,463	(37,820)	(658,283)
<i>Fund Balance Beginning of Year</i>	<u>76,702</u>	<u>76,702</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$697,165</u></u>	<u><u>\$38,882</u></u>	<u><u>(\$658,283)</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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	2,659,269	2,406,431	(\$252,838)
Special Assessments	\$11,000	\$16,456	5,456
Contributions and Donations	6,644,731	6,644,731	0
Miscellaneous	3,000	2,500	(500)
<i>Total Revenues</i>	<u>9,318,000</u>	<u>9,070,118</u>	<u>(247,882)</u>
<b>Expenditures</b>			
<b>Current:</b>			
Security of Persons and Property:			
Fire:			
Salaries	1,163,712	1,160,108	3,604
Fringe Benefits	283,879	280,848	3,031
Professional Services	101,000	98,746	2,254
Communications	3,050	2,631	419
Contractual Services	6,016	6,015	1
Materials and Supplies	87,753	82,990	4,763
Capital Outlay	30,000	29,118	882
Other	36,800	31,873	4,927
<i>Total Security of Persons and Property</i>	<u>1,712,210</u>	<u>1,692,329</u>	<u>19,881</u>
Public Health Services:			
Health:			
Salaries	121,515	118,985	2,530
Fringe Benefits	37,027	35,677	1,350
Communications	1,525	1,225	300
Contractual Services	205,855	205,804	51
Materials and Supplies	1,200	826	374
Other	9,215	7,176	2,039
<i>Total Public Health Services</i>	<u>376,337</u>	<u>369,693</u>	<u>6,644</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, 2015  
 (Continued)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Debt Service:			
Principal Retirement	78,089	77,274	815
Interest and Fiscal Charges	18,411	18,410	1
<i>Total Debt Service</i>	<u>96,500</u>	<u>95,684</u>	<u>816</u>
<i>Total Expenditures</i>	<u>2,185,047</u>	<u>2,157,706</u>	<u>27,341</u>
<i>Excess of Revenues Over Expenditures</i>	7,132,953	6,912,412	(220,541)
<b>Other Financing Uses</b>			
Transfers Out	(1,200)	(1,200)	0
<i>Total Other Financing Uses</i>	<u>(1,200)</u>	<u>(1,200)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	7,131,753	6,911,212	(220,541)
<i>Fund Balance Beginning of Year</i>	<u>684,764</u>	<u>684,764</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,816,517</u></u>	<u><u>\$7,595,976</u></u>	<u><u>(\$220,541)</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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$2,452,064	\$2,646,445	\$194,381
Intergovernmental	381,691	436,408	54,717
Special Assessments	0	226,337	226,337
Interest	5,550	8,385	2,835
Miscellaneous	14,000	173,344	159,344
<i>Total Revenues</i>	<u>2,853,305</u>	<u>3,490,919</u>	<u>637,614</u>
<b>Expenditures</b>			
<b>Current:</b>			
Debt Service:			
Principal Retirement	14,432,800	14,428,801	3,999
Interest and Fiscal Charges	1,183,348	1,179,758	3,590
Bond Issuance Costs	21,557	21,556	1
<i>Total Expenditures</i>	<u>15,637,705</u>	<u>15,630,115</u>	<u>7,590</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(12,784,400)</u>	<u>(12,139,196)</u>	<u>645,204</u>
<b>Other Financing Sources and Uses</b>			
General Obligation Debt Issued	10,552,000	10,185,000	(367,000)
Premium on General Obligation Debt Issued	0	109,332	109,332
Transfers In	2,004,895	2,024,152	19,257
Transfers Out	(675,000)	(675,000)	0
<i>Total Other Financing Sources and Uses</i>	<u>11,881,895</u>	<u>11,643,484</u>	<u>(238,411)</u>
<i>Net Change in Fund Balance</i>	(902,505)	(495,712)	406,793
<i>Fund Balance Beginning of Year</i>	<u>1,871,957</u>	<u>1,871,957</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$969,452</u></u>	<u><u>\$1,376,245</u></u>	<u><u>\$406,793</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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$11,454,854	\$10,722,099	(\$732,755)
Intergovernmental	36,000	1,171,927	1,135,927
Interest	20,000	39,111	19,111
Special Assessments	140,000	168,470	28,470
Miscellaneous	10,000	16,372	6,372
<i>Total Revenues</i>	<u>11,660,854</u>	<u>12,117,979</u>	<u>457,125</u>
<b>Expenses</b>			
Salaries	872,059	864,036	8,023
Fringe Benefits	247,019	243,871	3,148
Professional Services	180,810	175,168	5,642
Communications	61,525	58,457	3,068
Contractual Services	11,525	10,118	1,407
Materials and Supplies	221,000	209,896	11,104
Capital Outlay	2,593,000	2,453,268	139,732
Purchased Water	6,130,000	6,127,515	2,485
Utilities	52,825	46,225	6,600
Other	578,844	575,140	3,704
Debt Service:			
Principal Retirement	1,122,229	1,121,079	1,150
Interest and Fiscal Charges	520,000	518,377	1,623
<i>Total Expenses</i>	<u>12,590,836</u>	<u>12,403,150</u>	<u>187,686</u>
<i>Excess of Revenues Under Expenses before Transfers</i>	(929,982)	(285,171)	644,811
Transfers Out	(15,252)	(15,252)	0
<i>Net Change in Fund Equity</i>	(945,234)	(300,423)	644,811
<i>Fund Equity Beginning of Year</i>	<u>7,292,146</u>	<u>7,292,146</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$6,346,912</u></u>	<u><u>\$6,991,723</u></u>	<u><u>\$644,811</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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$1,413,290	\$1,520,104	\$106,814
Intergovernmental	2,050,000	642,978	(1,407,022)
Charges for Services	8,815,276	8,281,916	(533,360)
Special Assessments	140,000	117,962	(22,038)
General Obligation Debt Issued	4,150,000	3,840,000	(310,000)
Premium on General Obligation Debt Issued	16,958	19,765	2,807
Interest	105	118	13
Miscellaneous	153,112	250	(152,862)
<i>Total Revenues</i>	<u>16,738,741</u>	<u>14,423,093</u>	<u>(2,315,648)</u>
<b>Expenses</b>			
Salaries	2,013,287	2,005,445	7,842
Fringe Benefits	648,230	643,464	4,766
Travel and Transportation	2,676	1,766	910
Professional Services	1,000,600	994,543	6,057
Communications	16,450	15,703	747
Contractual Services	758,000	753,467	4,533
Materials and Supplies	348,656	326,163	22,493
Capital Outlay	3,470,000	3,264,525	205,475
Utilities	245,800	244,118	1,682
Other	786,154	783,533	2,621
Debt Service:			
Principal Retirement	3,583,487	3,580,533	2,954
Interest and Fiscal Charges	725,818	723,223	2,595
<i>Total Expenses</i>	<u>13,599,158</u>	<u>13,336,483</u>	<u>262,675</u>
<i>Excess of Revenues Over Expenses before Transfers</i>	3,139,583	1,086,610	(2,052,973)
<b>Other Financing Uses</b>			
Transfers Out	(1,678,200)	(1,678,200)	0
<i>Net Change in Fund Equity</i>	1,461,383	(591,590)	(2,052,973)
<i>Fund Equity Beginning of Year</i>	<u>9,130,982</u>	<u>9,130,982</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$10,592,365</u></u>	<u><u>\$8,539,392</u></u>	<u><u>(\$2,052,973)</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$1,903,000	\$1,979,751	\$76,751
Special Assessments	22,000	15,248	(6,752)
Charges for Services	75,000	48,605	(26,395)
<i>Total Revenues</i>	<u>2,000,000</u>	<u>2,043,604</u>	<u>43,604</u>
<b>Expenditures</b>			
<b>Current:</b>			
Transportation:			
Public Works:			
Salaries	1,001,186	997,073	4,113
Fringe Benefits	305,251	302,474	2,777
Professional Services	2,810	1,940	870
Communications	13,800	12,972	828
Contractual Services	165,300	164,258	1,042
Materials and Supplies	547,890	535,199	12,691
Capital Outlay	211,674	207,636	4,038
Other	44,700	41,191	3,509
<i>Total Expenditures</i>	<u>2,292,611</u>	<u>2,262,743</u>	<u>29,868</u>
<i>Excess of Revenues Under Expenditures</i>	(292,611)	(219,139)	73,472
<b>Other Financing Uses</b>			
Transfers Out	(25,000)	(25,000)	0
<i>Net Change in Fund Balance</i>	(317,611)	(244,139)	73,472
<i>Fund Balance Beginning of Year</i>	<u>866,533</u>	<u>866,533</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$548,922</u></u>	<u><u>\$622,394</u></u>	<u><u>\$73,472</u></u>

**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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$60,833	\$70,230	\$9,397
Intergovernmental	106,321	106,573	252
Contributions and Donations	50,203	51,319	1,116
<i>Total Revenues</i>	<u>217,357</u>	<u>228,122</u>	<u>10,765</u>
<b>Expenditures</b>			
<b>Current:</b>			
Public Health Services:			
Office on Aging:			
Salaries	555,410	552,794	2,616
Fringe Benefits	184,520	180,898	3,622
Professional Services	1,800	937	863
Communications	14,800	13,881	919
Contractual Services	23,000	22,006	994
Materials and Supplies	48,381	43,446	4,935
Utilities	35,500	32,320	3,180
Capital Outlay	30,951	30,950	1
Other	7,355	6,400	955
<i>Total Expenditures</i>	<u>901,717</u>	<u>883,632</u>	<u>18,085</u>
<i>Excess of Revenues Under Expenditures</i>	(684,360)	(655,510)	28,850
<b>Other Financing Sources</b>			
Transfers In	680,000	600,000	(80,000)
<i>Net Change in Fund Balance</i>	(4,360)	(55,510)	(51,150)
<i>Fund Balance Beginning of Year</i>	<u>130,258</u>	<u>130,258</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$125,898</u></u>	<u><u>\$74,748</u></u>	<u><u>(\$51,150)</u></u>

**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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$205,608	\$0	(\$205,608)
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Planning and Development:			
Contractual Services	188,000	187,698	302
<i>Total Expenditures</i>	188,000	187,698	302
<i>Excess of Revenue Under Expenditures</i>	17,608	(187,698)	(205,306)
<i>Net Change in Fund Balance</i>	17,608	(187,698)	(205,306)
<i>Fund Balance Beginning of Year</i>	307,981	307,981	0
<i>Fund Balance End of Year</i>	\$325,589	\$120,283	(\$205,306)

**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, 2015*

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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  
 Litter Control Grant Fund  
 For the Year Ended December 31, 2015*

	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>	<u>\$5,709</u>	<u>\$5,709</u>	<u>\$0</u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$40,000	\$0	(\$40,000)
Fines and Forfeitures	8,500	6,160	(2,340)
Miscellaneous	0	53,800	53,800
<i>Total Revenues</i>	<u>48,500</u>	<u>59,960</u>	<u>11,460</u>
<b>Expenditures</b>			
<b>Current:</b>			
Security of Persons and Property:			
Police:			
Fringe Benefits	19,000	18,027	973
Travel and Transportation	15,750	14,328	1,422
Professional Services	39,900	39,323	577
Materials and Supplies	6,000	5,842	158
Capital Outlay	7,175	7,175	0
Other	7,150	7,128	22
<i>Total Expenditures</i>	<u>94,975</u>	<u>91,823</u>	<u>3,152</u>
<i>Excess of Revenue Under Expenditures</i>	(46,475)	(31,863)	14,612
<b>Other Financing Sources</b>			
Sale of Capital Assets	20,000	14,776	(5,224)
<i>Net Change in Fund Balance</i>	(26,475)	(17,087)	9,388
<i>Fund Balance Beginning of Year</i>	<u>143,459</u>	<u>143,459</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$116,984</u></u>	<u><u>\$126,372</u></u>	<u><u>\$9,388</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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$0	\$21,904	\$21,904
Interest	20	38	18
<i>Total Revenues</i>	<u>20</u>	<u>21,942</u>	<u>21,922</u>
<b>Expenditures</b>			
<b>Current:</b>			
Security of Persons and Property:			
Police:			
Capital Outlay	1,250	1,208	42
<i>Net Change in Fund Balance</i>	(1,230)	20,734	21,964
<i>Fund Balance Beginning of Year</i>	<u>3,337</u>	<u>3,337</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,107</u></u>	<u><u>\$24,071</u></u>	<u><u>\$21,964</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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$8,000	\$11,650	\$3,650
Intergovernmental	12,000	10,642	(1,358)
<i>Total Revenues</i>	<u>20,000</u>	<u>22,292</u>	<u>2,292</u>
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Municipal Court:			
Professional Services	31,000	29,075	1,925
Materials and Supplies	1,950	1,702	248
<i>Total Expenditures</i>	<u>32,950</u>	<u>30,777</u>	<u>2,173</u>
<i>Net Change in Fund Balance</i>	(12,950)	(8,485)	4,465
<i>Fund Balance Beginning of Year</i>	<u>178,736</u>	<u>178,736</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$165,786</u></u>	<u><u>\$170,251</u></u>	<u><u>\$4,465</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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$3,700	\$4,311	\$611
Miscellaneous	700	1,100	400
<i>Total Revenues</i>	<u>4,400</u>	<u>5,411</u>	<u>1,011</u>
<b>Expenditures</b>			
<b>Current:</b>			
Security of Persons and Property:			
Police:			
Contractual Services	6,000	5,500	500
Materials and Supplies	6,000	4,788	1,212
<i>Total Expenditures</i>	<u>12,000</u>	<u>10,288</u>	<u>1,712</u>
<i>Net Change in Fund Balance</i>	(7,600)	(4,877)	2,723
<i>Fund Balance Beginning of Year</i>	<u>33,652</u>	<u>33,652</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$26,052</u></u>	<u><u>\$28,775</u></u>	<u><u>\$2,723</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, 2015*

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$800	\$450	(\$350)
<i>Net Change in Fund Balance</i>	800	450	(350)
<i>Fund Balance Beginning of Year</i>	16,945	16,945	0
<i>Fund Balance End of Year</i>	\$17,745	\$17,395	(\$350)

**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, 2015*

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenues</b>			
Fines and Forfeitures	\$31,000	\$30,088	(\$912)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Municipal Court:			
Contractual Services	35,000	33,743	1,257
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total Expenditures</i>	35,000	33,743	1,257
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Net Change in Fund Balance</i>	(4,000)	(3,655)	345
<i>Fund Balance Beginning of Year</i>	36,745	36,745	0
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Fund Balance End of Year</i>	\$32,745	\$33,090	\$345
	<u>          </u>	<u>          </u>	<u>          </u>

**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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$132,000	\$125,752	(\$6,248)
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Municipal Court:			
Salaries	5,000	3,492	1,508
Fringe Benefits	709	540	169
Professional Services	1,200	1,150	50
Contractual Services	31,000	29,031	1,969
Materials and Supplies	1,000	239	761
<i>Total Expenditures</i>	38,909	34,452	4,457
<i>Net Change in Fund Balance</i>	93,091	91,300	(1,791)
<i>Fund Balance Beginning of Year</i>	240,860	240,860	0
<i>Fund Balance End of Year</i>	\$333,951	\$332,160	(\$1,791)

**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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$34,000	\$37,823	\$3,823
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Municipal Court:			
Travel and Transportation	500	202	298
Professional Services	9,258	7,523	1,735
Contractual Services	105	101	4
<i>Total Expenditures</i>	9,863	7,826	2,037
<i>Net Change in Fund Balance</i>	24,137	29,997	5,860
<i>Fund Balance Beginning of Year</i>	6,059	6,059	0
<i>Fund Balance End of Year</i>	\$30,196	\$36,056	\$5,860

**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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$10,500	\$8,833	(\$1,667)
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Municipal Court:			
Professional Services	2,000	1,300	700
<i>Net Change in Fund Balance</i>	8,500	7,533	(967)
<i>Fund Balance Beginning of Year</i>	71,679	71,679	0
<i>Fund Balance End of Year</i>	\$80,179	\$79,212	(\$967)

**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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$199,000	\$142,308	(\$56,692)
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Planning and Development:			
Salaries	5,100	4,997	103
Fringe Benefits	1,225	782	443
Contractual Services	137,512	137,308	204
<i>Total Expenditures</i>	143,837	143,087	750
<i>Excess of Revenues Over (Under) Expenditures</i>	55,163	(779)	(55,942)
<b>Other Financing Sources (Uses)</b>			
Advances In	0	6,000	(6,000)
Advances Out	(6,000)	(6,000)	0
<i>Total Other Financing Sources (Uses)</i>	(6,000)	0	(6,000)
<i>Net Change in Fund Balance</i>	49,163	(779)	(49,942)
<i>Fund Balance Beginning of Year</i>	5,401	5,401	0
<i>Fund Balance End of Year</i>	\$54,564	\$4,622	(\$49,942)

**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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$300,270	\$310,149	\$9,879
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Planning and Development:			
Contractual Services	500	482	18
Other	286,000	283,910	2,090
<i>Total Expenditures</i>	286,500	284,392	2,108
<i>Net Change in Fund Balance</i>	13,770	25,757	11,987
<i>Fund Balance Beginning of Year</i>	29,950	29,950	0
<i>Fund Balance End of Year</i>	\$43,720	\$55,707	\$11,987

**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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$14,635	\$14,455	(\$180)
Contributions and Donations	22,233	43,044	20,811
<i>Total Revenues</i>	<u>36,868</u>	<u>57,499</u>	<u>20,631</u>
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Youth:			
Salaries	27,313	26,260	1,053
Fringe Benefits	4,350	4,057	293
Communications	700	63	637
Materials and Supplies	4,615	3,476	1,139
Capital Outlay	23,290	23,289	1
Other	490	354	136
<i>Total Expenditures</i>	<u>60,758</u>	<u>57,499</u>	<u>3,259</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(23,890)	0	23,890
<b>Other Financing Uses</b>			
Advances In	20,000	0	20,000
<i>Total Other Financing Sources</i>	<u>20,000</u>	<u>0</u>	<u>20,000</u>
<i>Net Change in Fund Balance</i>	(3,890)	0	3,890
<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>\$7,679</u></u>	<u><u>\$11,569</u></u>	<u><u>\$3,890</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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$15,000	\$22,069	\$7,069
Contributions and Donations	3,000	3,849	849
<i>Total Revenues</i>	<u>18,000</u>	<u>25,918</u>	<u>7,918</u>
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Youth Services:			
Salaries	17,500	16,177	1,323
Fringe Benefits	3,000	2,526	474
Professional Services	576	557	19
<i>Total Expenditures</i>	<u>21,076</u>	<u>19,260</u>	<u>1,816</u>
<i>Net Change in Fund Balance</i>	(3,076)	6,658	9,734
<i>Fund Balance Beginning of Year</i>	<u>10,527</u>	<u>10,527</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,451</u></u>	<u><u>\$17,185</u></u>	<u><u>\$9,734</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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$357,431	\$321,871	(\$35,560)
<i>Total Revenues</i>	<u>357,431</u>	<u>321,871</u>	<u>(35,560)</u>
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Child Care:			
Salaries	274,742	272,607	2,135
Fringe Benefits	42,457	41,667	790
Travel and Transportation	250	12	238
Professional Services	18,000	16,719	1,281
Communications	2,010	1,855	155
Contractual Services	619	437	182
Materials and Supplies	7,715	5,775	1,940
Other	20,175	13,886	6,289
<i>Total Expenditures</i>	<u>365,968</u>	<u>352,958</u>	<u>13,010</u>
<i>Excess of Revenues Over Expenditures</i>	(8,537)	(31,087)	(22,550)
<b>Other Financing Sources/Uses</b>			
Advance In	92,000	40,000	(52,000)
Advance out	(2,000)	(2,000)	0
<i>Net Change in Fund Balance</i>	81,463	6,913	(74,550)
<i>Fund Balance Beginning of Year</i>	<u>6,663</u>	<u>6,663</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$88,126</u></u>	<u><u>\$13,576</u></u>	<u><u>(\$74,550)</u></u>

**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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Miscellaneous	\$4,300	\$4,000	(\$300)
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Mayor's Office:			
Salaries	3,582	3,581	1
Fringe Benefits	559	550	9
<i>Total Expenditures</i>	4,141	4,131	10
<i>Net Change in Fund Balance</i>	159	(131)	(290)
<i>Fund Balance Beginning of Year</i>	2,886	2,886	0
<i>Fund Balance End of Year</i>	\$3,045	\$2,755	(\$290)

**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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Payments in Lieu of Taxes	\$474,000	\$456,077	(\$17,923)
Intergovernmental	32,500	34,634	2,134
<i>Total Revenues</i>	<u>506,500</u>	<u>490,711</u>	<u>(15,789)</u>
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Other	38,000	37,533	467
Debt Service:			
Principal Retirement	255,000	255,000	0
Interest and Fiscal Charges	186,000	185,414	586
<i>Total Expenditures</i>	<u>479,000</u>	<u>477,947</u>	<u>1,053</u>
<i>Net Change in Fund Balance</i>	27,500	12,764	(14,736)
<i>Fund Balance Beginning of Year</i>	<u>195,294</u>	<u>195,294</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$222,794</u></u>	<u><u>\$208,058</u></u>	<u><u>(\$14,736)</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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$1,125,000	\$1,390,537	\$265,537
<i>Total Revenues</i>	<u>1,125,000</u>	<u>1,390,537</u>	<u>265,537</u>
<b>Expenditures</b>			
<b>Current:</b>			
Transportation			
Capital Outlay	3,977,000	3,789,248	187,752
<i>Total Streets and Highways</i>	<u>3,977,000</u>	<u>3,789,248</u>	<u>187,752</u>
Community Environment			
Capital Outlay	285,000	283,555	1,445
<i>Total Community Environment</i>	<u>285,000</u>	<u>283,555</u>	<u>1,445</u>
Leisure Time Activities			
Capital Outlay	2,656,000	2,655,380	620
<i>Total Culture and Recreation</i>	<u>2,656,000</u>	<u>2,655,380</u>	<u>620</u>
<i>Total Expenditures</i>	<u>6,918,000</u>	<u>6,728,183</u>	<u>189,817</u>
<i>Excess of Revenues Under Expenditures</i>	(5,793,000)	(5,337,646)	455,354
<b>Other Financing Sources</b>			
General Obligation Notes Issued	3,825,000	3,350,000	(475,000)
Transfer In	0	675,000	675,000
<i>Total Other Financing Sources (Uses)</i>	<u>3,825,000</u>	<u>4,025,000</u>	<u>200,000</u>
<i>Net Change in Fund Balance</i>	(1,968,000)	(1,312,646)	655,354
<i>Fund Balance Beginning of Year</i>	<u>2,798,702</u>	<u>2,798,702</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$830,702</u>	<u>\$1,486,056</u>	<u>\$655,354</u>

**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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>			
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>244,929</u>	<u>244,929</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$244,929</u></u>	<u><u>\$244,929</u></u>	<u><u>\$0</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, 2015*

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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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Miscellaneous	\$10,000	\$5,398	(\$4,602)
<b>Expenditures</b>			
<b>Current:</b>			
Leisure Time Activities:			
Capital Outlay	8,000	7,623	377
<i>Net Change in Fund Balance</i>	2,000	(2,225)	(4,225)
<i>Fund Balance Beginning of Year</i>	83,865	83,865	0
<i>Fund Balance End of Year</i>	\$85,865	\$81,640	(\$4,225)

**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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$430,000	\$455,700	\$25,700
<b>Expenses</b>			
Salaries	126,237	124,956	1,281
Fringe Benefits	38,253	37,684	569
Professional Services	9,500	8,513	987
Communications	2,075	1,278	797
Contractual Services	8,500	8,202	298
Materials and Supplies	14,652	11,564	3,088
Capital Outlay	14,000	13,625	375
Utilities	28,000	26,911	1,089
Property Taxes	49,000	48,900	100
Other	52,249	51,611	638
Debt Service:			
Principal Retirement	27,500	27,025	475
Interest and Fiscal Charges	8,525	7,591	934
<i>Total Expenses</i>	<u>378,491</u>	<u>367,860</u>	<u>10,631</u>
<i>Excess of Revenues Over (Under) Expenses before Transfers</i>	51,509	87,840	36,331
Transfers Out	<u>(4,500)</u>	<u>(4,500)</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	47,009	83,340	36,331
<i>Fund Equity Beginning of Year</i>	<u>408,228</u>	<u>408,228</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$455,237</u></u>	<u><u>\$491,568</u></u>	<u><u>\$36,331</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$243,057	\$259,965	\$16,908
Miscellaneous	79,000	79,500	500
<i>Total Revenues</i>	<u>322,057</u>	<u>339,465</u>	<u>17,408</u>
<b>Expenses</b>			
Property Taxes	57,613	57,612	1
Utilities	311,000	304,154	6,846
<i>Total Expenses</i>	<u>368,613</u>	<u>361,766</u>	<u>6,847</u>
<i>Excess of Revenues Over Expenses before Advances and Transfers</i>	(46,556)	(22,301)	24,255
Advance In	160,000	155,000	(5,000)
Advance Out	(50,000)	(50,000)	0
Transfer Out	(80,000)	(80,000)	0
<i>Total Other Financing Sources(Uses)</i>	<u>30,000</u>	<u>25,000</u>	<u>(5,000)</u>
<i>Net Change in Fund Equity</i>	(16,556)	2,699	19,255
<i>Fund Equity Beginning of Year</i>	<u>30,633</u>	<u>30,633</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$14,077</u></u>	<u><u>\$33,332</u></u>	<u><u>\$19,255</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$3,222,500	\$3,294,264	\$71,764
Miscellaneous	800,000	894,530	94,530
<i>Total Revenues</i>	<u>4,022,500</u>	<u>4,188,794</u>	<u>166,294</u>
<b>Expenses</b>			
Professional Services	70,300	69,066	1,234
Claims	6,805,000	6,258,562	546,438
<i>Total Expenses</i>	<u>6,875,300</u>	<u>6,327,628</u>	<u>547,672</u>
<i>Excess of Revenues Under Expenses before Transfers</i>	(2,852,800)	(2,138,834)	713,966
Transfers In	1,458,354	2,950,000	1,491,646
<i>Net Change in Fund Equity</i>	(1,394,446)	811,166	2,205,612
<i>Fund Equity Beginning of Year</i>	<u>2,331,100</u>	<u>2,331,100</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$936,654</u></u>	<u><u>\$3,142,266</u></u>	<u><u>\$2,205,612</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, 2015*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$280,000	\$266,976	(\$13,024)
Miscellaneous	4,000	1,433	(2,567)
<i>Total Revenues</i>	<u>284,000</u>	<u>268,409</u>	<u>(15,591)</u>
<b>Expenses</b>			
Professional Services	24,616	24,554	62
Workers' Compensation Premium	82,789	82,788	1
Workers' Compensation Claims	221,597	221,595	2
<i>Total Expenses</i>	<u>329,002</u>	<u>328,937</u>	<u>65</u>
<i>Excess of Revenues Over (Under) Expenses before Transfers</i>	(45,002)	(60,528)	(15,526)
Transfers In	13,115	115,000	101,885
<i>Net Change in Fund Equity</i>	(31,887)	54,472	86,359
<i>Fund Equity Beginning of Year</i>	566,135	566,135	0
<i>Fund Equity End of Year</i>	<u><u>\$534,248</u></u>	<u><u>\$620,607</u></u>	<u><u>\$86,359</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*

	2015	2014 (1)	2013
<b>Governmental Activities</b>			
Net Investment in Capital Assets	\$41,107,537	\$39,149,696	\$36,587,631
Restricted:			
Capital Projects	6,501,371	5,307,076	981,966
Debt Service	2,151,445	2,513,589	1,993,423
Other Purposes	14,976,729	5,373,867	5,620,042
Unrestricted	<u>(16,208,255)</u>	<u>(17,214,472)</u>	<u>25,657,862</u>
<i>Total Governmental Activities Net Position</i>	<u>48,528,827</u>	<u>35,129,756</u>	<u>70,840,924</u>
<b>Business - Type Activities</b>			
Net Investment in Capital Assets	54,036,529	49,186,022	49,781,404
Restricted for Debt Service	931,832	976,525	977,430
Restricted for Replacement and Improvement	195,701	195,650	195,585
Unrestricted	<u>14,815,158</u>	<u>15,589,980</u>	<u>13,290,944</u>
<i>Total Business-Type Activities Net Position</i>	<u>69,979,220</u>	<u>65,948,177</u>	<u>64,245,363</u>
<b>Primary Government</b>			
Net Investment in Capital Assets	95,144,066	88,335,718	86,369,035
Restricted	24,757,078	14,366,707	9,768,446
Unrestricted	<u>(1,393,097)</u>	<u>(1,624,492)</u>	<u>38,948,806</u>
<i>Total Primary Government Net Position</i>	<u>\$118,508,047</u>	<u>\$101,077,933</u>	<u>\$135,086,287</u>

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

**Table 1**

2012	2011	2010	2009	2008	2007	2006
\$35,009,349	\$32,219,436	\$29,616,097	\$26,631,390	\$19,375,518	\$17,864,648	\$16,735,176
969,500	737,334	948,539	1,656,877	3,187,407	3,092,758	5,935,384
975,150	194,209	1,038,625	658,864	679,404	1,543,403	587,899
5,898,631	5,130,754	6,279,579	5,316,658	4,237,737	4,660,608	5,108,771
15,752,227	13,594,321	8,184,766	5,461,402	6,764,033	2,938,295	4,117,183
<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>	<u>32,484,413</u>
47,805,599	43,819,639	43,114,193	41,950,480	41,695,569	37,309,591	34,117,056
976,717	1,090,028	1,328,713	1,214,966	1,194,934	1,109,163	923,400
195,499	195,493	195,474	193,550	195,417	193,550	186,270
10,729,412	10,716,664	9,163,854	8,486,802	7,668,213	5,422,785	7,311,753
<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>	<u>42,538,479</u>
82,814,948	76,039,075	72,730,290	68,581,870	61,071,087	55,174,239	50,852,232
9,015,497	7,347,818	9,790,930	9,040,915	9,494,899	10,599,482	12,741,724
26,481,639	24,310,985	17,348,620	13,948,204	14,432,246	8,361,080	11,428,936
<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>	<u>\$75,022,892</u>

# City of Lakewood, Ohio

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

	2015	2014	2013	2012
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$2,417,220	\$2,565,467	\$4,696,630	\$3,933,477
Security of Persons and Property				
Police	1,705,381	1,681,145	41,793	233,865
Fire	2,434,467	2,312,807	2,375,131	2,346,537
Public Health Services	72,200	73,542	86,254	103,489
Transportation	48,242	85,435	48,369	219,863
Community Environment	1,194,867	1,355,395	344,561	972,416
Basic Utility Services	39,816	43,038	0	0
Leisure Time Activities	0	0	0	0
Subtotal - Charges for Services	<u>7,912,193</u>	<u>8,116,829</u>	<u>7,592,738</u>	<u>7,809,647</u>
Operating Grants and Contributions:				
General Government	15,400	17,080	3,312	0
Security of Persons and Property				
Police	28,531	74,584	6,946	30,417
Fire	13,905	37,612	427,779	0
Public Health Services	6,902,085	97,273	111,763	46,779
Transportation	2,001,462	1,903,634	1,890,684	1,874,122
Leisure Time Activities	2,669	17,088	0	99,639
Community Environment	2,878,700	3,312,684	3,660,106	2,824,142
Subtotal - Operating Grants and Contributions	<u>11,842,752</u>	<u>5,459,955</u>	<u>6,100,590</u>	<u>4,875,099</u>
Capital Grants and Contributions:				
Security of Persons and Property - Fire	0	0	0	91,166
Public Health Services	3,296,758	64,473	79,548	0
Community Environment	226,337	0	23,311	48,690
Transportation	858,161	1,029,913	106,505	75,390
	<u>4,381,256</u>	<u>1,094,386</u>	<u>209,364</u>	<u>215,246</u>
<i>Total Governmental Activities Program Revenues</i>	<u>24,136,201</u>	<u>14,671,170</u>	<u>13,902,692</u>	<u>12,899,992</u>
Business-Type Activities:				
Charges for Services:				
Water	10,786,061	11,023,493	11,273,817	11,209,329
Sewer	8,365,370	8,275,152	7,924,286	7,422,740
Parking Facilities	455,700	464,973	425,848	462,300
Winterhurst Ice Rink	351,858	440,413	181,272	372,284
Congregate Living	0	0	0	0
Subtotal - Charges for Services	<u>19,958,989</u>	<u>20,204,031</u>	<u>19,805,223</u>	<u>19,466,653</u>
Operating Grants and Contributions:				
Water	0	0	0	0
Sewer	0	0	0	0
Subtotal - Operating Grants and Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital Grants and Contributions:				
Water	1,171,927	36,000	84,724	566,385
Sewer	0	84,628	43,996	0
Winterhurst Ice Rink	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>1,171,927</u>	<u>120,628</u>	<u>128,720</u>	<u>566,385</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>21,130,916</u>	<u>20,324,659</u>	<u>19,933,943</u>	<u>20,033,038</u>
<i>Total Primary Government Program Revenues</i>	<u>\$45,267,117</u>	<u>\$34,995,829</u>	<u>\$33,836,635</u>	<u>\$32,933,030</u>

**Table 2**

2011	2010	2009	2008	2007	2006
\$3,024,201	\$2,529,470	\$4,187,825	\$4,235,783	\$4,228,572	\$2,881,832
257,705	265,127	245,685	242,444	214,450	177,258
2,263,974	2,233,515	2,291,431	2,147,823	2,249,911	2,233,708
293,641	248,489	251,665	318,737	335,613	3,600
4,360	28,395	0	0	0	0
1,642,224	1,895,118	11,120	10,680	10,500	1,796,475
0	0	0	0	0	0
0	0	0	0	0	0
<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>	<u>7,092,873</u>
765,886	612,272	495,082	474,840	0	0
432,224	449,353	449,920	472,948	18,653	3,575
900	3,350	52,013	0	0	337,710
217,458	246,649	270,604	493,394	468,559	833,675
1,833,219	2,012,270	1,118,195	1,950,418	1,927,847	2,050,027
0	0	0	0	0	0
3,081,636	4,718,408	4,421,399	3,039,646	4,300,068	3,320,754
<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>	<u>6,545,741</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	584,601
0	0	0	0	0	584,601
<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>	<u>14,223,215</u>
10,683,491	10,759,734	9,456,618	10,298,731	10,143,589	8,395,321
6,573,925	6,157,686	5,545,675	5,947,043	5,184,560	4,107,108
456,607	434,510	404,180	332,999	292,127	290,561
343,061	563,499	371,631	427,031	793,387	686,619
0	0	0	0	0	0
<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>	<u>13,479,609</u>
0	0	416,013	74,859	1,044,113	0
246,194	283,595	272,358	152,949	310,993	0
<u>246,194</u>	<u>283,595</u>	<u>688,371</u>	<u>227,808</u>	<u>1,355,106</u>	<u>0</u>
80,560	0	0	0	0	0
25,536	0	0	0	0	0
0	0	0	2,000,000	0	0
<u>106,096</u>	<u>0</u>	<u>0</u>	<u>2,000,000</u>	<u>0</u>	<u>0</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>13,479,609</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>	<u>\$27,702,824</u>

(continued)

## City of Lakewood, Ohio

### Changes in Net Position (continued)

#### Accrual Basis of Accounting

#### Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	\$9,341,967	\$9,439,522	\$8,498,246	\$9,204,662
Security of Persons and Property				
Police	13,677,739	13,662,669	12,670,338	11,844,579
Fire	10,740,998	10,238,188	10,099,908	9,936,091
Public Health Services	1,824,905	1,867,088	1,866,759	1,940,130
Transportation	3,518,156	3,199,757	2,605,700	2,536,751
Community Environment	5,135,801	5,954,990	4,910,641	4,773,590
Basic Utility Services	3,525,439	3,561,708	3,383,635	3,274,630
Leisure Time Activities	2,474,236	2,527,405	2,121,447	1,786,849
Interest and Fiscal Charges	<u>1,293,602</u>	<u>1,453,572</u>	<u>1,481,371</u>	<u>1,632,156</u>
<i>Total Governmental Activities Expenses</i>	<u>51,532,843</u>	<u>51,904,899</u>	<u>47,638,045</u>	<u>46,929,438</u>
Business-Type Activities				
Water	10,437,438	9,852,335	9,059,160	10,283,462
Sewer	6,448,991	6,182,538	6,061,044	5,674,713
Parking Facilities	355,917	319,581	300,332	392,765
Winterhurst Ice Rink	470,683	461,923	429,550	525,941
<i>Total Business-Type Activities Expenses</i>	<u>17,713,029</u>	<u>16,816,377</u>	<u>15,850,086</u>	<u>16,876,881</u>
<i>Total Primary Government Expenses</i>	<u>69,245,872</u>	<u>68,721,276</u>	<u>63,488,131</u>	<u>63,806,319</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(27,396,642)	(37,233,729)	(33,735,353)	(34,029,446)
Business-Type Activities	<u>3,417,887</u>	<u>3,508,282</u>	<u>4,083,857</u>	<u>3,156,157</u>
<i>Total Primary Government Net Expense</i>	<u>(\$23,978,755)</u>	<u>(\$33,725,447)</u>	<u>(\$29,651,496)</u>	<u>(\$30,873,289)</u>

**Table 2**

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$7,529,571	\$8,423,969	\$7,675,451	\$7,620,762	\$9,599,299	\$8,110,235
11,617,633	12,272,317	12,754,885	12,371,712	12,035,903	11,907,585
9,426,271	9,526,516	10,131,056	10,289,314	11,028,498	10,241,053
2,136,807	2,383,427	2,505,999	3,280,667	4,211,759	4,784,768
1,948,825	3,092,325	2,866,754	2,969,914	3,480,710	2,655,600
5,804,830	6,819,791	6,474,889	5,622,461	6,798,564	6,628,671
3,393,665	3,472,641	3,998,734	4,700,773	5,450,051	5,026,300
3,222,378	1,831,789	1,839,517	2,020,450	2,159,191	1,955,303
1,835,631	1,788,103	2,127,913	2,064,970	1,898,099	1,936,679
<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>	<u>53,246,194</u>
9,652,083	9,665,155	9,038,465	9,289,887	9,612,007	8,403,497
5,896,702	6,012,674	5,751,453	6,585,346	7,606,437	5,734,921
349,501	386,946	253,274	305,295	419,733	482,642
571,530	736,397	552,929	740,804	732,973	1,257,948
<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>15,879,008</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>	<u>69,125,202</u>
(33,098,183)	(34,368,462)	(36,580,259)	(37,554,310)	(42,907,901)	(39,022,979)
<u>1,939,558</u>	<u>1,397,852</u>	<u>870,354</u>	<u>2,312,280</u>	<u>(602,381)</u>	<u>(2,399,399)</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>	<u>(\$41,422,378)</u>

(continued)

# City of Lakewood, Ohio

## Changes in Net Position (continued)

### Accrual Basis of Accounting

### Last Ten Years

	2015	2014	2013	2012
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$6,619,558	\$6,255,782	\$6,560,213	\$6,807,497
Police and Fire Pension	2,512,111	2,376,261	2,491,699	2,589,594
Debt Service	2,666,760	2,532,060	2,654,186	2,753,385
Payments in Lieu of Taxes	448,815	494,754	467,984	401,767
Municipal Income Taxes levied for:				
General Purposes	22,563,434	21,954,834	21,122,681	20,628,523
Grants and Entitlements not Restricted to				
Specific Programs	3,719,128	3,722,984	10,929,532	5,646,551
Investment Income	100,437	49,548	13,857	6,758
Gain from Sale of Capital Assets-Gov	14,776	17,237	0	130,124
Miscellaneous	453,344	387,811	216,560	611,500
<i>Total Governmental Activities</i>	<u>39,098,363</u>	<u>37,791,271</u>	<u>44,456,712</u>	<u>39,575,699</u>
Business-Type Activities				
Property Taxes Levied For:				
Sewer	1,530,516	1,447,720	1,519,408	1,581,775
Grants and Entitlements not Restricted to				
Specific Programs	643,502	218,529	219,013	229,477
Investment Income	40,366	18,351	5,055	2,029
Miscellaneous	96,122	260,388	225,511	98,515
<i>Total Business-Type Activities</i>	<u>2,310,506</u>	<u>1,944,988</u>	<u>1,968,987</u>	<u>1,911,796</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>41,408,869</u>	<u>39,736,259</u>	<u>46,425,699</u>	<u>41,487,495</u>
<b>Transfers</b>				
Governmental Activities	1,697,350	1,470,815	1,514,708	1,182,550
Business-Type Activities	<u>(1,697,350)</u>	<u>(1,470,815)</u>	<u>(1,514,708)</u>	<u>(1,182,550)</u>
<b>Restatements</b>				
Governmental Activities	0	0	0	0
Business-Type Activities	0	0	0	0
<i>Total Restatements Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Change in Net Position</b>				
Governmental Activities	13,399,071	2,028,357	12,236,067	6,728,803
Business-Type Activities	<u>4,031,043</u>	<u>3,982,455</u>	<u>4,538,136</u>	<u>3,885,403</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$17,430,114</u>	<u>\$6,010,812</u>	<u>\$16,774,203</u>	<u>\$10,614,206</u>

**Table 2**

2011	2010	2009	2008	2007	2006
\$6,581,357	\$6,857,844	\$7,404,532	\$7,464,079	\$7,676,479	\$6,880,029
2,608,762	2,608,762	2,810,315	2,823,756	2,911,150	2,613,672
2,784,378	2,784,378	2,973,092	2,987,313	3,079,771	2,765,061
355,641	341,399	308,520	340,341	368,523	241,589
19,474,728	19,686,732	19,314,348	19,348,017	18,246,523	16,955,457
5,997,696	6,727,090	6,345,651	5,668,748	6,482,563	6,729,258
8,792	68,060	214,275	533,257	1,130,083	1,479,546
25,308	0	0	0	0	0
713,582	436,670	606,457	550,472	295,266	364,274
<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>	<u>38,028,886</u>
1,556,497	1,590,695	1,712,714	1,724,040	1,775,081	1,593,691
0	0	0	0	0	205,895
2,474	16,338	58,952	237,593	636,665	565,729
162,210	78,032	533,806	51,808	20,087	17,543
<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>2,382,858</u>
40,271,425	41,196,000	42,282,662	41,729,424	42,622,191	40,411,744
1,041,754	1,073,981	2,084,161	534,752	332,842	(450,000)
<u>(1,041,754)</u>	<u>(1,073,981)</u>	<u>(2,084,161)</u>	<u>(534,752)</u>	<u>(332,842)</u>	<u>450,000</u>
(685,367)	125,961	0	1,447,962	0	0
<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>	<u>0</u>
5,209,053	6,342,415	5,481,092	4,144,387	(2,384,701)	(1,444,093)
<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>433,459</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>	<u>(\$1,010,634)</u>

# City of Lakewood, Ohio

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

	2015	2014	2013	2012	2011
<b>General Fund</b>					
Reserved	\$0	\$0	\$0	\$0	\$0
Unreserved	0	0	0	0	0
Nonspendable	1,465,171	1,203,968	1,177,098	646,379	631,634
Assigned	3,861,300	5,768,149	3,128,964	1,943,879	1,103,061
Unassigned	9,506,549	8,165,507	13,722,092	7,101,028	7,168,275
Total General Fund	<u>14,833,020</u>	<u>15,137,624</u>	<u>18,028,154</u>	<u>9,691,286</u>	<u>8,902,970</u>
<b>All Other Governmental Funds</b>					
Reserved	0	0	0	0	0
Unreserved, Undesignated (Deficit), Reported in:					
Special Revenue Funds	0	0	0	0	0
Debt Service Funds	0	0	0	0	0
Capital Projects Funds	0	0	0	0	0
Nonspendable	119,403	58,799	114,906	200,891	170,573
Restricted	6,992,095	8,439,921	7,521,893	6,115,764	5,865,238
Committed	15,572,469	6,070,832	968,587	786,167	853,414
Unassigned (Deficit)	(35,159)	(31,552)	(19,268)	(81,533)	(31,316)
Total All Other Governmental Funds	<u>22,648,808</u>	<u>14,538,000</u>	<u>8,586,118</u>	<u>7,021,289</u>	<u>6,857,909</u>
<b>Total Governmental Funds</b>	<u><u>\$37,481,828</u></u>	<u><u>\$29,675,624</u></u>	<u><u>\$26,614,272</u></u>	<u><u>\$16,712,575</u></u>	<u><u>\$15,760,879</u></u>

**Table 3**

2010	2009	2008	2007	2006
\$0	\$1,156,884	\$11,114	\$69,864	\$94,715
0	3,642,880	5,489,730	1,986,309	3,212,313
647,847	0	0	0	0
950,918	0	0	0	0
4,966,043	0	0	0	0
<u>6,564,808</u>	<u>4,799,764</u>	<u>5,500,844</u>	<u>2,056,173</u>	<u>3,307,028</u>
0	2,294,622	3,131,139	3,823,391	3,237,102
0	2,957,115	733,201	1,773,409	2,514,850
0	1,282,628	343,522	1,698,091	685,942
0	1,467,157	4,386,784	1,906,203	4,457,614
187,494	0	0	0	0
7,043,077	0	0	0	0
663,681	0	0	0	0
(158,907)	0	0	0	0
<u>7,735,345</u>	<u>8,001,522</u>	<u>8,594,646</u>	<u>9,201,094</u>	<u>10,895,508</u>
<u>\$14,300,153</u>	<u>\$12,801,286</u>	<u>\$14,095,490</u>	<u>\$11,257,267</u>	<u>\$14,202,536</u>

# City of Lakewood, Ohio

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

	2015	2014	2013	2012	2011
<b>Revenues</b>					
Property Taxes	\$11,708,269	\$11,379,654	\$11,650,884	\$12,041,251	\$12,041,503
Payments in Lieu of Taxes	456,077	489,379	483,679	379,614	328,790
Municipal Income Taxes	22,391,110	21,158,365	20,119,636	19,542,235	18,766,179
Charges for Services	3,992,662	3,937,040	3,831,150	3,396,958	4,036,644
Fees, Licenses, and Permits	2,024,622	2,203,740	1,962,750	2,351,660	1,630,554
Fines and Forfeitures	1,917,593	1,913,424	1,695,082	1,811,478	1,814,547
Intergovernmental	9,496,036	11,422,657	15,904,055	10,383,636	11,984,530
Special Assessments	258,041	73,672	31,511	75,390	4,360
Interest	100,437	49,548	13,857	6,758	8,792
Contributions and Miscellaneous	9,899,156	575,734	901,706	936,797	824,613
<i>Total Revenues</i>	<u>62,244,003</u>	<u>53,203,213</u>	<u>56,594,310</u>	<u>50,925,777</u>	<u>51,440,512</u>
<b>Expenditures</b>					
Current:					
General Government	8,781,381	8,838,958	8,029,518	9,147,337	7,691,955
Security of Persons and Property					
Police and Other	12,593,009	12,339,318	11,955,911	12,000,737	12,223,002
Fire	9,663,938	9,480,970	9,355,592	9,299,325	9,197,428
Public Health Services	1,699,832	1,742,634	1,755,943	1,914,502	2,268,579
Transportation	2,091,066	1,915,695	1,880,557	1,768,040	2,151,849
Community Environment	5,078,451	5,797,278	4,829,707	4,559,327	6,084,834
Basic Utilities Services	3,020,504	3,068,909	2,966,538	3,012,214	3,331,914
Leisure Time Activities	1,952,458	2,141,599	1,768,169	1,510,669	1,732,556
Capital Outlay	8,018,007	5,501,475	2,446,578	3,870,084	3,022,809
Debt Service:					
Principal Retirement	14,166,854	9,855,339	7,457,812	11,002,721	11,686,748
Interest and Fiscal Charges	1,348,516	1,414,906	1,487,391	1,536,273	1,734,982
Bond Issuance Costs	21,556	40,184	18,201	81,512	114,820
<i>Total Expenditures</i>	<u>68,435,572</u>	<u>62,137,265</u>	<u>53,951,917</u>	<u>59,702,741</u>	<u>61,241,476</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(6,191,569)</u>	<u>(8,934,052)</u>	<u>2,642,393</u>	<u>(8,776,964)</u>	<u>(9,800,964)</u>
<b>Other Financing Sources (Uses)</b>					
General Obligation Bonds Issued	0	0	0	0	10,845,268
Refunding Bonds Issued	0	0	0	3,097,661	0
Bond Anticipation Notes	13,535,000	10,187,000	6,202,000	5,896,000	1,948,000
Refunding Bond Anticipation Notes	0	0	0	3,427,889	0
Premium on Debt Issuance	109,332	78,314	41,474	137,491	62,105
Sale of Capital Assets	14,776	17,237	11,656	130,124	25,308
Inception of Capital Lease	1,890,000	1,881,855	1,044,967	974,285	1,487,326
Current Refunding	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	(3,497,340)	(3,048,069)
Transfers In	5,173,697	9,021,394	4,573,048	4,286,718	2,777,968
Transfers Out	(6,725,032)	(9,190,396)	(4,613,841)	(4,724,168)	(2,836,216)
<i>Total Other Financing Sources (Uses)</i>	<u>13,997,773</u>	<u>11,995,404</u>	<u>7,259,304</u>	<u>9,728,660</u>	<u>11,261,690</u>
<i>Restatements</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$7,806,204</u>	<u>\$3,061,352</u>	<u>\$9,901,697</u>	<u>\$951,696</u>	<u>\$1,460,726</u>
Debt Service as a Percentage of Noncapital Expenditures	25.8%	20.0%	17.4%	22.6%	23.9%

**Table 4**

2010	2009	2008	2007	2006
\$12,301,006	\$13,194,723	\$13,257,834	\$13,502,272	\$12,316,987
341,399	308,520	340,341	368,523	241,589
17,850,439	18,355,581	18,480,218	18,143,485	17,080,608
3,578,550	3,598,946	3,033,174	3,494,517	3,597,914
1,886,868	1,823,254	1,971,510	2,035,413	1,930,932
1,690,587	1,592,897	1,710,782	1,458,771	1,535,840
14,727,449	13,197,654	11,824,139	13,239,249	13,184,935
47,459	24,642	240,001	123,219	105,230
68,060	214,275	533,257	1,130,083	1,479,546
544,005	724,928	817,733	381,542	752,522
<u>53,035,822</u>	<u>53,035,420</u>	<u>52,208,989</u>	<u>53,877,074</u>	<u>52,226,103</u>
8,149,714	7,875,387	7,930,675	8,607,515	7,261,972
12,069,033	12,220,039	12,139,328	11,678,468	11,484,234
9,282,338	9,662,410	10,088,610	10,567,772	10,080,039
2,281,603	2,428,498	3,352,685	4,089,118	4,501,420
1,867,759	1,704,157	1,980,543	2,617,950	1,770,566
6,727,225	6,250,805	5,669,977	6,787,327	6,619,518
3,150,020	3,699,636	4,466,994	5,089,792	4,661,348
1,542,088	1,513,654	1,733,290	1,944,398	1,809,858
760,521	6,842,067	5,280,879	4,525,704	3,838,417
11,949,421	4,087,490	8,637,976	11,230,978	2,905,047
1,830,823	2,085,801	2,057,441	1,924,401	1,794,537
0	0	0	300,690	0
<u>59,610,545</u>	<u>58,369,944</u>	<u>63,338,398</u>	<u>69,364,113</u>	<u>56,726,956</u>
<u>(6,574,723)</u>	<u>(5,334,524)</u>	<u>(11,129,409)</u>	<u>(15,487,039)</u>	<u>(4,500,853)</u>
0	0	0	10,520,000	0
0	0	0	0	0
7,771,000	7,771,000	7,771,000	5,374,000	8,311,000
0	0	0	0	0
0	0	0	57,987	5,367
0	0	0	0	0
0	2,175,159	4,110,632	1,375,314	0
0	(7,771,000)	0	0	(3,973,000)
0	0	0	(4,844,725)	0
4,000,770	13,561,547	3,077,261	3,631,000	1,969,098
<u>(4,118,272)</u>	<u>(11,696,386)</u>	<u>(2,786,509)</u>	<u>(3,571,806)</u>	<u>(2,419,098)</u>
<u>7,653,498</u>	<u>4,040,320</u>	<u>12,172,384</u>	<u>12,541,770</u>	<u>3,893,367</u>
<u>0</u>	<u>0</u>	<u>1,795,248</u>	<u>0</u>	<u>0</u>
<u>\$1,078,775</u>	<u>(\$1,294,204)</u>	<u>\$2,838,223</u>	<u>(\$2,945,269)</u>	<u>(\$607,486)</u>
23.1%	11.7%	18.5%	20.2%	9.3%

# 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
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
2006	706,658,210	156,111,470	2,465,056,229	15,069,300	17,124,205

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	\$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
21,872,491	116,653,285	899,711,471	2,598,833,719	34.62	17.40

## City of Lakewood, Ohio

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

#### Last Ten Years

	2015	2014	2013	2012	2011
<b>Charter Millage</b>					
Sinking Fund	\$3.4700	\$3.4700	\$3.4700	\$3.4700	\$3.4700
1976 Charter/Current Expenses	8.6500	8.6500	8.6500	8.6500	8.6500
1976 Charter/Fire	1.6800	1.6800	1.6800	1.6800	1.6800
1976 Charter/Police	1.6000	1.6000	1.6000	1.6000	1.6000
1976 Charter/Sewer	2.0000	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>\$17.4000</b>
<b>Overlapping Rates by Taxing District</b>					
Lakewood City School District					
Residential/Agricultural Real	\$62.8665	\$66.6502	\$66.5450	\$58.5508	\$56.6894
Commercial/Industrial and Public Utility Real	83.6381	80.8677	80.9159	72.8585	70.3761
General Business and Public Utility Personal	122.7300	123.2300	123.2300	115.4000	115.4000
Cuyahoga County Council (1)					
Residential/Agricultural Real	17.9255	18.1643	17.2639	16.4335	16.3035
Commercial/Industrial and Public Utility Real	18.1676	18.1228	17.1291	16.1672	15.9138
General Business and Public Utility Personal	18.1800	18.1800	17.2800	16.4500	16.4500
Special Taxing Districts (2)					
Residential/Agricultural Real	5.0600	4.6000	4.6000	4.3544	4.1938
Commercial/Industrial and Public Utility Real	5.7340	5.5100	5.5100	4.5847	4.3906
General Business and Public Utility Personal	6.2500	6.2500	6.2500	5.3500	5.3500

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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$3.4700	\$3.4700	\$3.4700	\$3.4700	\$3.4700
8.6500	8.6500	8.6500	8.6500	8.6500
1.6800	1.6800	1.6800	1.6800	1.6800
1.6000	1.6000	1.6000	1.6000	1.6000
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>
\$56.4019	\$48.8809	\$45.9650	\$45.5754	\$49.5692
69.8953	62.3184	61.3095	60.4273	65.9849
115.4000	107.9000	107.2000	106.9000	107.4000
16.3660	15.8789	15.1504	15.1210	14.1728
15.9620	15.5327	15.4894	14.3558	15.2977
16.5500	16.2500	16.2500	16.3500	16.4500
4.1657	4.1608	3.8697	3.8656	4.2827
4.3529	4.3492	4.3243	4.2874	4.7054
5.3500	5.3500	5.3500	5.3500	5.3500

# City of Lakewood, Ohio

## Property Tax Levies and Collections

### 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
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
2006	16,052,661	15,078,364	93.93	510,427	15,588,791	97.11	937,196	5.84

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

2015 and 2006

Table 8

Taxpayer	2015	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Company	\$12,452,530	1.49 %
Lakewood Senior Campus	2,933,050	0.35
Castlewood Association	2,055,350	0.25
Marine Towers	1,974,070	0.24
12000 Edgewater Drive Ltd.	1,924,200	0.23
Imperial House Apartments LLC	1,910,520	0.23
East Ohio Gas Co	1,879,890	0.22
Shoreham Apartments	1,796,800	0.21
LRC-G Lakewood, LLC	1,767,090	0.21
Lake Shore Associates	1,694,920	0.20
<b>Total</b>	<b>\$30,388,420</b>	<b>3.63 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$837,979,200</b>	
Taxpayer	2006	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Company	\$7,352,500	0.85 %
Ohio Bell Telephone Company	3,893,880	0.45
Castlewood Association	1,976,660	0.23
Lakewood Senior Citizens, Inc.	1,394,300	0.16
Marine Towers	1,394,300	0.16
Fame-Midamco Company	1,523,620	0.18
Lakewood Association L.P.	1,331,120	0.15
Lakeshore Associates	1,417,010	0.16
Lakewood Heath Care	1,540,180	0.18
Shoreham Apartments	1,387,020	0.16
<b>Total</b>	<b>\$23,210,590</b>	<b>2.69 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$862,769,680</b>	

Source: Cuyahoga County, Ohio; Fiscal Officer

# City of Lakewood, Ohio

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

### Last Ten Years

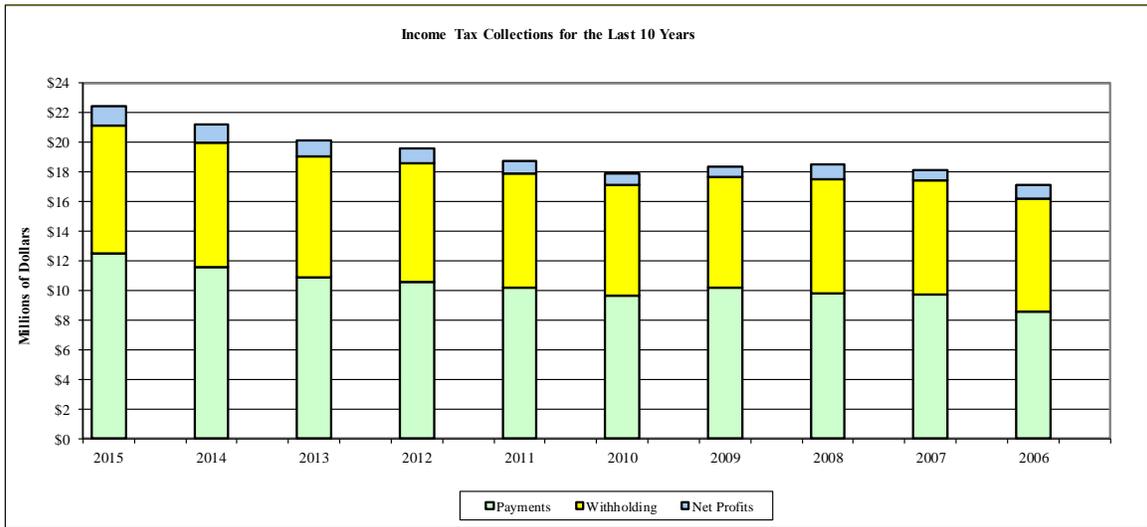
**Table 9**

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
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
2006	1.50	17,080,608	8,529,917	49.94	7,650,455	44.79	900,236	5.27

(1) Modified Accrual Basis

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

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



# City of Lakewood, Ohio

## Ratio of Outstanding Debt by Type

### Last Ten Years

**Table 10**

Year	Governmental Activities	Business Activities	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt	Net General Bonded Debt as a Percentage of Estimated Taxable Value of Property (1)	Net General Bonded Debt Per Capita (2)	Other Governmental Activities Debt			
	General Obligation Bonds (4)	General Obligation Bonds (4)					Special Assessment Bonds	OPWC Loans	Capital Leases	Long-term Bond Anticipation Notes
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	527	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
2006	33,481,011	12,849,249	(1,511,299)	44,818,961	1.72	791.21	0	419,437	22,322	8,505,000

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)
2015	\$5,286,175	\$19,597,866	\$3,845,733	\$5,574,807	\$2,047,895	\$79,554,911	5.56 %	\$1,526.06
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
2006	12,849,249	29,472,065	1,408,000	0	5,365,315	91,522,399	6.74	1,615.69

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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Overall Legal Debt Limit (10.5% of Assessed Valuation)	\$89,642,214	\$89,488,056	\$89,596,151	\$94,245,867
Net Debt Applicable to Debt Limit	<u>33,445,675</u>	<u>32,642,122</u>	<u>31,554,491</u>	<u>32,392,911</u>
Overall Legal Debt Margin (10.5% of Assessed Valuation)	<u>\$56,196,539</u>	<u>\$56,845,934</u>	<u>\$58,041,660</u>	<u>\$61,852,956</u>
Legal Debt Margin as a Percentage of Debt Limit	<u>62.69%</u>	<u>63.52%</u>	<u>64.78%</u>	<u>65.63%</u>
Unvoted Legal Debt Limit (5.5% of Assessed Valuation)	\$46,955,445	\$46,874,696	\$46,931,317	\$49,366,883
Net Debt Applicable to Debt Limit	<u>33,445,675</u>	<u>32,642,122</u>	<u>31,554,491</u>	<u>32,392,911</u>
Unvoted Legal Debt Margin (5.5% of Assessed Valuation)	<u>\$13,509,770</u>	<u>\$14,232,574</u>	<u>\$15,376,826</u>	<u>\$16,973,972</u>
Legal Debt Margin as a Percentage of Debt Limit	<u>28.77%</u>	<u>30.36%</u>	<u>32.76%</u>	<u>34.38%</u>

### Legal Debt Margin Calculation for the Year Ended December 31, 2015

	<u>Overall Margin Within 10.5%</u>	<u>Unvoted Margin Within 5.5%</u>
Assessed property value	<u>\$853,735,370</u>	<u>\$853,735,370</u>
Debt Limitation (percentage of assessed property value)	\$89,642,214	\$46,955,445
Gross Indebtedness:	66,710,398	66,710,398
Less: General Obligation Bonds	(3,090,000)	(3,090,000)
General Obligation Bonds - Enterprise Funds	(5,221,055)	(5,221,055)
Revenue Bonds	(19,739,559)	(19,739,559)
Enterprise Notes Payable	(3,840,000)	(3,840,000)
Debt Service Fund	<u>(1,374,109)</u>	<u>(1,374,109)</u>
Net Debt Applicable to Debt Limit	<u>33,445,675</u>	<u>33,445,675</u>
Legal Debt Margin Within Limitations	<u>\$56,196,539</u>	<u>\$13,509,770</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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$95,225,551	\$95,332,559	\$102,111,500	\$103,199,469	\$103,525,987	\$94,469,704
<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>41,051,785</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>\$53,417,919</u>
<u>64.83%</u>	<u>63.85%</u>	<u>63.31%</u>	<u>58.63%</u>	<u>59.39%</u>	<u>56.55%</u>
\$49,880,051	\$49,936,102	\$53,486,976	\$54,056,865	\$54,227,898	\$49,484,131
<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>41,051,785</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>\$8,432,346</u>
<u>32.86%</u>	<u>30.98%</u>	<u>35.56%</u>	<u>21.03%</u>	<u>22.48%</u>	<u>17.04%</u>

## City of Lakewood, Ohio

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

December 31, 2015

**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)	\$22,422,104	100.00 %	\$22,422,104
Notes Payable - Long-term	13,563,426	100.00	13,563,426
Loans Payable	92,400	100.00	92,400
Capital Leases	<u>7,124,505</u>	100.00	<u>7,124,505</u>
Total Direct Debt	<u>43,202,435</u>		<u>43,202,435</u>
<u>Overlapping Debt:</u>			
Cuyahoga County	243,900,000	3.25	7,934,540
Regional Transit Authority	88,715,000	3.25	2,883,238
Lakewood City School District	<u>149,399,201</u>	100.00	<u>149,399,201</u>
Total Overlapping Debt	<u>482,014,201</u>		<u>160,216,979</u>
Total	<u><u>\$525,216,636</u></u>		<u><u>\$203,419,414</u></u>

Source: Cuyahoga County, Ohio; County Fiscal Officer

- (1) Overlapping percentages were calculated by dividing each overlapping government located within the boundaries of the City by the subdivision's total assessed valuation of the government. The valuations were for the 2015 collection year.
- (2) General Obligation bonds are net of unamortized premiums



## City of Lakewood, Ohio

### *Pledged Revenue Coverage*

#### *Water*

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

	2015	2014	2013	2012	2011
Net Available Revenue:					
Gross Revenues (1)	\$10,842,642	\$11,074,606	\$11,306,665	\$11,214,618	\$10,774,944
Less: Operating Expenses (2)	9,292,198	8,717,099	7,975,571	9,190,160	8,128,431
Net Available Revenue	<u>\$1,550,444</u>	<u>\$2,357,507</u>	<u>\$3,331,094</u>	<u>\$2,024,458</u>	<u>\$2,646,513</u>
Debt Service OPWC Loans:					
Principal	\$313,229	\$313,229	\$332,903	\$313,229	\$313,229
OPWC Coverage	<u>4.95</u>	<u>7.53</u>	<u>10.01</u>	<u>6.46</u>	<u>8.45</u>
Debt Service - Revenue Bonds:					
Principal	534,039	512,252	486,359	465,465	954,572
Interest	433,008	456,823	479,013	500,187	538,959
Revenue Bond Coverage	<u>1.60</u>	<u>2.43</u>	<u>3.45</u>	<u>2.10</u>	<u>1.77</u>
Total Debt Service:					
Principal	847,268	825,481	819,262	778,694	1,267,801
Interest	433,008	456,823	479,013	500,187	538,959
Total Coverage	<u>1.21</u>	<u>1.84</u>	<u>2.57</u>	<u>1.58</u>	<u>1.46</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**

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$10,777,249	\$10,385,783	\$10,536,724	\$11,484,184	\$8,803,103
<u>8,468,811</u>	<u>7,812,615</u>	<u>8,042,899</u>	<u>8,470,561</u>	<u>7,364,732</u>
<u><u>\$2,308,438</u></u>	<u><u>\$2,573,168</u></u>	<u><u>\$2,493,825</u></u>	<u><u>\$3,013,623</u></u>	<u><u>\$1,438,371</u></u>
\$313,229	\$313,229	\$313,230	\$313,230	\$313,229
<u>7.37</u>	<u>8.21</u>	<u>7.96</u>	<u>9.62</u>	<u>4.59</u>
919,125	868,232	837,338	876,890	550,998
575,314	608,689	650,747	598,677	249,923
<u>1.54</u>	<u>1.74</u>	<u>1.68</u>	<u>2.04</u>	<u>1.80</u>
1,232,354	1,181,461	1,150,568	1,190,120	864,227
575,314	608,689	650,747	598,677	249,923
<u>1.28</u>	<u>1.44</u>	<u>1.38</u>	<u>1.68</u>	<u>1.29</u>

## City of Lakewood, Ohio

### *Pledged Revenue Coverage*

#### *Sewer*

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

	2015	2014	2013	2012	2011
Net Available Revenue:					
Gross Revenues (1)	\$9,009,122	\$8,643,807	\$8,263,735	\$7,653,452	\$6,849,662
Less: Operating Expenses (2)	4,902,343	4,572,164	4,471,397	3,976,850	3,757,052
Net Available Revenue	<u>\$4,106,779</u>	<u>\$4,071,643</u>	<u>\$3,792,338</u>	<u>\$3,676,602</u>	<u>\$3,092,610</u>
Debt Service OWDA Loans:					
Principal	\$0	\$0	\$16,382	\$31,726	\$30,405
Interest	0	0	346	1,731	3,053
OWDA Coverage	<u>0.00</u>	<u>0.00</u>	<u>226.71</u>	<u>109.89</u>	<u>92.43</u>
Debt Service - OPWC Loans:					
Principal	34,486	34,486	34,486	34,486	34,486
OPWC Coverage	<u>119.09</u>	<u>118.07</u>	<u>109.97</u>	<u>106.61</u>	<u>89.68</u>
Debt Service - Revenue Bonds:					
Principal	465,000	445,000	430,000	405,000	390,000
Interest	480,613	498,413	515,613	535,863	551,463
Revenue Bond Coverage	<u>4.34</u>	<u>4.32</u>	<u>4.01</u>	<u>3.91</u>	<u>3.28</u>
Total Debt Service:					
Principal	499,486	479,486	480,868	471,212	454,891
Interest	480,613	498,413	515,959	537,594	554,516
Total Coverage	<u>4.19</u>	<u>4.16</u>	<u>3.80</u>	<u>3.64</u>	<u>3.06</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**

2010	2009	2008	2007	2006
\$6,443,136	\$5,821,972	\$6,220,187	\$7,628,335	\$6,081,419
4,207,534	4,264,238	4,720,506	5,900,144	5,217,728
<u>\$2,235,602</u>	<u>\$1,557,734</u>	<u>\$1,499,681</u>	<u>\$1,728,191</u>	<u>\$863,691</u>
\$29,138	\$27,925	\$26,761	\$25,647	\$24,578
4,861	5,333	6,696	7,811	8,879
<u>65.75</u>	<u>46.84</u>	<u>44.82</u>	<u>51.65</u>	<u>25.81</u>
34,485	34,485	34,487	34,487	0
<u>64.83</u>	<u>45.17</u>	<u>43.49</u>	<u>50.11</u>	<u>0</u>
375,000	360,000	350,000	310,000	0
566,463	580,863	594,862	365,088	0
<u>2.37</u>	<u>1.66</u>	<u>1.59</u>	<u>2.56</u>	<u>0</u>
438,623	422,410	411,248	370,314	24,578
571,324	586,196	601,558	372,899	8,879
<u>2.21</u>	<u>1.54</u>	<u>1.48</u>	<u>2.33</u>	<u>25.81</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)
2015	52,131	\$1,431,100,212	\$27,452	\$43,154	34.9	38.9%	5,308	4.6%	\$895,479,080
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
2006	56,646	1,357,351,452	23,962	40,527	34.2	35.9	6,090	5.3	899,711,471

(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**

2015			
Employer	Nature of Activity	Employees *	Percentage of Total City Employment
Lakewood Hospital	Health Care	1,662	14.16%
Lakewood Board of Education	School District	1,151	9.81
City of Lakewood	Municipality	560	4.77
New York Life Insurance Company	Insurance Company	396	3.37
Riser Foods Company	Grocer	310	2.64
St. Edward High School	Private School	302	2.57
First Federal Saving and Loan Association of Lakewood	Financial Institution	279	2.38
Graftech International Holdings	Graphite Industry	152	1.30
Ohio Bell Telephone Company	Public Utility	110	0.94
Ferry Cap & Set Screw Co.	Manufacturing	107	0.91
Total		<u>5,029</u>	<u>42.85%</u>
Total Employment within the City		<u>11,736</u>	
2006			
Employer	Nature of Activity	Employees **	
Lakewood Hospital	Health Care	1,319	
Lakewood Board of Education	School District	927	
City of Lakewood	Municipality	670	
Lake Erie Screw Corporation	Manufacturing	300	
Ameritech	Public Utility	200	
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	144	
Total		<u>4,205</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	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<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	14.00	15.00	15.00	16.00	20.00	20.00	20.00	20.00	22.00	19.00
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	2.00	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	4.00
Community Relations	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Finance	7.00	7.00	6.00	7.00	7.00	6.00	7.00	7.00	7.00	7.00
Income Tax	6.00	6.00	6.00	4.00	4.00	4.00	3.00	4.00	6.00	7.00
Information System	4.00	4.00	3.00	4.00	4.00	4.00	4.00	4.00	6.00	6.00
Utility Billing	3.00	2.00	2.00	2.00	3.00	2.00	2.00	4.00	4.00	5.00
Health/Vital Stats	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	8.00	11.00
Law	4.00	4.00	4.00	4.00	3.00	3.00	3.00	5.00	5.00	3.00
Planning and Development	5.00	5.00	5.00	5.00	5.00	6.00	6.00	5.00	3.00	3.00
Community Development	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	8.00	6.00
<b>Security of Persons and Property</b>										
Police	98.00	97.00	95.00	95.00	97.00	100.00	99.00	98.00	96.00	94.00
Police - Communications	11.00	10.00	11.00	11.00	10.00	10.00	11.00	11.00	12.00	11.00
Support of Prisoners	2.00	2.00	2.00	2.00	2.00	5.00	4.00	4.00	4.00	3.00
Fire	79.00	77.00	76.00	76.00	76.00	75.00	76.00	78.00	81.00	77.00
Emergency Medical Services	9.00	9.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	18.00
Housing and Building	14.00	15.00	13.00	12.00	13.00	15.00	16.00	14.00	19.00	21.00
Parking	2.00	2.00	2.00	2.00	2.00	2.00	3.00	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	1.00	1.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Parks	18.00	17.00	18.00	12.00	13.00	13.00	11.00	13.00	16.00	16.00
Buildings and Facilities	0.00	0.00	0.00	1.00	1.00	2.00	2.00	3.00	4.00	5.00
Construction	0.00	0.00	0.00	3.00	4.00	4.00	4.00	4.00	4.00	5.00
Streets	14.00	14.00	14.00	14.00	14.00	15.00	12.00	13.00	16.00	17.00
Forestry	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	6.00
Traffic Signs	2.00	2.00	2.00	2.00	2.00	3.00	3.00	4.00	4.00	3.00
Refuse	28.00	29.00	30.00	30.00	32.00	35.00	35.00	43.00	46.00	52.00
Fleet	10.00	10.00	10.00	10.00	11.00	11.00	11.00	11.00	10.00	11.00
Communications	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	2.00
Water Distributions	5.00	5.00	6.00	6.00	6.00	6.00	7.00	8.00	9.00	8.00
Water Metering	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Wastewater Collections	11.00	12.00	11.00	12.00	11.00	12.00	13.00	14.00	14.00	16.00
Wastewater Treatment	21.00	22.00	23.00	23.00	22.00	23.00	22.00	23.00	23.00	23.00
Engineering	4.00	4.00	3.00	3.00	3.00	4.00	4.00	4.00	6.00	6.00
Winterhurst	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	2.00	3.00
<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	12.00	16.00	18.00	18.00	21.00	25.00	25.00
Office on Aging IIIC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.00	7.00
Early Childhood	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Youth	6.00	6.00	6.00	6.00	8.00	8.00	10.00	10.00	12.00	11.00
<b>Totals:</b>	<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>	<u>536.00</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	2015	2014	2013
<b>General Government</b>			
<i>Clerk of Council</i>			
Number of ordinances passed	51	59	50
Number of resolutions passed	59	94	70
<i>Civil Service</i>			
Number of police and fire entry application processed	0	0	67
<i>Finance Department</i>			
Number of checks/ vouchers issued	5,494	5,577	6,477
Interest earnings for fiscal year (cash basis)	\$136,405	\$107,466	\$15,300
<i>Income Tax</i>			
Number of Annual withholding forms processed	28,794	26,696	26,645
Number of Business net profit forms processed	2,493	2,451	2,397
<b>Public Works</b>			
<i>Engineering</i>			
Dollar amount of Construction overseen by Engineer	\$10,525,600	\$4,958,463	\$4,548,953
<i>Forestry</i>			
Number of trees planted	415	378	275
<i>Parking Enforcement</i>			
Number of parking tickets	13,791	13,155	4,568
<i>Refuse</i>			
Collection of resident and business garbage in tons	16,075	14,774	15,606
<i>Water</i>			
Average (MCF) of water billed monthly (in thousands)	182,139	172,472	185,803
<i>Wastewater Collection</i>			
Average (MCF) of sewer billed monthly (in thousands)	182,139	172,472	185,803
<i>Wastewater Treatment</i>			
Influent flow in millions of gallons per year	2,607	2,730	2,741
Bio-solids wet tons per year	5,030	4,737	5,303

**Table 18**

2012	2011	2010	2009	2008	2007	2006
86	66	107	94	100	95	98
79	70	76	62	101	73	102
169	0	0	0	240	0	340
7,232	8,705	8,924	9,291	11,014	9,335	7,083
\$8,787	\$11,232	\$103,993	\$292,662	\$741,464	\$1,763,496	\$2,004,475
25,456	24,275	22,794	22,142	22,709	22,919	9,727
2,399	2,378	2,224	2,271	2,195	2,065	1,405
\$3,642,342	\$3,687,241	\$3,925,960	\$3,501,473	\$3,443,940	\$12,590,150	\$13,859,602
65	6	272	259	206	186	296
4,743	3,542	12,118	11,178	12,004	10,287	11,868
16,049	16,369	16,296	17,010	19,990	21,026	22,137
190,425	186,536	194,311	203,999	206,902	214,515	216,729
190,425	186,536	194,311	203,999	206,902	214,515	216,729
2,577	3,793	2,520	2,771	3,324	3,101	3,228
4,750	5,240	5,580	5,002	5,101	5,348	5,643

# City of Lakewood, Ohio

## Operating Indicators by Function/Program (continued)

### *Last Ten Years*

Function/Program	2015	2014	2013
<b>Security of Persons and Property</b>			
<i>Police</i>			
Total calls for services	59,833	54,430	42,601
Number of citations issued	7,859	9,476	7,543
<i>Fire</i>			
Total calls for services-Fire	2,043	1,406	1,828
Total calls for services-EMS	5,354	5,301	5,328
<b>Community Environment</b>			
<i>Building Department</i>			
Estimated value of construction	\$108,813,914	\$29,889,659	\$28,056,591
Number of permits issued (all types)	2,574	2,449	2,469
<b>Leisure Time Activities</b>			
<i>Parks</i>			
Recreation Men's and Women's Leagues receipts	\$5,975	\$5,798	\$5,675
Recreation Youth Activities receipts	\$78,900	\$78,569	\$79,841

**Table 18**

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
54,480	57,570	64,064	55,802	46,247	50,316	49,733
8,411	8,353	16,710	16,262	15,747	14,009	15,007
1,585	1,387	1,256	1,411	1,795	2,163	2,067
5,653	5,399	5,208	5,251	5,006	5,006	5,111
\$30,828,918	\$21,012,297	\$25,472,201	\$18,660,849	\$34,568,567	\$44,249,478	\$73,425,066
2,573	2,473	2,552	2,216	2,683	2,724	2,781
\$5,405	\$5,307	\$5,125	\$5,025	\$5,100	\$4,250	\$3,619
\$80,522	\$80,351	\$79,205	\$78,700	\$76,500	\$73,500	\$89,347

# City of Lakewood, Ohio

## Capital Assets Statistics by Function/Program

### Last Ten Years

Function/Program	2015	2014	2013	2012	2011
<b>Security of Persons and Property</b>					
<b>Police</b>					
Stations	1	1	1	1	1
Vehicles	51	49	49	45	44
<b>Fire</b>					
Stations	3	3	3	3	3
Vehicles	18	15	15	19	17
<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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
1	1	1	1	1
44	47	49	51	52
3	3	3	3	3
17	17	18	17	18
15	15	15	15	15
2	2	2	2	2
1	1	0	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



**CITY OF LAKEWOOD  
CUYAHOGA COUNTY, OHIO**

**SINGLE AUDIT REPORT**

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

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

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

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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  
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, (City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 8, 2016, wherein we noted that the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, and restated its net position at December 31, 2014 for governmental and business-type activities.

***Internal Control Over Financial Reporting***

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

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

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

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

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

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

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



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

June 8, 2016

**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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Ohio Society of Certified Public Accountants

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

To the Members of City Council and  
Members of the Audit Committee  
City of 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, Ohio's major federal program for the year ended December 31, 2015. The City of Lakewood, Ohio's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

We have 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, Ohio, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City of Lakewood, Ohio's basic financial statements. We issued our report thereon dated June 8, 2016, which contained unmodified opinions on those financial statements. Our opinion also explained that the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, and restated its net position of the governmental activities and business activities at December 31, 2014. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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



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

June 8, 2016

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

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Number</b>	<b>Expenditures</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<i><u>Direct Programs</u></i>			
<i><u>Community Development Block Grant Cluster</u></i>			
Community Development Block Grant	14.218	B-10-MC-39-0007	* \$ 2,268,700
Total Community Development Block Grant Cluster			<u>2,268,700</u>
Emergency Shelter Grant	14.231	S-10-MC-39-0007	<u>143,087</u>
Total Direct Programs			<u>2,411,787</u>
<i><u>Passed Through Cuyahoga County Housing Consortium</u></i>			
HOME Investment Partnerships Program Grant	14.239	CE-0400-354-01	* <u>284,391</u>
<i><u>Passed Through Ohio Department of Development</u></i>			
Neighborhood Stabilization Program Grant	14.228	A-Z-08-282-1	* <u>187,698</u>
Total Passed Through Programs			<u>472,089</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>2,883,876</u>
<b><u>U.S. Department of Justice</u></b>			
<i><u>Direct Program</u></i>			
JLEO-Joint Law Enforcement Operations-Overtime Reimbursement	16.111	n/a	<u>28,398</u>
<b>Total U. S. Department of Justice</b>			<u>28,398</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
<i><u>Passed Through Western Reserve Area Agency on Aging</u></i>			
Special Programs for the Aging - Title III	93.044	n/a	<u>65,385</u>
Medical Assistance Program (Passport Services)	93.778	n/a	<u>12,749</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>78,134</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 2,990,408</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, 2015**

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**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 2: 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 OMB Circular A-133, the City is responsible for monitoring subrecipients to help assure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements, and that performance goals are achieved.

**NOTE 3: 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 4: 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, 2015, the gross amount of loans outstanding under this program is \$1,501,302. 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.

**CITY OF LAKEWOOD  
CUYAHOGA COUNTY, OHIO  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(CONTINUED)**

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**NOTE 5: U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES AND SPECIAL PROGRAMS FOR THE AGING**

The U.S. Department of Health and Human Services grants are passed through the Western Reserve Area Agency on Aging.

**NOTE 6: FOOD DISTRIBUTION**

The U.S. Department of Health and Human Services allocated \$65,385 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 \$4.41 for the Congregate Meal Program per meal served and \$4.61 for the Home Delivered Meal Program per meal served. For the year ended December 31, 2015, the City served 15,564 and 23,393 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, 2015**

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**1. SUMMARY OF AUDITOR’S RESULTS**

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

**2. 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, 2015**

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The prior audit report, as of December 31, 2014, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.



# 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  
SEPTEMBER 13, 2016