



Dave Yost • Auditor of State



**CITY OF STRONGSVILLE  
CUYAHOGA COUNTY**

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**CITY OF STRONGSVILLE  
CUYAHOGA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i><b>Passed Through Ohio Department of Transportation</b></i>			
Highway Planning and Construction Grant	20.205	PID 100240	\$1,569,729
<i><b>Passed Through University Hospitals of Cleveland</b></i>			
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	OVITF-2016-18-00-00-00397	6,912
		OVITF-2017-18-00-00-00449	2,108
Total Alcohol Impaired Driving Countermeasures Incentive Grants			<u>9,020</u>
<i><b>Passed Through Northeast Ohio Areawide Coordinating Agency</b></i>			
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	SEC5310-003-COSP1	74,747
Total U.S. Department of Transportation			<u><b>1,653,496</b></u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
<i><b>Passed Through Ohio Emergency Management Agency</b></i>			
Homeland Security Grant Program	97.067	AG150014401	382
Total U.S. Department of Homeland Security			<u><b>382</b></u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<i><b>Passed Through Cleveland Division of Police</b></i>			
Edward Byrne Memorial Competitive Grant Program	16.751	N/A	6,926
Total U.S. Department of Justice			<u><b>6,926</b></u>
<b>Total Expenditures of Federal Awards</b>			<u><u><b>\$1,660,804</b></u></u>

*The accompanying notes are an integral part of this schedule.*

**CITY OF STRONGSVILLE  
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE A – BASIS OF PRESENTATION**

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

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - MATCHING REQUIREMENTS**

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

City of Strongsville  
Cuyahoga County  
16099 Foltz Parkway  
Strongsville, Ohio 44149

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Strongsville, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 1, 2017, wherein we noted the City restated the net position of its governmental activities.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Dave Yost". The signature is fluid and cursive, with the first name "Dave" and last name "Yost" clearly distinguishable.

**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 1, 2017





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

City of Strongsville  
Cuyahoga County  
16099 Foltz Parkway  
Strongsville, Ohio 44149

To the City Council:

### ***Report on Compliance for the Major Federal Program***

We have audited the City of Strongsville's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Strongsville's major federal program for the year ended December 31, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

### ***Management's Responsibility***

The City's Management is responsible for complying 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 opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on the Major Federal Program***

In our opinion, the City of Strongsville complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2016.

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

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 would not necessarily 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.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Strongsville, Cuyahoga County, Ohio (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 1, 2017, wherein we noted the City restated the net position of its governmental activities. We conducted our audit to opine on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 1, 2017

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**CITY OF STRONGSVILLE  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2016**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Highway Planning and Construction, CFDA 20.205
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	No

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

None

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

None

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# **CITY OF STRONGSVILLE, OHIO**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2016**





# **CITY OF STRONGSVILLE, OHIO**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2016**

Issued by The Finance Department

Joseph K. Dubovec, CPA  
Director of Finance

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## **INTRODUCTORY SECTION**



**City of Strongsville, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2016*  
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Thomas P. Perciak  
Mayor

## City of Strongsville

16099 Foltz Parkway  
Strongsville, Ohio 44149-5598  
Phone: 440-580-3150  
Mayor's Office Fax: 440-572-3241  
[www.strongsville.org](http://www.strongsville.org)

June 1, 2017

Members of City Council and  
Honorable Citizens of Strongsville, Ohio

We are pleased to submit the Comprehensive Annual Financial Report of the City of Strongsville for the year ended December 31, 2016.

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires cities to file unaudited general purpose external financial statements with the Auditor of State within 150 days of year end.

Management assumes full responsibility for both the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has 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.

Dave Yost, Auditor of State, has issued an unmodified ("clean") opinion on the City of Strongsville'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.

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, and should be read in conjunction with it.

## **Profile of the Government**

The City of Strongsville is approximately 25 square miles and is located in Cuyahoga County in northeastern Ohio, approximately 14 miles southwest of the City of Cleveland. Strongsville was founded in 1816, became a township in 1818, a village in 1927, and became a city in 1961 under the laws of the State of Ohio. In 2010 the U.S Census Bureau reported that Strongsville had a population of 44,750, up 2 percent from 43,858 in 2000.

The City of Strongsville operates and is governed by its Charter, first adopted by the voters on November 4, 1958. The Charter has been and may be amended by the voters from time to time. A nine-member Charter Review Commission reviews the Charter every five years, and most recently did so in 2013. The City is also subject to some general laws applicable to all cities. Under the State of Ohio Constitution, the City may exercise all powers of local self-government and police powers to the extent not in conflict with applicable laws. The Charter provides for a mayor-council form of government.

Legislative authority is vested in a seven-member council. Three members are elected at-large, and four members are elected from wards. The Council fixes compensation of City officials and employees, enacts ordinances and resolutions relating to City services, tax levies, appropriations, borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the President of Council, who is elected by Council for a one year term. The Charter establishes certain administrative departments and Council may establish additional departments and divisions within departments.

The City of Strongsville's chief executive and administrative officer is the Mayor, who is elected by the voters for a four-year term. The Mayor appoints, subject to approval of a majority of the members of Council, the Directors of the City's departments. The Mayor also acts as the Director of Public Safety when there is a vacancy in that position, although currently no such vacancy exists, oversees the enforcement of all laws and ordinances, and executes all contracts, conveyances, evidences of indebtedness, and all other instruments to which the municipality is a party.

The City provides its residents with a full range of municipal services. These services include, among other things, police, fire, emergency medical assistance, recreation and senior programs, building code enforcement, sanitary and storm sewer maintenance, street maintenance and repair, street lighting, traffic signalization, snow removal, refuse disposal, cemetery services and the maintenance of all City lands, buildings and equipment.

The City of Strongsville maintains its legal level of budgetary control at the department level, separated into the categories of Personal Service, Other than Personal Service, and Transfers and Advances. The Finance Director is authorized to allocate appropriations for function and object levels within the same department and category as explained above without prior Council approval, as long as the total appropriation for each department and category does not exceed that of the Council-approved appropriation.

## **Profile of the City**

The City of Strongsville is served by diversified transportation facilities, including two State highways, U.S. Highway 42 and 82, and Interstate Highways I-71 and I-80 (the Ohio Turnpike). It is served by CSX Railroad for freight rail services, Amtrak for passenger rail services located in nearby Cleveland, and is served by passenger and freight air services at Cleveland Hopkins International Airport, located within five miles of the City, and Burke Lakefront Airport located in downtown Cleveland. Public mass transit for the area is provided by the Greater Cleveland Regional Transit Authority.

Within a 30-minute drive from the City are the locations of the Rock and Roll Hall of Fame, Progressive Field, Quicken Loans Arena, FirstEnergy Stadium, the world-class Cleveland Orchestra, the Cleveland Museum of Art, the Natural History Museum, the Western Reserve Historical Society, the Cleveland Playhouse and Karamu House, a multi-racial performing arts center. These and other facilities in the area offer an extensive variety of cultural and educational programs to the residents of Strongsville, as well as professional sports including baseball, basketball and football.

The City of Strongsville owns four parks offering residents a variety of activities to improve health and fitness. The 57-acre Strongsville Recreation Park has three baseball diamonds and tennis courts. Surrarer Park, on the City's east side, has a baseball diamond, tennis courts and a covered pavilion. Volunteer Park, on the City's west side, has six baseball diamonds, a covered picnic area, bocce ball court and horseshoe pits. The Youth Sports Park also on the City's west side has a regulation football field, three youth baseball fields and a covered picnic area. The Strongsville Business & Technology Park, home of the Strongsville Soccer Organization, offers residents many opportunities for fitness related activities. City residents can also take advantage of the Cleveland Metroparks within minutes of home. Located in the City section of the park system are the popular toboggan chutes, Mill Stream Run and a facility for year-round recreational activities, the Chalet. Gardenview Horticultural Park is a botanical park located on 16 acres near the south end of the City. Visitors can view more than 500 species of trees and plants.

## **Economic Development**

The City of Strongsville is home to a diverse, growing local economy that maintains a solid tax base through established business parks and a thriving commercial sector. Development in the City of Strongsville has closely followed the City's Comprehensive Master Plan, which was first developed in the early 1960s and has been modified regularly to accommodate changes in the economic climate. As part of that plan, four industrial development areas, totaling over 2,362 acres, have been established within the City featuring large setbacks and ample green space, resulting in a "park-like" atmosphere. A summary of each of the four business parks is listed below:

### **The Strongsville Business & Technology Park**

- 1,693 acres; 70% developed
- 3,617,028 SF of build-out with a 9.5% vacancy rate
- Home to over 70 companies that employ over 3,000 employees
- Ranked as the #1 industrial park in Northeast Ohio by Crain's Cleveland Business (9/2016)
- Over 500 acres of undeveloped, greenfield land available for future industrial development
- Major employers in the park: Momentive Performance Material's Quartz Division, Vitamix, Foundation Software, Clark Reliance's Corporate Headquarters, Sparton Medical Devices, CCL Label, and Eberhard Manufacturing

#### The Dow Circle Research & Development Park

- 258 acres; 95% developed
- 972,812 SF of build-out with a 0% vacancy rate
- Home to over 30 companies that employ over 2,600 employees
- Major employers in the park: Regional Headquarters for Enterprise Rental Car, Lumitex, Akzo Nobel Coatings RD&I Center, and PNC Bank's Technology Center

#### The Progress Drive Business Park

- 325 acres; 96% developed
- 1,508,326 SF of build-out with a 2.92% vacancy rate
- Home to over 40 companies that employ over 2,000 employees
- Ranked #10 industrial park in Northeast Ohio by Crain's Cleveland Business (9/2016)
- Major employers in the park: Corporate Headquarters of Atlantic Tool & Die, PPG Industries, and Insight/Chemical Services

#### Park 82

- 86 acres; 100% developed
- 1,425,130 SF of build-out with 2.79% vacancy rate
- Home to over 15 companies that employ over 1,000 employees
- Major employers in the park: Darice Inc., HMI, Intralot, and Dealer Tire

Overall, Strongsville's business parks are home to 7,523,296 SF of industrial/high tech build-out with an occupancy rate at 95%, as of December 31, 2016.

Job growth and business retention continued to be robust within the business parks in 2016. A highlight of several projects within the business parks include:

#### Woodpecker Inc.

- Company Description:* Manufacturer of woodworking tools
- Business Park:* Prospect Road
- 45,800 SF expansion of existing manufacturing facility
- Creation of 50 new jobs

#### Foundation Software

- Company Description:* Software Developer
- Business Park:* Strongsville Business & Technology Park
- Purchased an additional 33,000 SF of office space within Strongsville to facilitate continued growth
- Recognized as the 24<sup>th</sup> fastest growing company in Northeast Ohio by Crain's Cleveland Business (11/2016)
- Recognized as the 10<sup>th</sup> largest local software developer in Northeast Ohio by Crain's Cleveland Business (2/2016)

#### Union Home Mortgage

- Company Description:* Mortgage Banking Specialist
- Business Park:* Dow Circle Research & Development Park
- Purchased 24,000 SF office building and expanded parking lot for additional headcount
- Recognized as the 14<sup>th</sup> fastest growing company in Northeast Ohio by Crain's Cleveland Business (11/2016)

#### Micron Metalworking

- Company Description:* Manufacturer of wheel end products for the automotive industry
- Business Park:* Progress Drive Business Park
- Purchased 64,762 SF manufacturing facility
- Relocated 30 plus technical manufacturing positions to Strongsville

#### Lee's Grinding

- Company Description:* Precision grinding for the medical and military industries
- Business Park:* Strongsville Business & Technology Park
- Expanded their manufacturing facility 9,045 SF

#### XL Screw Corp

- Company Description:* Distributor of screws and nuts
- Business Park:* Strongsville Business & Technology Park
- Leased 46,400 SF in the new Mills Business Park
- Relocated 25 employees to Strongsville

#### Tyco Simplex Grinnell

- Company Description:* Provider of emergency communication systems/services
- Business Park:* Strongsville Business & Technology Park
- Leased 21,000 SF of office space

#### Medical Mutual

- Company Description:* Healthcare insurance provider
- Business Park:* Dow Circle Research & Development Park
- Relocated within Strongsville to 88,816 SF of office space
- Retained over 350 employees

To facilitate the expansion and attraction of economic development projects, the City utilizes four tax incentive programs:

- **Community Reinvestment Area (CRA) Program**  
The City has established nineteen (19) Pre-1994 CRAs within and surrounding Strongsville's business parks. Improvements within these CRAs are granted an exemption from real estate property taxes for 100% of the incremental increase in assessed value for a period of up to 15 years.
- **Strongsville Job/Payroll Creation Incentive Grant Program**  
In 2013, the City of Strongsville created a new incentive program designed to attract large end-users with significant payroll to the community. Under the Strongsville Job/Payroll Creation Incentive Grant Program, a company that creates and maintains over \$6 million in new annual payroll within the City is eligible for an annual grant payment based on a percentage of the annual payroll withholding taxes generated by the project.

- **Enterprise Zone Program**  
The City's Enterprise Zone Program provides tax incentives in a designated Enterprise Zone to businesses that agree to invest in capital improvements and create or retain jobs. Tax incentives under this program are negotiated and can provide tax abatements of up to 75% for a term of up to ten years, subject to City, County and State approval.
- **Foreign Trade Zone (FTZ)**  
The City has seven (7) established FTZs within the City's business parks. FTZs allow companies to defer, reduce, or eliminate US Customs' duties.

In addition to the local tax incentive programs, the City of Strongsville utilizes County programs such as the Storefront Renovation Program and Brownfield Redevelopment Funds, as well as State programs for job creation and workforce development.

### **Long-Term Financial Planning, Initiatives and Accomplishments**

The City's entire bond portfolio is rated Aaa by Moody's Investors Service. This is the highest rating a city can receive, which attests to the City's prudent fiscal management and strong economic health.

Not including the additional hires needed to operate the New Regional Dispatch Center, the City has reduced its full-time workforce by forty-one employees over the past nine years. It has found innovative ways to further reduce costs without a reduction in services provided to its residents. The City continues to pay down its debt, and took advantage of an advance refunding opportunity in 2016 that resulted in a cash savings of \$1,838,233 over the remaining life of the bonds.

Although the City has not adopted a formal minimum fund balance policy, we have always strived to maintain fund balances that would finance at least a minimum of three months (25 percent) of operations. The Finance Department reviews all transactions on an on-going basis, balances bank accounts daily, and works diligently to manage and monitor revenues and expenditures to ensure that adequate fund balances are maintained.

The City's Tax Increment Financing (TIF) Specialist along with the Mayor and Economic Development Director, have aggressively pursued the use of TIF Financing as an economic development tool. The City currently has fifteen areas designated as TIF Financing Districts. Total TIF revenue collected since the inception of the TIF program has now reached \$9,135,976.

The Earned Benefits Fund which was created in 2012 continues to be funded. This fund will be used to account for the resources set aside for payment of accumulated sick leave and vacation leave balances upon the termination of employment by employees of the City, and for the payment of salaries and wages during a twenty-seven pay year occurring once every eleven years.

The City's Engineering Department has developed a proactive 10-phase Sanitary Sewer Capital Improvement Plan designed to eliminate some 663 of the 850 septic systems in place throughout the City. The first three phases of this plan have been completed at a total construction cost of \$3,366,349, including a grant from the Ohio Public Works Commission totaling some \$795,976. Loans from the Ohio Water Development Authority were obtained to pay the residents' share of the construction costs, which will be repaid from the proceeds of special assessments levied against the property owners who benefitted from these projects. The plans for Phase IV of the 10-phase project with a total of 91 septic systems scheduled to be eliminated, have been completed. Construction on this Phase of the project is scheduled to begin in July of 2017. The total estimated cost of this project, which includes water line and storm sewer upgrades is \$2,573,660.



The City was awarded grants in the amount of \$1,234,330 from Northeast Ohio Regional Sewer District and a twenty-year zero percent interest loan in the amount of \$987,465.

In 2016 the City also continued with a sanitary sewer rehabilitation program that began in 2011. This program is designed to help alleviate sewer backups in basements caused by storm water inflow and infiltration into the sanitary sewer system during heavy rains. The process involves pressure testing each joint in a designated public sanitary sewer line. If the joint fails the pressure test, grout is pumped in to seal the joint, and it is tested again to ensure that it has been properly sealed.

The City has continued its commitment to improve infrastructure throughout the City, and to also upgrade its vehicle fleet. Approximately \$3.3 million was spent on roadway projects, concrete replacement and asphalt reconstruction, while a combined \$1.2 million was spent on the replacement of four leaf vac's, a leaf vac with tow behind leaf collector, nine jeeps, two senior vans, pickup truck with plow, four police vehicles, a Harley Davidson police motorcycle, ambulance, tractor, sweeper, five trailers and a new excavator.

Early in 2016 the City opened its doors to a Nurse's Clinic at the Strongsville Recreation Center made possible through a partnership between Southwest General Hospital and the City. This Clinic is open to City employees, members of the recreation center and people in the community. It is staffed by a Nurse Practitioner at no cost to the city, providing convenient, on-site treatment for things such as colds, flu, ear infections, minor cuts or abrasions, sprains and bladder infections.

In 2016 the City hosted the seventh annual Strongsville Community Business Expo, a community-friendly event designed to support the local business community by increasing exposure of the goods and services they provide to the public. The expo, which is marketed with radio spots and ads in area newspapers, attracted over 120 business vendors that provide product demonstrations, samples and promotional literature to thousands of area residents.

For more than seventeen years, Strongsville has offered its residents curbside recycling. In 2016, a \$5,000 grant was received to design and distribute the City's Recycling newsletter, "Keeping Strongsville Green". Over 18,000 households now receive the newsletter that promotes the program.

The City received its 22<sup>nd</sup> – Tree City USA Award, sponsored by the National Arbor Day Foundation in cooperation with the U.S. Forest Service, the U.S. Conference of Mayors, the National Association of State Foresters, and the National League of Cities.

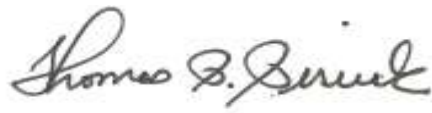
### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Strongsville for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized comprehensive annual financial report that satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements. A certificate is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements, and are submitting it to GFOA to determine its eligibility for another certificate.

The successful completion of a report of this scope depends upon the dedicated contributions of many employees. The sincere appreciation of those primarily responsible for the completion of this CAFR is extended to all contributors, but especially those employees in the Department of Finance who have spent their time and energy on various parts of the report, and to the staff from James G. Zupka, Certified Public Accountants, Incorporated, for their assistance in compiling the Comprehensive Annual Financial Report.

In addition, we would like to thank the members of Strongsville City Council, for their support in striving for excellence in financial reporting and disclosure.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Thomas P. Perciak". The signature is fluid and cursive, with a large initial 'T' and 'P'.

Thomas P. Perciak  
Mayor

A handwritten signature in dark ink, appearing to read "Joseph K. Dubovec". The signature is fluid and cursive, with a large initial 'J' and 'D'.

Joseph K. Dubovec, CPA  
Director of Finance

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

<u>Official</u>	<u>Term</u>	<u>Term Expiration</u>
Mayor:		
Thomas P. Perciak	4 years	December 31, 2019
Council Members:		
<u>At-Large:</u>		
Joseph C. DeMio	4 years	December 31, 2017
Kenneth M. Dooner - President Pro Tem	4 years	December 31, 2017
John D. Southworth, Jr. - President	4 years	December 31, 2017
<u>Wards:</u>		
Michael J. Daymut (Ward 1)	4 years	December 31, 2019
Matthew A. Schonhut (Ward 2)	4 years	December 31, 2019
James E. Carbone - (Ward 3)	4 years	December 31, 2019
Gordon C. Short (Ward 4)	4 years	December 31, 2019

## **City of Strongsville, Ohio**

*Appointed Officials*

*December 31, 2016*

Law Director:  
Neal M. Jamsion

Communication & Technology Director:  
David E. Sems

Assistant Law Director:  
Daniel J. Kolick

Human Resources Director:  
Stephen F. Kilo

Finance Director:  
Joseph K. Dubovec, CPA

Recreation, Parks & Senior Services Director:  
Bryan V. Bogre

Service Director:  
Joseph M. Walker

Chief of Police:  
James D. Kobak

Economic Development Director:  
Brent T. Painter

Chief of Fire:  
John D. Draves

City Engineer:  
Kenneth P. Mikula

Magistrate:  
Kenneth A. Kraus

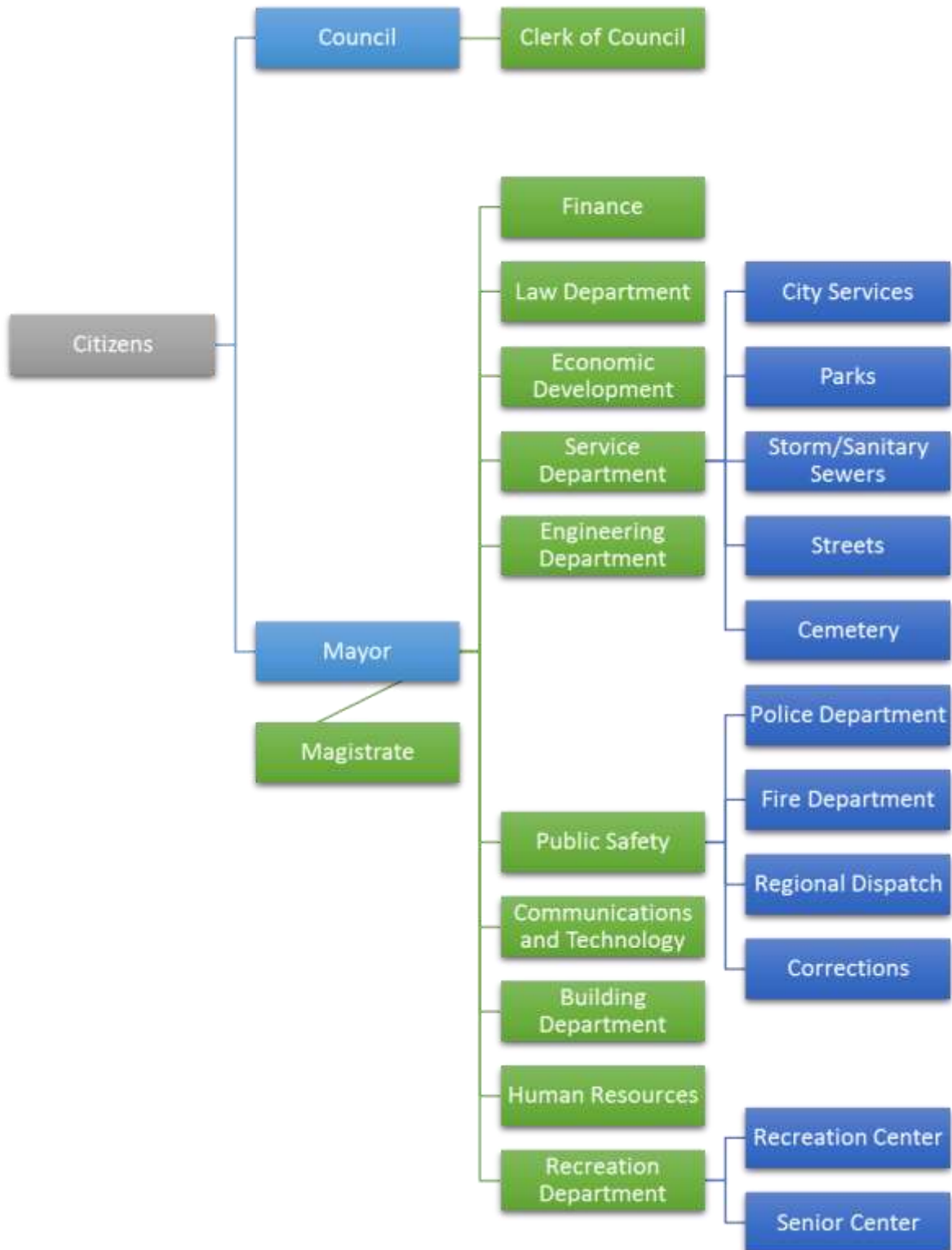
Building Commissioner:  
Anthony J. Biondillo

City Prosecutor:  
George F. Lonjak

Clerk of Council (Appointed by Council):  
Aimee K. Pientka

Public Safety Director:  
Charles W. Goss

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





Government Finance Officers Association

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

Presented to

**City of Strongsville  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO

## **FINANCIAL SECTION**







# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

City of Strongsville  
Cuyahoga County  
16099 Foltz Parkway  
Strongsville, Ohio 44149

To the City Council:

### ***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 Strongsville, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider 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 to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our opinions.

## ***Opinion***

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 Strongsville, Cuyahoga County, Ohio, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Street Construction, Maintenance and Repair Fund, and Fire Levy Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

### ***Supplementary and Other Information***

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2017, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Dave Yost". The signature is fluid and cursive, with a large loop at the end of the last name.

**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 1, 2017

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

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As management of the City of Strongsville (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with the additional information contained in the financial statements and the notes thereof.

**Financial Highlights**

- The City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the close of 2016 by \$203,450,392.
- The City's total net position increased \$5,690,838 or 2.88 percent in 2016. Net position of the governmental activities increased \$3,740,574, which represents a 2.57 percent increase from 2015. Net position of the business-type activities increased \$1,950,264 or 3.75 percent from 2015.
- The General Fund reported a fund balance of \$16,428,536 at the end of the current fiscal year. The unassigned fund balance for the General Fund was \$13,079,275 or 36.38 percent of the total General Fund expenditures (including transfers out). The General Fund experienced an increase of \$1,080,120 in its fund balance for the year ended December 31, 2016.

**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.

**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 a private-sector business. 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 nonmajor funds presented in one column.

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 may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most 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 the 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).

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

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Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, security of persons and property, public health services, transportation, community environment, basic utility services, leisure time activities, and interest and fiscal charges. The business-type activities include sanitary sewer services and improvements.

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

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

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

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

The City maintains 31 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, Street Construction, Maintenance, and Repair Fund, Fire Levy Fund, General Bond Retirement Fund, and General Capital Improvement Fund, all of which are considered to be major funds. Data from the other 26 governmental funds are combined into a single aggregated presentation.

The basic governmental fund financial statements can be found on pages 22-28 of this report.

***Proprietary Funds.*** The City maintains two different types of 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 an enterprise fund to account for its sanitary sewer operations. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally to the City's various functions. The City has two Internal Service Funds to account for workers' compensation coverage and health insurance.

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

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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 sanitary sewer operations, as it is considered a major fund and the internal service funds.

The basic proprietary fund financial statements can be found on pages 29-32 of this report.

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

The basic fiduciary fund financial statement can be found on page 33 of this report.

***Notes to the Basic Financial Statements.*** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and can be found on pages 35-81.

### **Government-wide Financial Analysis**

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

These two statements report the City's net position and the changes in that position. The change in net position is important because it tells the reader whether, for the City as a whole, 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 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 Expenses and Revenues
- General Revenues
- Net Position Beginning and End of Year

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

**The City of Strongsville as a Whole**

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015 *	2016	2015	2016	2015
<b>ASSETS</b>						
Current and other assets	\$ 57,114,250	\$ 53,583,595	\$ 12,512,353	\$ 10,172,172	\$ 69,626,603	\$ 63,755,767
Capital assets, net	194,466,884	192,546,769	44,991,209	45,326,308	239,458,093	237,873,077
Net Pension Asset	30,651	20,042	2,379	1,581	33,030	21,623
<b>Total Assets</b>	<b>251,611,785</b>	<b>246,150,406</b>	<b>57,505,941</b>	<b>55,500,061</b>	<b>309,117,726</b>	<b>301,650,467</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferral on Refunding	2,807,867	1,637,286	-	-	2,807,867	1,637,286
Pension	14,645,302	5,581,858	460,735	143,888	15,106,037	5,725,746
<b>Total Deferred Outflows of Resources</b>	<b>17,453,169</b>	<b>7,219,144</b>	<b>460,735</b>	<b>143,888</b>	<b>17,913,904</b>	<b>7,363,032</b>
<b>LIABILITIES</b>						
Current and other liabilities	4,119,699	3,346,512	246,124	57,027	4,365,823	3,403,539
Long-term liabilities:						
Due within one year	4,293,493	4,101,469	290,832	284,013	4,584,325	4,385,482
Due in more than one year:					-	-
Net Pension Liability	51,674,374	40,441,527	1,147,103	774,136	52,821,477	41,215,663
Other Amounts	48,126,617	49,061,365	2,294,155	2,499,888	50,420,772	51,561,253
<b>Total Liabilities</b>	<b>108,214,183</b>	<b>96,950,873</b>	<b>3,978,214</b>	<b>3,615,064</b>	<b>112,192,397</b>	<b>100,565,937</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes	9,261,300	9,082,217	-	-	9,261,300	9,082,217
Payments in Lieu of Taxes	1,511,045	1,413,124	-	-	1,511,045	1,413,124
Pension	593,101	178,585	23,395	14,082	616,496	192,667
<b>Total Deferred Inflows of Resources</b>	<b>11,365,446</b>	<b>10,673,926</b>	<b>23,395</b>	<b>14,082</b>	<b>11,388,841</b>	<b>10,688,008</b>
<b>NET POSITION</b>						
Net Investment in						
Capital Assets	151,649,343	147,391,701	42,735,455	42,840,063	194,384,798	190,231,764
Restricted	18,322,568	17,214,931	-	-	18,322,568	17,214,931
Unrestricted	(20,486,586)	(18,861,881)	11,229,612	9,174,740	(9,256,974)	(9,687,141)
<b>Total Net Position</b>	<b>\$ 149,485,325</b>	<b>\$ 145,744,751</b>	<b>\$ 53,965,067</b>	<b>\$ 52,014,803</b>	<b>\$ 203,450,392</b>	<b>\$ 197,759,554</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 net pension assets and deferred outflows related to pension.



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Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. 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 asset/liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension asset/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 asset/liability not accounted for as deferred inflows/outflows.

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

The Net Position as of December 31, 2015 was restated by \$(736,726) due to the Ohio Police and Fire Pension Fund (OP&F) making a revision to the census file provided to its actuary. The revisions are due to the information reported late that impacted the January 1, 2014 census file used to determine the total net pension liability. As a result of the additional information, the December 31, 2014 and January 1, 2014 numbers presented have been restated by OP&F. See Note 3 for restatement for further information.

Net position may serve over time as useful indicator of a government's financial position. The City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the close of 2016 by \$203,450,392. Due to the implementation of GASB 68 and the addition of the City's net pension of liability of \$52,821,477, the City's unrestricted net position was a negative \$9,256,974 and the governmental activities unrestricted net position was a negative \$20,486,586, respectively. The unrestricted net position of the City's business-type activities was \$11,229,612, with net investment in capital assets accounting for \$42,735,455 or 79.19 percent of the total business-type activities' net position. It is important to note that the unrestricted net position of the City's business-type activities, \$11,229,612, may not be used to fund governmental activities.

The largest portion of the City's total net position (95.54 percent) reflects its investments in capital assets (e.g., land, construction in progress, buildings, land improvements, machinery and equipment, furniture and fixtures, vehicles, and infrastructure), less any related debt used 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 citizens; therefore, 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 the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Total assets increased from 2015 to 2016 in the amount of \$7,467,259 (included infrastructure donated by developers of \$4,385,348 and ball lighting of \$193,000), while the City's total liabilities increased by \$11,626,460. The increase in assets was primarily due to increases in capital assets along with an increase in cash, that have been set aside to fund certain capital projects in 2017. Cash increased because the City accumulated resources for capital projects to be completed in 2017. The increase in liabilities is primarily attributed to an increase in Net Pension Liability of \$11,605,814.

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>REVENUES</b>						
Program Revenues:						
Charges for services	\$ 8,052,995	\$ 7,687,931	\$ 7,511,939	\$ 6,726,483	\$ 15,564,934	\$ 14,414,414
Operating grants and contributions	2,125,578	2,052,825	-	486	2,125,578	2,053,311
Capital grants and contributions	5,507,430	7,030,152	1,122,502	1,984,382	6,629,932	9,014,534
Total Program Revenues	15,686,003	16,770,908	8,634,441	8,711,351	24,320,444	25,482,259
General Revenues:						
Property taxes	9,133,995	9,658,805	-	-	9,133,995	9,658,805
Municipal income taxes	35,293,147	34,865,591	-	-	35,293,147	34,865,591
Other taxes	1,356,437	1,315,435	-	-	1,356,437	1,315,435
Payments in lieu of taxes	1,443,717	2,149,150	-	-	1,443,717	2,149,150
Grants and entitlements	1,955,574	2,074,097	-	-	1,955,574	2,074,097
Investment income	344,358	85,319	114,232	45,513	458,590	130,832
All other revenues	84,178	112,597	2,575	30,000	86,753	142,597
Total General Revenues	49,611,406	50,260,994	116,807	75,513	49,728,213	50,336,507
<b>Total Revenues</b>	<b>65,297,409</b>	<b>67,031,902</b>	<b>8,751,248</b>	<b>8,786,864</b>	<b>74,048,657</b>	<b>75,818,766</b>
<b>EXPENSES</b>						
Program Expenses:						
Security of persons and property	27,112,686	24,419,872	-	-	27,112,686	24,419,872
Public health services	665,050	633,105	-	-	665,050	633,105
Leisure time activities	6,147,676	5,795,150	-	-	6,147,676	5,795,150
Community environment	1,737,171	1,555,688	-	-	1,737,171	1,555,688
Basic utility services	2,577,206	2,372,551	-	-	2,577,206	2,372,551
Transportation	17,172,786	16,398,784	-	-	17,172,786	16,398,784
General government	4,636,384	4,520,606	-	-	4,636,384	4,520,606
Interest and fiscal charges	1,507,876	1,694,011	84,458	104,593	1,592,334	1,798,604
Sanitary sewer	-	-	6,716,526	6,780,490	6,716,526	6,780,490
<b>Total Expenses</b>	<b>61,556,835</b>	<b>57,389,767</b>	<b>6,800,984</b>	<b>6,885,083</b>	<b>68,357,819</b>	<b>64,274,850</b>
Change in Net Position	3,740,574	9,642,135	1,950,264	1,901,781	5,690,838	11,543,916
Net Position - Beginning of Year, as Restated	145,744,751	136,102,616	52,014,803	50,113,022	197,759,554	186,215,638
<b>Net Position - End of Year</b>	<b>\$ 149,485,325</b>	<b>\$ 145,744,751</b>	<b>\$ 53,965,067</b>	<b>\$ 52,014,803</b>	<b>\$ 203,450,392</b>	<b>\$ 197,759,554</b>

**Governmental Activities**

Governmental activities increased the City's net position by \$3,740,574 due to total revenues of \$65,297,409 exceeding total program expenses of \$61,556,835. Several types of revenues fund the City's governmental activities with the City's income tax being the biggest contributor. The income tax rate was 2.00 percent for 2016, the same as the prior year.

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Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City has provided a 75.00 percent credit up to 2.00 percent for those who pay income tax to another City. City Council could, by Ordinance, choose to vary that income tax credit and create additional revenues for the City.

The municipal income tax revenue for 2016 was \$35,293,147. Of the \$65,297,409 in total program and general revenues, municipal income tax accounts for 54.05 percent of that total. In 2016, the City experienced an increase in municipal income tax revenues when compared to 2015. This increase can be attributed to an increase in the prior years' collections received in 2016 (on a cash-basis) - \$552,943 due in part to the continuation of the Federal Tax Information (FTI) program that was implemented by RITA in 2010. This program matches income reported to the IRS with income reported to RITA to determine if taxpayers are reporting all of their income.

Property taxes of \$9,133,995 account for 13.99 percent of total revenues; charges for services account for 12.33 percent of total revenues; capital grants and contributions account for 8.43 percent of total revenues; operating grants and contributions, and general revenues from grants and entitlements account for 6.25 percent of total governmental revenues; and investment earnings, other taxes, payments in lieu of taxes, and all other revenues make up the remaining 4.95 percent.

General revenues from grants and entitlements, such as local government funds, estate tax, and the CAT tax have either been eliminated or reduced substantially by the State of Ohio the last few years. With the reduced support from the State, the City must rely more heavily on economic development, as well as, increasing revenues from other sources. The City monitors its sources of revenues very closely for fluctuations.

In total, the City's governmental activities experienced a 7.26 percent increase in 2016 program expenses when compared to 2015 expenses. The largest program function for the City is security of persons and property. During 2016, 44.04 percent of all program expenses relate to security of persons and property, which includes Police and Fire protection. The expenses of this program experienced a 11.03 percent increase from 2015 to 2016. This increase was primarily due to an increase in pension costs of \$1,512,095 and to regionalism costs associated with the completion of the City's new regional dispatch center.

The second largest program function of the City is transportation and the expenses of this program increased 4.72 percent. During 2016, 27.90 percent of program expenses relate to transportation, which includes road repairs and snow removal. The annual depreciation expense that is included in the total transportation expense is \$6,715,382.

### **Business-Type Activities**

The business-type activities of the City, which pertain to the City's sanitary sewer operations, increased the City's total net position by \$1,950,264. This is primarily due to an increase in revenues caused by a rate increase by Northeast Regional Sewer District (NEORS) that the City passed along to the customers the City provides treatment for. This increase coupled with a decrease in depreciation expense due to fully depreciated assets within the sewer system will provide for needed upgrades within the City's sanitary sewer system.

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**Financial Analysis of Governmental Funds**

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

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

As of December 31, 2016, the City's governmental funds reported an ending combined fund balance of \$33,823,829, an increase of \$2,470,769 in comparison with the prior year. \$12,476,562 of the ending combined fund balance for 2016 constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is *nonspendable, restricted, or committed* to indicate that it is not available for new spending because it is not in spendable form or it has already been restricted or committed by external or internal constraints.

All governmental funds had total revenues of \$61,448,067 and expenditures of \$59,382,830 (not including other financing sources and uses) with revenues exceeding expenditures by \$2,065,237. Total revenues increased from the previous year due to a modest increase in Municipal Income Taxes, a large uptick in investment income, and Charges for Services coupled with a decrease in Payments in Lieu of Taxes which decreased because of a large delinquent payment was received in 2015, as well as, multi-year catch up payments in 2015. Municipal Income Taxes increased approximately 3.46% due to the City's economic development efforts resulting in a strong, diversified commercial tax base that is not reliant upon a single industry or a small group of employers. Charges for Services increased due to an increase in building permits caused by new developments and the expansion/renovations of existing facilities.

Total governmental funds expenditures increased in 2016 by 2.37% primarily due to an increase in Security Persons and Property, a 2% cost of living adjustment, and Capital Outlay. The increase in Security Persons and Property is due to the hiring of additional dispatchers and corrections officers needed to operate the expanding Regional Dispatch Center. Capital Outlay increased due to the continued investment in roadway and drainage projects along with an investment in vehicles and equipment that include the replacement of four leaf vacs, leaf vac with tow behind collector, nine jeeps, two senior vans, pick up truck with plow, four police vehicles, police motorcycle, ambulance, sweepster, five trailers and a new excavator.

**General Fund Analysis**

The General Fund is the chief operating fund of the City. At the beginning of the current year, total fund balance for the General Fund was \$15,348,416. General Fund expenditures (including transfers out) for the current year were \$35,947,068, with revenues and other financing sources of \$37,027,188, leaving a fund balance of \$16,428,536, and an unassigned balance of \$13,079,275 in the General Fund.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (including transfers out). The General Fund's unassigned fund balance represents 36.38 percent of total General Fund expenditures (including transfers out) while total fund balance represents 45.70 percent of that same amount. In 2016, the fund balance of the City's General Fund increased by \$1,080,120 when compared to 2015.

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The primary reason for this increase was due to municipal income tax revenues experienced an increase of \$1,120,011, as well as fees, licenses, permits, and interest income.

**Other Major Governmental Funds Analysis**

The City's Street Construction, Maintenance and Repair Fund experienced a decrease of \$358,683 in its 2016 fund balance when compared to 2015 due to a decrease in operating transfers from the previous year.

The City's Fire Levy Fund experienced a decrease of \$407,014, in its 2016 fund balance when compared to 2015. This decrease was due to an increase in capital expenditures associated with the renovation of Fire Station #3.

The City's General Bond Retirement Fund experienced an increase of \$991,642 in its 2016 fund balance when compared to 2015. The main contributor to this increase was the premium associated with the 2016 refunding of the callable portion of Series 2009 outstanding bonds, there was also a decrease in property taxes and intergovernmental revenue due to the expiration of the voted .5 mill dedicated to the construction of the City's library that was repaid five years early.

The City's General Capital Improvement Fund experienced a decrease of \$312,748 in its 2016 fund balance when compared to 2015. The primary contributor to this decrease was a reduction in operating transfer in and a reduction in interest expense due to refunding.

**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 and disbursements. The most significant budgeted fund is the General Fund. During the course of 2016, the City amended its General Fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund. The General Fund supports many of the City's major activities such as the Police Department, Fire Department, Service Department, and Recreation Department, as well as most legislative and executive activities. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the General Fund, original budgeted revenues (including other financing sources) were \$35,379,023. The final budgeted revenue amount (including other financing sources) was \$37,403,828. This increase was primarily due to an increase in the estimates for municipal income tax, fees licenses and permits, and the repayment of advances. The actual revenues (including other financing sources) were lower than the final budgeted amounts by \$142,597.

Original General Fund budgeted expenditures (including other financing uses) were \$35,490,700 and the final amended budgeted expenditures (including other financing uses) were \$38,901,900. Actual General Fund expenditures (including other financing uses) were \$37,171,921 or 4.45 percent less than the final budgeted amounts. This was most notable in security of persons and property and general government. The favorable variance when comparing actual expenditures to the final budget amounts is due to prudent fiscal management and a conservative budgeting strategy.

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**Capital Assets and Debt Administration**

**Capital Assets** - The City's investment in capital assets for governmental and business-type activities as of December 31, 2016, amounts to \$239,458,093 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, land improvements, machinery and equipment, furniture and fixtures, vehicles, streets, sidewalks, bridges, traffic signalization, and storm and sanitary sewers.

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 11,584,462	\$ 11,584,462	\$ 1,508,079	\$ 1,508,079	\$ 13,092,541	\$ 13,092,541
Construction in progress	3,504,915	1,255,950	37,677	44,401	3,542,592	1,300,351
<b>Total Non-Depreciable</b>	<b>15,089,377</b>	<b>12,840,412</b>	<b>1,545,756</b>	<b>1,552,480</b>	<b>16,635,133</b>	<b>14,392,892</b>
Buildings	39,555,106	40,511,286	3,893,142	4,068,357	43,448,248	44,579,643
Land improvements	1,924,007	1,752,131	260,702	265,602	2,184,709	2,017,733
Machinery and equipment	1,399,229	955,315	1,796,145	1,442,476	3,195,374	2,397,791
Furniture and fixtures	162,926	203,966	986	986	163,912	204,952
Vehicles	3,689,724	3,691,445	847,239	712,551	4,536,963	4,403,996
Infrastructure:						
Streets	67,194,474	68,051,174	-	-	67,194,474	68,051,174
Bridges	164,388	172,123	-	-	164,388	172,123
Storm sewers	58,752,800	57,449,626	-	-	58,752,800	57,449,626
Sidewalks	2,832,203	2,971,134	-	-	2,832,203	2,971,134
Traffic signalization	3,702,650	3,948,157	-	-	3,702,650	3,948,157
Sanitary sewers	-	-	36,647,239	37,283,856	36,647,239	37,283,856
<b>Total Depreciable,</b>						
<b>Net of Depreciation</b>	<b>179,377,507</b>	<b>179,706,357</b>	<b>43,445,453</b>	<b>43,773,828</b>	<b>222,822,960</b>	<b>223,480,185</b>
<b>Total Capital Assets,</b>						
<b>Net of Depreciation</b>	<b>\$ 194,466,884</b>	<b>\$ 192,546,769</b>	<b>\$ 44,991,209</b>	<b>\$ 45,326,308</b>	<b>\$ 239,458,093</b>	<b>\$ 237,873,077</b>

Major capital asset events during 2016 included the following:

- Total capital assets, net of accumulated depreciation, increased by \$1,585,016;
- Governmental activity capital assets increased by \$1,920,115 (net of accumulated depreciation). This increase is mainly due to a subdivision donation from a developer; and
- Business-type activity capital assets slightly decreased by \$335,099 (net of accumulated depreciation). The decrease was due to current year depreciation expense exceeding capital additions.

Refer to Note 10 of the basic financial statements for more detail on capital asset activity.

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**Debt** - The General Bond Retirement Debt Service Fund is funded primarily with 2.3 mills of the City's inside property tax millage and related intergovernmental revenues, special assessments, and General Fund transfers. At December 31, 2016, the City had \$44,517,848 of long-term bonds and loans outstanding, with \$42,262,094 in governmental activities and \$2,255,754 in business-type activities and is included herein.

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ 40,145,000	\$ 42,460,000	\$ -	\$ -	\$ 40,145,000	\$ 42,460,000
Special Assessment Bonds	50,000	170,000	-	-	50,000	170,000
OPWC Loan	2,064,094	2,172,730	-	-	2,064,094	2,172,730
OWDA Loans	-	-	2,255,754	2,486,245	2,255,754	2,486,245
Total Outstanding Debt	<u>\$ 42,259,094</u>	<u>\$ 44,802,730</u>	<u>\$ 2,255,754</u>	<u>\$ 2,486,245</u>	<u>\$ 44,514,848</u>	<u>\$ 47,288,975</u>

In a continuing effort to be conscientious about how taxpayer dollars are spent, the City has received the Aaa rating from Moody's Investors Service. This rating was recently reaffirmed by Moody's in conjunction with the 2016 issuance of various purpose refunding debt. Strongsville remains one of the few cities in Ohio to have been awarded this rating.

The City is within all of its legal debt limitations. The Ohio Revised Code provides that the net debt (as defined in the Ohio Revised Code) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5 percent of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5 percent of the total taxation value of property. The statutory limitations on debt are measured by the ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2016, the City's overall legal debt margin was at \$109,388,461 and the unvoted legal debt margin was at \$37,243,025. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt is limited to ten mills. This millage is measured against the property values in each overlapping district.

Refer to Notes 14 and 15 of the basic financial statements for more detail on short-term and long-term debt activity.

### **Economic Factors**

The City's elected and appointed officials consider many factors when setting the budget parameters for each year. Budget priorities for the past several years continue to include; public safety, regionalism, job creation and retention, maintaining infrastructure, and prudent fund balances to protect the City's Aaa bond rating. The City keeps these objectives in mind while diligently monitoring revenues and expenditures on a daily basis. The City continues to practice measures of cost containment and will pursue any grants or donations available to fund operations and specific capital projects.

In conclusion, the implementation of GASB Statement No. 68 requires the reader to perform additional calculations to determine the City's Total Net Position at December 31, 2016 without the implementation of GASB Statement No. 68. This is an important exercise, as the State Pension Systems (OPERS & OP&F) collect, hold and distributes pensions to our employees, not the City of Strongsville. These calculations are as follows:



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	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Total Net Position at December 31, 2016 (with GASB 68)	\$ 149,485,325	\$ 53,965,067
GASB 68 Calculations:		
Add: Deferred Inflows related to Pension	593,101	23,395
Add: Net Pension Liability	51,674,374	1,147,103
Less: Net Pension Asset	(30,651)	(2,379)
Less: Deferred Outflows related to Pension	(14,645,302)	(460,735)
Total Net Position (without GASB 68)	<u>\$ 187,076,847</u>	<u>\$ 54,672,451</u>

**Request for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show accountability for the money it receives, spends, or invests. If you have any questions about this report or need financial information contact Director of Finance, Joseph K. Dubovec, CPA, City of Strongsville, 16099 Foltz Parkway, Strongsville, Ohio 44149, telephone 440-580-3100.

## **Basic Financial Statements**

# City of Strongsville, Ohio

## Statement of Net Position

December 31, 2016

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 31,672,179	\$ 8,459,129	\$ 40,131,308
Materials and Supplies Inventory	389,176	-	389,176
Accounts Receivable	735,525	2,676,001	3,411,526
Accrued Interest Receivable	94,067	20,517	114,584
Intergovernmental Receivable	3,761,159	-	3,761,159
Hotel Taxes Receivable	10,463	-	10,463
Franchise Taxes Receivable	201,671	-	201,671
Permissive Motor Vehicle Taxes Receivable	30,349	-	30,349
Prepaid Items	627,293	93,607	720,900
Municipal Income Taxes Receivable	10,011,636	-	10,011,636
Property Taxes Receivable	9,487,994	-	9,487,994
Special Assessments Receivable	92,738	1,263,099	1,355,837
Nondepreciable Capital Assets	15,089,377	1,545,756	16,635,133
Depreciable Capital Assets	179,377,507	43,445,453	222,822,960
Net Pension Asset	30,651	2,379	33,030
<b>Total Assets</b>	<b>251,611,785</b>	<b>57,505,941</b>	<b>309,117,726</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferral on Refunding	2,807,867	-	2,807,867
Pension	14,645,302	460,735	15,106,037
<b>Total Deferred Outflows of Resources</b>	<b>17,453,169</b>	<b>460,735</b>	<b>17,913,904</b>
<b>LIABILITIES</b>			
Accounts Payable	495,713	190,587	686,300
Contracts Payable	520,670	-	520,670
Accrued Wages and Benefits	654,894	19,758	674,652
Intergovernmental Payable	148,901	3,001	151,902
Matured Compensated Absences Payable	159,770	-	159,770
Accrued Interest Payable	110,742	-	110,742
Retainage Payable	114,274	32,778	147,052
Notes Payable	1,914,735	-	1,914,735
Long-term Liabilities:			
Due within one year	4,293,493	290,832	4,584,325
Due in more than one year:			
Net Pension Liability (See Note 12)	51,674,374	1,147,103	52,821,477
Other Amounts Due in more than one year	48,126,617	2,294,155	50,420,772
<b>Total Liabilities</b>	<b>108,214,183</b>	<b>3,978,214</b>	<b>112,192,397</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	9,261,300	-	9,261,300
Payments in Lieu of Taxes	1,511,045	-	1,511,045
Pension	593,101	23,395	616,496
<b>Total Deferred Inflows of Resources</b>	<b>11,365,446</b>	<b>23,395</b>	<b>11,388,841</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	151,649,343	42,735,455	194,384,798
Restricted for:			
Debt Service	3,418,188	-	3,418,188
Capital Projects	3,729,469	-	3,729,469
Police and Fire	3,816,699	-	3,816,699
Streets and Highways	6,297,742	-	6,297,742
Drainage Levy	569,031	-	569,031
Tree Maintenance	237,135	-	237,135
Other Purposes	254,304	-	254,304
Unrestricted	(20,486,586)	11,229,612	(9,256,974)
<b>Total Net Position</b>	<b>\$ 149,485,325</b>	<b>\$ 53,965,067</b>	<b>\$ 203,450,392</b>

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

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

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and Contributions	Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental activities:</b>				
Security of Persons and Property	\$ 27,112,686	\$ 2,923,756	\$ 65,935	\$ -
Public Health Services	665,050	59,325	-	-
Leisure Time Activities	6,147,676	3,169,763	100,500	267,747
Community Environment	1,737,171	1,560,243	5,000	-
Basic Utility Services	2,577,206	62,034	-	-
Transportation	17,172,786	8,213	1,954,143	5,239,683
General Government	4,636,384	269,661	-	-
Interest and Fiscal Charges	1,507,876	-	-	-
<b>Total Governmental activities</b>	<b>61,556,835</b>	<b>8,052,995</b>	<b>2,125,578</b>	<b>5,507,430</b>
<b>Business-type activities:</b>				
Sanitary Sewer	6,800,984	7,511,939	-	1,122,502
<b>Total Business-type activities</b>	<b>6,800,984</b>	<b>7,511,939</b>	<b>-</b>	<b>1,122,502</b>
<b>Total Primary Government</b>	<b>\$ 68,357,819</b>	<b>\$ 15,564,934</b>	<b>\$ 2,125,578</b>	<b>\$ 6,629,932</b>
<b>General Revenues:</b>				
Property Taxes levied for:				
General Purposes				
Debt Service Purpose				
Other Purposes				
Municipal Income Taxes levied for:				
General Purposes				
Other Purposes				
Hotel Taxes				
Permissive Motor Vehicle Taxes				
Franchise Taxes				
Payments in Lieu of Taxes				
Grants and Entitlements not Restricted to Specific Programs				
Investment Income				
Gain on Sale of Capital Assets				
All Other Revenues				
Total General Revenues				
Change in Net Position				
Net Position - Beginning of Year, as Restated				
<b>Net Position - End of Year</b>				

See accompanying notes to the basic financial statements

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<b>Net (Expense) Revenue and Changes in Net Position</b>		
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (24,122,995)	\$ -	\$ (24,122,995)
(605,725)	-	(605,725)
(2,609,666)	-	(2,609,666)
(171,928)	-	(171,928)
(2,515,172)	-	(2,515,172)
(9,970,747)	-	(9,970,747)
(4,366,723)	-	(4,366,723)
(1,507,876)	-	(1,507,876)
(45,870,832)	-	(45,870,832)
-	1,833,457	1,833,457
-	1,833,457	1,833,457
(45,870,832)	1,833,457	(44,037,375)
462,717	-	462,717
2,873,745	-	2,873,745
5,797,533	-	5,797,533
31,572,460	-	31,572,460
3,720,687	-	3,720,687
183,892	-	183,892
355,013	-	355,013
817,532	-	817,532
1,443,717	-	1,443,717
1,955,574	-	1,955,574
344,358	114,232	458,590
73,908	2,575	76,483
10,270	-	10,270
49,611,406	116,807	49,728,213
3,740,574	1,950,264	5,690,838
145,744,751	52,014,803	197,759,554
\$ 149,485,325	\$ 53,965,067	\$ 203,450,392

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

	General Fund	Street Construction, Maintenance & Repair	Fire Levy	General Bond Retirement	General Capital Improvement
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 11,265,405	\$ 3,857,131	\$ 2,359,324	\$ 2,715,125	\$ 2,503,010
Materials and Supplies Inventory	29,051	360,125	-	-	-
Accrued Interest Receivable	64,984	11,060	-	8,705	-
Accounts Receivable	552,033	-	-	-	-
Interfund Receivable	328,300	-	-	-	-
Intergovernmental Receivable	346,885	874,595	274,787	289,743	281,352
Prepaid Items	78,632	41,593	57,416	-	-
Municipal Income Taxes Receivable	8,951,404	1,060,232	-	-	-
Property Taxes Receivable	471,006	-	4,421,268	2,991,693	-
Special Assessments Receivable	-	-	-	63,157	29,581
Hotel Taxes Receivable	10,463	-	-	-	-
Franchise Taxes Receivable	-	-	-	-	201,671
Permissive Motor Vehicle Taxes Receivable	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 22,098,163</b>	<b>\$ 6,204,736</b>	<b>\$ 7,112,795</b>	<b>\$ 6,068,423</b>	<b>\$ 3,015,614</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 338,395	\$ 50,699	\$ 26,684	\$ -	\$ -
Accrued Wages and Benefits	331,123	71,702	210,968	-	-
Contracts Payable	-	-	5,300	-	349,864
Intergovernmental Payable	21,122	11,038	3,244	-	-
Matured Compensated Absences Payable	154,772	-	-	-	-
Accrued Interest Payable	-	-	-	-	-
Retainage Payable	-	-	52,102	-	-
Interfund Payable	-	-	-	-	-
Notes Payable	-	-	-	14,735	-
<b>Total Liabilities</b>	<b>845,412</b>	<b>133,439</b>	<b>298,298</b>	<b>14,735</b>	<b>349,864</b>
<b>Deferred Inflows of Resources:</b>					
Property Taxes and Payments in Lieu of Taxes	459,752	-	4,315,632	2,920,213	-
Unavailable Revenue - Delinquent Property Taxes	11,254	-	105,636	71,480	-
Unavailable Revenue - Income Taxes	4,091,491	484,609	-	-	-
Unavailable Revenue - Other	261,718	683,947	274,787	352,900	448,734
<b>Total Deferred Inflows of Resources</b>	<b>4,824,215</b>	<b>1,168,556</b>	<b>4,696,055</b>	<b>3,344,593</b>	<b>448,734</b>
<b>Fund Balances:</b>					
Nonspendable	107,683	401,718	57,416	-	-
Restricted	-	4,501,023	2,061,026	2,709,095	2,217,016
Committed	3,241,578	-	-	-	-
Unassigned	13,079,275	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>16,428,536</b>	<b>4,902,741</b>	<b>2,118,442</b>	<b>2,709,095</b>	<b>2,217,016</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 22,098,163</b>	<b>\$ 6,204,736</b>	<b>\$ 7,112,795</b>	<b>\$ 6,068,423</b>	<b>\$ 3,015,614</b>

See accompanying notes to the basic financial statements

		<i>Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities December 31, 2016</i>	
Other Governmental Funds	Total Governmental Funds		
\$ 7,614,816	\$ 30,314,811	<b>Total Governmental Funds Balance</b>	\$ 33,823,829
-	389,176		
9,318	94,067	<i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
183,492	735,525		
-	328,300	Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.	194,466,884
1,683,097	3,750,459		
75,368	253,009	Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds:	
-	10,011,636		
1,604,027	9,487,994		
-	92,738	Delinquent property taxes	\$ 226,694
-	10,463	Municipal income taxes	4,576,100
-	201,671	Special assessments	92,738
30,349	30,349	Intergovernmental	1,894,511
<u>\$ 11,200,467</u>	<u>\$ 55,700,198</u>	Franchise Taxes	138,598
		Charges for services	<u>156,103</u>
		Total	7,084,744
\$ 79,935	\$ 495,713	In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.	(102,509)
41,101	654,894		
165,506	520,670	The net pension liability is not due and payable in the current period, and the net pension asset is not available for spending in the current period; therefore the asset, liability, and related deferred inflows/outflows are not reported in governmental funds:	
87,287	122,691		
4,998	159,770	Deferred Outflows - Pension	14,645,302
8,233	8,233	Deferred Inflows - Pension	(593,101)
62,172	114,274	Net Pension Asset	30,651
28,300	28,300	Net Pension Liability	<u>(51,674,374)</u>
1,900,000	1,914,735	Total	(37,591,522)
<u>2,377,532</u>	<u>4,019,280</u>	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
3,076,748	10,772,345	General obligation bonds	(40,145,000)
38,324	226,694	Special assessment bonds	(50,000)
-	4,576,100	OPWC loan	(2,064,094)
259,864	2,281,950	Unamortized bond premiums	(2,766,314)
<u>3,374,936</u>	<u>17,857,089</u>	Deferral on refunding	2,807,867
		Compensated absences	<u>(5,978,560)</u>
		Total	(48,196,101)
75,368	642,185		
2,771,658	14,259,818	<b>Net Position of Governmental Activities</b>	<b>\$ 149,485,325</b>
3,203,686	6,445,264		
(602,713)	12,476,562		
<u>5,447,999</u>	<u>33,823,829</u>		
<u>\$ 11,200,467</u>	<u>\$ 55,700,198</u>		

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

	General Fund	Street Construction, Maintenance & Repair	Fire Levy	General Bond Retirement	General Capital Improvement
<b>REVENUES</b>					
Property Taxes	\$ 471,188	\$ -	\$ 4,329,420	\$ 2,927,943	\$ -
Municipal Income Taxes	31,739,184	3,746,835	-	-	-
Hotel Taxes	183,892	-	-	-	-
Permissive Motor Vehicle Taxes	-	-	-	-	-
Franchise Taxes	-	-	-	-	678,934
Payments in Lieu of Taxes	-	-	-	-	-
Intergovernmental	670,514	1,806,706	552,082	607,966	1,286,895
Interest	231,658	37,421	-	35,677	7,652
Fees, Licenses, and Permits	1,406,991	-	2,280	-	-
Fines and Forfeitures	708,095	-	-	-	-
Charges for Services	1,363,259	8,213	1,559	-	799
Contributions and Donations	1,000	-	3,000	-	-
Special Assessments	-	-	-	120,000	10,257
All Other Revenues	240,207	-	-	-	-
<b>Total Revenues</b>	<b>37,015,988</b>	<b>5,599,175</b>	<b>4,888,341</b>	<b>3,691,586</b>	<b>1,984,537</b>
<b>EXPENDITURES</b>					
Security of Persons and Property	13,357,577	-	7,658,489	-	30,100
Public Health Services	308,744	-	-	-	-
Leisure Time Activities	314,042	-	-	-	-
Community Environment	1,524,190	-	-	-	-
Basic Utility Services	2,285,695	-	-	-	-
Transportation	157,996	9,301,756	-	-	602,222
General Government	4,275,633	-	-	-	-
Capital Outlay	195,191	47,487	602,666	-	3,567,285
Debt Service:					
Principal Retirement	-	-	-	2,243,636	-
Interest and Fiscal Charges	-	-	-	1,057,449	-
Debt Issuance Costs	-	-	-	215,624	-
<b>Total Expenditures</b>	<b>22,419,068</b>	<b>9,349,243</b>	<b>8,261,155</b>	<b>3,516,709</b>	<b>4,199,607</b>
Excess of Revenues (Under) Expenditures	14,596,920	(3,750,068)	(3,372,814)	174,877	(2,215,070)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Capital Assets	11,200	21,385	800	-	-
Refunding Bonds Issued	-	-	-	10,970,000	-
Premium on Debt Issuance	-	-	-	1,375,602	-
Payment to Refunded Bond Escrow Account	-	-	-	(12,137,837)	-
Transfers In	-	3,370,000	2,965,000	609,000	1,902,322
Transfers Out	(13,528,000)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(13,516,800)</b>	<b>3,391,385</b>	<b>2,965,800</b>	<b>816,765</b>	<b>1,902,322</b>
Net Change in Fund Balances	1,080,120	(358,683)	(407,014)	991,642	(312,748)
Fund Balances - Beginning of Year	15,348,416	5,261,424	2,525,456	1,717,453	2,529,764
<b>Fund Balances - End of Year</b>	<b>\$ 16,428,536</b>	<b>\$ 4,902,741</b>	<b>\$ 2,118,442</b>	<b>\$ 2,709,095</b>	<b>\$ 2,217,016</b>

See accompanying notes to the basic financial statements



		<i>Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2016</i>	
Other Governmental Funds	Total Governmental Funds		
\$ 1,577,377	\$ 9,305,928	<b>Net Change in Fund Balances-Total Governmental Funds</b>	<b>\$ 2,470,769</b>
-	35,486,019	<i>Amounts reported for Governmental Activities in the Statement of Activities are different because:</i>	
-	183,892	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 and donations exceeded depreciation in the current period.	
355,013	355,013		
-	678,934		
1,443,717	1,443,717		
522,796	5,446,959		
31,950	344,358		
116,068	1,525,339		
30,385	738,480		
4,180,364	5,554,194		
500	4,500		
-	130,257		
10,270	250,477		
<u>8,268,440</u>	<u>61,448,067</u>		
2,837,013	23,883,179		
344,570	653,314		
4,923,783	5,237,825		
107,962	1,632,152		
291,511	2,577,206		
93,022	10,154,996		
127,168	4,402,801		
2,329,626	6,742,255		
335,000	2,578,636		
247,393	1,304,842		
-	215,624		
<u>11,637,048</u>	<u>59,382,830</u>		
<u>(3,368,608)</u>	<u>2,065,237</u>		
66,177	99,562		
5,510,000	16,480,000		
561,401	1,937,003		
(5,973,196)	(18,111,033)		
5,686,742	14,533,064		
<u>(1,005,064)</u>	<u>(14,533,064)</u>		
<u>4,846,060</u>	<u>405,532</u>		
1,477,452	2,470,769		
3,970,547	31,353,060		
<u>\$ 5,447,999</u>	<u>\$ 33,823,829</u>		
		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.	(25,654)
		Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
		Delinquent property taxes	(171,933)
		Municipal income taxes	(192,872)
		Special assessments	(117,177)
		Intergovernmental	271,090
		Franchise Taxes	138,598
		Charges for services	(4,426)
		<u>Total</u>	<u>(76,720)</u>
		Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows	3,930,907
		Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities.	(6,504,217)
		Repayment of bond principal and the refunding of debt are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	20,403,012
		Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the issuance of refunding debt.	(18,417,003)
		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	(285,536)
		Accrued interest on bonds	21,524
		Amortization of bond premiums	486,518
		Amortization of deferral on refunding	(208,795)
		<u>Total</u>	<u>\$ 13,711</u>
		<b>Change in Net Position of Governmental Activities</b>	<b>\$ 3,740,574</b>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Municipal Income Taxes	\$ 30,500,000	\$ 31,400,000	\$ 31,340,258	\$ (59,742)
Property Taxes	475,395	471,128	471,188	60
Hotel Taxes	180,000	185,000	182,026	(2,974)
Intergovernmental Revenues	734,128	677,093	683,730	6,637
Charges for Services	1,287,100	1,401,700	1,363,973	(37,727)
Fees, Licenses, and Permits	771,800	1,404,200	1,406,991	2,791
Fines and Forfeitures	641,500	715,500	707,018	(8,482)
Interest Income	85,000	200,000	194,363	(5,637)
Contributions and Donations	1,000	1,000	1,000	-
Miscellaneous	676,500	754,500	743,577	(10,923)
<i>Total Revenues</i>	<u>35,352,423</u>	<u>37,210,121</u>	<u>37,094,124</u>	<u>(115,997)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	13,198,900	13,736,000	13,171,168	564,832
Public Health Services	307,100	320,500	308,317	12,183
Leisure Time Activities	293,500	396,500	351,578	44,922
Community Environment	1,732,100	1,854,900	1,647,156	207,744
Basic Utility Services	2,441,500	2,441,500	2,276,933	164,567
General Government	5,514,800	5,496,200	4,760,469	735,731
<i>Total Expenditures</i>	<u>23,487,900</u>	<u>24,245,600</u>	<u>22,515,621</u>	<u>1,729,979</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	11,864,523	12,964,521	14,578,503	1,613,982
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	26,600	37,800	11,200	(26,600)
Advances In	-	155,907	155,907	-
Advances Out	-	(328,300)	(328,300)	-
Transfers Out	(12,002,800)	(14,328,000)	(14,328,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(11,976,200)</u>	<u>(14,462,593)</u>	<u>(14,489,193)</u>	<u>(26,600)</u>
<i>Net Change in Fund Balance</i>	(111,677)	(1,498,072)	89,310	1,587,382
<i>Fund Balance - Beginning of Year</i>	7,985,420	7,985,420	7,985,420	-
<i>Fund Balance - End of Year</i>	<u>\$ 7,873,743</u>	<u>\$ 6,487,348</u>	<u>\$ 8,074,730</u>	<u>\$ 1,587,382</u>

See accompanying notes to the basic financial statements

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Municipal Income Taxes	\$ 3,700,000	\$ 3,800,000	\$ 3,706,291	\$ (93,709)
Intergovernmental Revenues	1,740,000	1,815,000	1,799,052	(15,948)
Charges for Services	-	9,000	8,213	(787)
Interest Income	9,000	30,000	31,703	1,703
<i>Total Revenues</i>	<u>5,449,000</u>	<u>5,654,000</u>	<u>5,545,259</u>	<u>(108,741)</u>
<b>Expenditures:</b>				
Current:				
Transportation	<u>9,131,400</u>	<u>9,968,500</u>	<u>9,158,115</u>	<u>810,385</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,682,400)	(4,314,500)	(3,612,856)	701,644
<b>Other Financing Sources</b>				
Sale of Capital Assets	-	21,000	21,385	385
Transfers In	<u>3,370,000</u>	<u>3,370,000</u>	<u>3,370,000</u>	<u>-</u>
<i>Total Other Financing Sources</i>	<u>3,370,000</u>	<u>3,391,000</u>	<u>3,391,385</u>	<u>385</u>
<i>Net Change in Fund Balance</i>	(312,400)	(923,500)	(221,471)	702,029
<i>Fund Balance - Beginning of Year</i>	<u>4,087,265</u>	<u>4,087,265</u>	<u>4,087,265</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 3,774,865</u>	<u>\$ 3,163,765</u>	<u>\$ 3,865,794</u>	<u>\$ 702,029</u>

See accompanying notes to the basic financial statements

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 4,353,047	\$ 4,329,278	\$ 4,329,420	\$ 142
Intergovernmental Revenues	554,967	552,700	552,082	(618)
Charges for Services	100	1,800	1,559	(241)
Fees, Licenses, and Permits	1,800	2,800	2,280	(520)
Contributions and Donations	-	3,000	3,000	-
Miscellaneous	500	-	-	-
<i>Total Revenues</i>	<u>4,910,414</u>	<u>4,889,578</u>	<u>4,888,341</u>	<u>(1,237)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	<u>8,136,800</u>	<u>8,953,300</u>	<u>8,068,751</u>	<u>884,549</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,226,386)</u>	<u>(4,063,722)</u>	<u>(3,180,410)</u>	<u>883,312</u>
<b>Other Financing Sources</b>				
Sale of Capital Assets	-	1,000	800	(200)
Transfers In	<u>2,665,000</u>	<u>2,965,000</u>	<u>2,965,000</u>	<u>-</u>
<i>Total Other Financing Sources</i>	<u>2,665,000</u>	<u>2,966,000</u>	<u>2,965,800</u>	<u>(200)</u>
<i>Net Change in Fund Balance</i>	<u>(561,386)</u>	<u>(1,097,722)</u>	<u>(214,610)</u>	<u>883,112</u>
<i>Fund Balance - Beginning of Year</i>	<u>2,573,934</u>	<u>2,573,934</u>	<u>2,573,934</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 2,012,548</u>	<u>\$ 1,476,212</u>	<u>\$ 2,359,324</u>	<u>\$ 883,112</u>

See accompanying notes to the basic financial statements

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

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Sanitary Sewer Fund</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 8,459,129	\$ 1,357,368
Accrued Interest Receivable	20,517	-
Accounts Receivable	2,676,001	-
Intergovernmental Receivable	-	10,700
Prepaid Items	93,607	374,284
Special Assessments Receivable	1,263,099	-
<i>Total Current Assets</i>	<u>12,512,353</u>	<u>1,742,352</u>
<b>Noncurrent Assets:</b>		
Capital Assets:		
Land	1,508,079	-
Construction in Progress	37,677	-
Depreciable Assets, Net of Depreciation	43,445,453	-
Net Pension Asset	2,379	-
<i>Total Noncurrent Assets</i>	<u>44,993,588</u>	<u>-</u>
<b>Total Assets</b>	<u>57,505,941</u>	<u>1,742,352</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension	460,735	-
<b>Total Deferred Outflows of Resources</b>	<u>460,735</u>	<u>-</u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	190,587	-
Accrued Wages and Benefits	19,758	-
Retainage Payable	32,778	-
Intergovernmental Payable	3,001	26,210
Interfund Payable	-	300,000
Compensated Absences Payable	50,585	-
Claims Payable	-	90,175
OWDA Loans Payable	240,247	-
<i>Total Current Liabilities</i>	<u>536,956</u>	<u>416,385</u>
<b>Noncurrent Liabilities:</b>		
Compensated Absences Payable	278,648	-
Claims Payable	-	1,325,967
OWDA Loans Payable	2,015,507	-
Net Pension Liability	1,147,103	-
<i>Total Noncurrent Liabilities</i>	<u>3,441,258</u>	<u>1,325,967</u>
<b>Total Liabilities</b>	<u>3,978,214</u>	<u>1,742,352</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension	23,395	-
<b>Total Deferred Inflows of Resources</b>	<u>23,395</u>	<u>-</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	42,735,455	-
Unrestricted	11,229,612	-
<b>Total Net Position</b>	<u>\$ 53,965,067</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements

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

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Sanitary Sewer Fund</b>	<b>Internal Service Funds</b>
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 7,326,858	\$ 343,500
Miscellaneous	-	411,559
Other Services	185,081	-
<b>Total Operating Revenues</b>	<u>7,511,939</u>	<u>755,059</u>
<b>OPERATING EXPENSES</b>		
Salaries	963,899	-
Fringe Benefits	426,577	-
Materials and Supplies	64,889	-
Contractual Services	3,383,187	561,188
Depreciation	1,858,148	-
Claims	-	193,871
Other	8,195	-
<b>Total Operating Expense</b>	<u>6,704,895</u>	<u>755,059</u>
Operating Income (Loss)	<u>807,044</u>	<u>-</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Gain on Sale of Capital Assets	2,575	-
(Loss) on Sale of Capital Assets	(11,631)	-
Interest	114,232	-
Interest and Fiscal Charges	(84,458)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>20,718</u>	<u>-</u>
Capital Contributions from Developers	726,194	-
Capital Contributions from Tap In Fees	396,308	-
Change in Net Position	1,950,264	-
Net Position - Beginning of Year	52,014,803	-
<b>Net Position - End of Year</b>	<u>\$ 53,965,067</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements

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

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Sanitary Sewer Fund</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Charges for Services	\$ 7,269,733	\$ 343,500
Other Cash Receipts	42	400,859
Cash Payments to Employees for Services	(926,714)	-
Cash Payments for Employee Benefits	(361,093)	-
Cash Payments for Goods and Services	(3,260,042)	(1,093,594)
Cash Payments for Claims	-	(128,980)
Other Cash Payments	(8,195)	-
Net Cash Provided by Operating Activities	<u>2,713,731</u>	<u>(478,215)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Advance In	-	300,000
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>300,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital Contributions from Tap In Fees	396,308	-
Capital Contributions from Special Assessments	112,106	-
Proceeds from Sale of Capital Assets	2,575	-
Principal Paid on Debt	(230,491)	-
Interest Paid on Debt	(84,458)	-
Payments for Capital Acquisitions	(818,948)	-
Net Cash Used for Capital and Related Financing Activities	<u>(622,908)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on Investments	57,695	-
Net Cash Provided by Investing Activities	<u>57,695</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,148,518	(178,215)
Cash and Cash Equivalents - Beginning of Year	6,310,611	1,535,583
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$ 8,459,129</u></u>	<u><u>\$ 1,357,368</u></u>

(Continued)

See accompanying notes to the basic financial statements

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

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Sanitary Sewer Fund</u>	<u>Internal Service Funds</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 807,044	\$ -
Adjustments:		
Depreciation	1,858,148	-
(Increase) Decrease in Assets:		
Accounts Receivable	(242,206)	-
Intergovernmental Receivable	-	(10,700)
Prepaid Items	(5,026)	(374,284)
Net Pension Asset	(798)	
(Increase) in Deferred Outflows of Resources - Pension	(316,847)	
Increase (Decrease) in Liabilities::		
Accounts Payable	160,324	-
Accrued Wages	5,608	-
Retainage Payable	32,778	-
Intergovernmental Payable	849	(158,122)
Claims Payable	-	64,891
Compensated Absences Payable	31,577	-
Net Pension Liability	372,967	-
Increase in Deferred Inflow of Resources - Pension	9,313	-
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 2,713,731</u>	<u>\$ (478,215)</u>

**NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES**

During 2016, the Sanitary Sewer Fund received infrastructure donations from a developer in the amount of \$726,194.  
Net impact of accruals in the Sanitary Sewer fund related to capital assets in the amount of \$(10,462).

See accompanying notes to the basic financial statements



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

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	<b>Agency Funds</b>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 741,150
Cash and Cash Equivalents:	
in Segregated Accounts	<u>65,723</u>
Total Assets	<u><u>\$ 806,873</u></u>
 <b>Liabilities</b>	
Deposits Held and Due to Others	<u>\$ 806,873</u>
Total Liabilities	<u><u>\$ 806,873</u></u>

See accompanying notes to the basic financial statements

## **Notes to the Basic Financial Statements**

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

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

The City of Strongsville, Cuyahoga County, Ohio (City) was incorporated under the laws of the State of Ohio in 1958. The City operates under and is governed by a Mayor/Council form of government in accordance with the general laws of the State of Ohio. In addition, the City may exercise all powers of local self-government under the Ohio Constitution, to the extent not in conflict with the applicable general laws of Ohio.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. This definition of reporting entity is found in GASB Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and 34*.

The City's primary government consists of all funds, departments, boards, and agencies that are not legally separate from the City. The City provides the following services as authorized by its Charter: police and fire protection, road maintenance and repair, snow removal, traffic signalization, street lighting, storm and sanitary sewers, waste collection and general administrative services. None of these services are provided by legally separate organizations; therefore, these operations are included in the primary government. The operation of each of these activities is directly controlled by Council through the budgetary process.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and 1) the City is able to significantly influence the programs or services performed or provided by the organization; or 2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The reporting entity of the City does not include any component units.

The City's financial statements include all organizations, activities, and functions for which the City is financially accountable.

Also, the City is associated with five jointly governed organizations and one related organization that are further described in Notes 18 and 19.

**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.

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

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**A. Basis of Presentation**

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

**Government-wide Financial Statements** - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. 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 proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**B. Fund Accounting**

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

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

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

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*General Fund* – This fund is used to account for all financial resources, except for those required to be accounted for in another fund. Major revenue sources of this fund include: municipal income taxes, charges for services, local government assistance funds; and to a lesser degree, various fees, licenses and permits, property taxes, and fines and forfeitures. This fund is the primary operating fund of the City.

*Street Construction, Maintenance, and Repair (SCMR) Fund* - This fund is required by the Ohio Revised Code to account for revenue from the state gasoline tax and motor vehicle registration fees. The Ohio Revised Code requires that 92.50 percent of these revenues be used for the maintenance and repair of streets within the City. As provided in the Codified Ordinance Section 880.34, this fund is credited with one-sixth of the proceeds realized from the first 1.50 percent (referred to as the Base Tax) of the 2.00 percent municipal income tax. Operating deficiencies are subsidized by an operating transfer from the General Fund.

*Fire Levy Fund* - This fund is used to account for the proceeds of two voted property tax levies (gross and effective millage are 3.50 and 3.407, respectively, for tax year 2015/collection year 2016) approved for the purpose of providing and maintaining a full-time Fire Department. Transfers from the General Fund are necessary to cover the operating costs in excess of operating revenues.

*General Bond Retirement Fund* – This fund accounts for the proceeds of a 2.30 mill inside property tax levy, and the proceeds of various special assessments levied against the benefitting property owners to accumulate resources for the payment of principal, interest and fiscal charges on general obligation and special assessment debt.

*General Capital Improvement Fund* – This fund accounts for the Cable TV Franchise fees and other resources that are used to construct, equip and furnish the capital assets used by the various departments of the city, as well as for various infrastructure projects.

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's only enterprise fund is the Sanitary Sewer Fund which accounts for sewer construction projects and sanitary sewer services provided to the residential and commercial users in the City.

*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 internal service funds are the Workers' Compensation Reserve Fund and the Health Insurance Reserve Fund. Both funds account for the accumulation of resources, primarily interfund chargebacks, to pay workers' compensation claims, health care claims, administrative fees and stop loss insurance premiums.

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

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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. 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 funds account for the activities of the Mayor's court and for deposits received from contractors and developers which will be refunded upon successful completion of the projects.

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

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**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 forty-five 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, fees, and rentals.

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, 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 a deferral on refunding and for pension. A deferral 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 12.

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 and unavailable revenues. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance year 2017 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes (\$226,694), income taxes (\$4,576,100), intergovernmental grants (\$1,894,511), cable TV franchise fees (\$138,598), special assessments (\$92,738), and charges for services (\$156,103). 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 12).

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

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

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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".

Investments are reported at fair value which is based on quoted market prices. Non-participating contracts such as non-negotiable certificates of deposits are reported at cost.

During 2016, The City's investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio), non-negotiable and negotiable certificates of deposits, United States Agency debt securities, Commercial Paper and money market mutual funds. The City's investment in State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The city measures their investment in STAR Ohio as the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

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

The City's policy is to hold investments until maturity or until market values equal or exceed cost.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2016 amounted to \$231,658, which includes \$151,358 assigned from other City funds.

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

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

***F. Receivables***

Receivables at December 31, 2016, consist of municipal income taxes, property taxes, other local taxes, amounts due from other governments, accounts (billings for user charged services), and special assessments. All are deemed collectible in full.



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

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**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. Prepaid Items**

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

**I. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of roads, bridges, sanitary sewers, storm sewers, sidewalks, and traffic signals. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All capital assets are depreciated except for land 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 replacement. Depreciation is computed using the straight-line method over the following useful lives:

	Governmental Activities	Business-Type Activities
<u>Description</u>	<u>Estimated Lives</u>	<u>Estimated Lives</u>
Land Improvements	15-20 years	15-20 years
Buildings	50 years	50 years
Furniture and Fixtures	7-10 years	7-10 years
Machinery and Equipment	5-20 years	5-20 years
Vehicles	3-6 years	3-6 years
Infrastructure	25-50 years	50 years

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

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***J. 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.

***K. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Leave time that has been earned but is unavailable for use as paid time off, or as some other form of compensation, because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that conditions for compensation will be met in the future.

The criteria for determining vested vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn vacation and sick leave at different rates depending upon length of service and type of employment. Vacation leave is recognized when earned. All full-time City employees earn vacation at varying rates based upon length of service. An employee’s vacation leave balance will carry over into the next fiscal year if it is not used. Upon retirement, termination, lay-off or death, employees or their estate are paid accumulated vacation leave. Full-time employees earn sick leave at a rate of 4.60 hours per 80 hours of service up to a maximum of 120 hours per year. Staff firefighters earn sick leave at a rate of 12 hours per month up to a maximum of 144 hours per year. Unused sick leave shall accumulate without limit. Upon retirement, employees can be paid varying amounts of their unused sick leave balance based on criteria contained in union agreements and the City’s codified ordinances. Beginning in 2013, some employees having 25 or more years of service with the City may annually elect to convert to cash up to one-half of the value of their accumulated sick leave balance that exceeds 1,000 hours.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account “matured compensated absences payable” in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

***L. Pensions***

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

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

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***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. Fund Balance***

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

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

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

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

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

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

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

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

***O. Net Position***

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

The government-wide statement of net position reports \$18,322,568 of the restricted component of net position, none of which is restricted by enabling legislation. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted components of net position are available.

***P. Grants and Intergovernmental Revenues***

Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. Federal reimbursement-type grants are recorded as intergovernmental receivables and revenues in the period when all applicable eligibility requirements have been met and the resources are available.

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

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

***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.

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

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***S. Interfund Activity***

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

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

***T. Extraordinary and Special Items***

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

***U. 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.

***V. 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 resolution 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 expenditure level for all funds. Budgetary modifications may only be made by resolution 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 2016.

***Encumbrances*** - Encumbrances outstanding at year end represent the estimated amount of expenditures that will ultimately result if unperformed contracts in process (for example, purchase orders and contracted services) are completed. Encumbrances outstanding at year end are reported as part of restricted, committed, or assigned fund balance for subsequent year expenditures in the governmental funds. The City had no outstanding encumbrances at December 31, 2016.

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

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***Lapsing of Appropriations*** - At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations.

The appropriation resolution 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. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

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

**Changes in Accounting Principles**

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

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

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

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

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

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

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

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**Restatement of Net Position**

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

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

	Governmental Activities
Net Position as of December 31, 2015	<u>\$146,481,477</u>
Adjustments:	
Net Pension Liability	<u>(736,726)</u>
Restated Net Position December 31, 2015	<u><u>\$145,744,751</u></u>

**Note 4 – Accountability**

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

	<u>Deficit</u>
Nonmajor Governmental Funds:	
Pearl Road TIF #1	\$ 574,496
Westwood Commons TIF	<u>28,217</u>
Total Governmental Funds:	<u><u>\$ 602,713</u></u>

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

**Note 5 – Budgetary Basis of Accounting**

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

**City of Strongsville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
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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);
- Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

	General	Street Construction, Maintenance and Repair	Fire Levy
Net Change in Fund Balance - GAAP Basis	\$ 1,080,120	\$ (358,683)	\$ (407,014)
Net Adjustment			
Revenue Accruals	1,034,043	(53,916)	-
Expenditure Accruals	(1,432,068)	191,128	192,404
Funds with Separate Legally Adopted Budgets	<u>(592,785)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance - Budgetary Basis	<u>\$ 89,310</u>	<u>\$ (221,471)</u>	<u>\$ (214,610)</u>

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

**Note 6 – Fund Balance**

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

Fund Balances	General	Street Construction, Maintenance & Repair	Fire Levy	General Bond Retirement	General Capital Improvement	Other Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>							
Prepaid Items	\$ 78,632	\$ 41,593	\$ 57,416	\$ -	\$ -	\$ 75,368	\$ 253,009
Inventories	29,051	360,125	-	-	-	-	389,176
<i>Total Nonspendable</i>	<u>107,683</u>	<u>401,718</u>	<u>57,416</u>	<u>-</u>	<u>-</u>	<u>75,368</u>	<u>642,185</u>
<i>Restricted for</i>							
Police Pension	-	-	-	-	-	202,323	202,323
Fire Pension	-	-	-	-	-	209,174	209,174
Fire Services	-	-	2,061,026	-	-	-	2,061,026
Other Law Enforcement	-	-	-	-	-	90,126	90,126
Streets and Highways	-	4,501,023	-	-	-	1,205,041	5,706,064
Clerk of Court Computerization	-	-	-	-	-	154,128	154,128
Drainage Levy	-	-	-	-	-	525,183	525,183
General Bond Retirement	-	-	-	2,709,095	-	-	2,709,095
Royalton Road TIF	-	-	-	-	-	49,846	49,846
Pearl Road TIF #2	-	-	-	-	-	83,722	83,722
Pearl Road TIF #3	-	-	-	-	-	143,240	143,240
Giant Eagle TIF	-	-	-	-	-	73,442	73,442
Get Go TIF	-	-	-	-	-	20,459	20,459
Whitney/Pearl TIF	-	-	-	-	-	14,974	14,974
Capital Improvements	-	-	-	-	2,217,016	-	2,217,016
<i>Total Restricted</i>	<u>-</u>	<u>4,501,023</u>	<u>2,061,026</u>	<u>2,709,095</u>	<u>2,217,016</u>	<u>2,771,658</u>	<u>14,259,818</u>
<i>Committed to</i>							
Termination Benefits	3,241,578	-	-	-	-	-	3,241,578
Emergency Vehicles	-	-	-	-	-	2,075,823	2,075,823
Multi-Purpose Complex	-	-	-	-	-	441,983	441,983
Tree Maintenance	-	-	-	-	-	237,135	237,135
Recreation Capital Impr.	-	-	-	-	-	448,745	448,745
<i>Total Committed</i>	<u>3,241,578</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,203,686</u>	<u>6,445,264</u>
<i>Unassigned (Deficit)</i>	<u>13,079,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(602,713)</u>	<u>12,476,562</u>
<b>Total Fund Balances</b>	<u><u>\$ 16,428,536</u></u>	<u><u>\$ 4,902,741</u></u>	<u><u>\$ 2,118,442</u></u>	<u><u>\$ 2,709,095</u></u>	<u><u>\$ 2,217,016</u></u>	<u><u>\$ 5,447,999</u></u>	<u><u>\$ 33,823,829</u></u>

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

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**Note 7 - Deposits and Investments**

State statutes classify monies held by the City into three categories:

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts. Interim monies 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; and,
6. The State Treasury Asset Reserve of Ohio (STAR Ohio).

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

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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 any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest, or coupons; and,
2. 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.

**Cash on Hand**

At December 31, 2016, the City had \$7,085 in undeposited cash on hand, which is included on the balance sheet of the City as part of "Equity in Pooled Cash and Cash Equivalents."

**Deposits**

At December 31, 2016, the carrying amount of the City's deposits was \$7,251,679 (including \$1,000,000 in certificates of deposit and \$65,723 in cash in segregated accounts of the court). Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2016, \$1,862,231 of the City's bank balance of \$8,001,523 was covered by Federal Depository Insurance and \$6,139,292 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City's policy is to place deposits with major local banks approved by the City Council. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve system in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held at a Federal Reserve Bank in the name of the City.

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

The City has a formal investment policy and utilizes a pooled investment concept for all its funds to maximize its investment program. STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. Fair value is determined by quoted market prices and acceptable other pricing methodologies. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The following table identify the City's recurring fair value measurement as of December 31, 2016. As previously discussed Star Ohio is reported at its net asset value. All other investments of the City are valued using quoted market prices (Level 1 inputs). As of December 31, 2016, fair value was \$89,756 below the City's net cost for investments.

**Interest Rate Risk**

As a means of limiting its exposure to fair value of 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 obligations. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

**Credit Risk**

The City has no investment policy that would further limit its investment choices other than the limitations imposed by the Ohio Revised Code. See the table below for the credit ratings of the City's investments provided by Standard and Poor's/Moody's.

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. The City's investment in negotiable certificates of deposit were fully insured by Federal depository insurance.

**Concentration of Credit Risk**

The City places no limit on the amount it may invest in any one issuer.

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

As of December 31, 2016, the City had the following investments and investment maturities:

<u>Investment Type</u>	Fair- Value	Credit Rating (*)	Investment Maturities (in Years)		
			<1	1-3	3-5
Star Ohio	\$ 3,501,426	N/A	\$ 3,501,426	\$ -	\$ -
U.S. Agencies Debt Securities	13,063,048	AA+/Aaa	499,555	7,565,148	4,998,345
Money Market Mutual Fund	13,580	N/A	13,580	-	-
Negotiable Certificate of Deposits	5,245,334	N/A	995,767	2,243,832	2,005,735
Commercial Paper	11,856,029	A1/P1	11,856,029	-	-
Total Investments	<u>\$ 33,679,417</u>		<u>\$ 16,866,357</u>	<u>\$ 9,808,980</u>	<u>\$ 7,004,080</u>

\* Credit Ratings were obtained from Standard & Poor's, respectively, for all investments.

**Reconciliation of Cash and Investments per the Note to the Statements**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments reported on the statement of net position as of December 31, 2016.

**Cash and Investments per Note**

Investments	\$33,679,417
Carrying Amount of Deposits	7,251,679
Cash on Hand	<u>7,085</u>
<b>Total Cash and Investments per Note</b>	<b><u>\$40,938,181</u></b>

**Cash and Investments per Statements**

Governmental Activities	\$31,672,179
Business-Type Activities	8,459,129
Agency Funds	<u>806,873</u>
<b>Total Cash and Investments per Statements</b>	<b><u>\$40,938,181</u></b>

**Note 8 - Receivables**

Receivables at December 31, 2016, consisted primarily of municipal income taxes, property and other local taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, and accounts (billing for utility services). No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

**Property Taxes**

Property taxes include amounts levied against all real and public utility property, and tangible personal (used in business) property located in the City. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values for real property are established by State law at 35 percent of appraised market value. All property is required to be reevaluated every six years. The latest update was completed in 2015 with the next reappraisal being scheduled in 2018. Public utility real and tangible personal property tax collected in one calendar year is levied in the preceding calendar year on assessed values determined as of December 31 of the year preceding the tax collection year, the lien date.

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

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Public utility tangible personal property currently is assessed by varying percentages of true value; public utility real property taxes are assessed at 35 percent of true value. 2016 public utility property taxes which became a lien at December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes.

The 2015 assessed value upon which the 2016 tax receipts were based on was \$1,442,908,710. The full tax rate for all City operations applied to taxable property for the year ended December 31, 2016, was \$9.3 per \$1,000 of assessed valuation.

Real and public utility 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 30. Under certain circumstances, State Statute permits earlier or later payment dates to be established.

Public Utility tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Fiscal Officer periodically remits to the taxing districts their portions of the taxes collected.

**Municipal Income Taxes**

The City's municipal income tax of 2.0 percent is levied on gross salaries, wages and other personal service compensation earned by residents both in and out of the City and on the earnings of nonresidents (except certain transients) earned in the City. This tax also applies to net income of business organizations within the City. Residents of the City are granted a 75 percent credit up to 2.0 percent of the income taxes paid to another municipality.

The City utilizes the Regional Income Tax Agency (RITA) to collect and administer its local income tax. Employers within the City are required to withhold income tax on employee earnings and remit the tax to RITA at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. The tax is collected by RITA and remitted to the City on the 1<sup>st</sup> and 10<sup>th</sup> business days of each month.

Municipal income taxes are allocated by City ordinance as follows: 16.67 percent of the first 1.50 percent of the total of 2.00 percent of the City income tax is credited to the Street Construction, Maintenance and Repair Fund with the remainder credited to the General Fund.

**Special Assessments**

Special assessments include assessments for debt obligations, which are levied against specific property owners who primarily benefitted from the project.

Special assessments are payable by the timetable and in the manner stipulated in the assessing ordinance and are a lien from the date of the passage of the ordinance.

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

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The City's assessments include sidewalk repair, sewer maintenance, sewer rehabilitation, paving and curbing, and water main tap-ins which are billed and collected by the County Fiscal Officer.

The County Fiscal Officer periodically remits these collections to the City. Special assessments collected in one calendar year are levied and certified in the preceding calendar year. Since all assessment collections are remitted to the City outside of the available period, the entire amount has been deferred on the fund financial statements.

At December 31, 2016, governmental and business-type activities reported special assessments receivable in the amounts of \$92,738 and \$1,263,099, respectively. Of these amounts reported, delinquent special assessments for governmental and business-type activities are \$13,200 and \$8,802, respectively.

**Intergovernmental Receivables**

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
<b>Governmental Activities:</b>	
Local Government	\$ 267,254
Homestead and Rollback	589,692
Gasoline Tax	771,775
Auto Registration	173,733
Commercial Activity Tax	103,806
Payment in Lieu of Taxes	1,511,045
Federal Highway Grant	791
Ohio Department of Transportation - Pearl Road	281,352
Strongsville Mayor's Court and Berea Municipal Court Fines	51,011
Bureau of Workers Compensation true-up	<u>10,700</u>
<i>Total Governmental Activities Intergovernmental Receivables</i>	<u><u>\$ 3,761,159</u></u>

**Payments in Lieu of Taxes**

In accordance with State law, the City has established fifteen 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 would generally reflect all or a portion of the property taxes which the property owners would have paid if the property had not been declared exempt. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the cost of the improvement has been paid or the agreement expires, whichever comes first.

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

**Note 9 – Interfund Balances and Transfers**

As of the year ended December 31, 2016, interfund balances are as follows:

	<u>Receivable</u>	<u>Payable</u>
<b><i>Governmental Activities</i></b>		
Major Funds:		
General	\$ 328,300	\$ -
NonMajor Funds:		
Westwood Commons TIF	-	28,300
Internal Service Funds:		
Health Insurance Reserve	-	300,000
<b><i>Total Governmental Activities</i></b>	<u><u>\$ 328,300</u></u>	<u><u>\$ 328,300</u></u>

The amount payable to the General Fund relates to a working capital loan made to the Westwood Commons TIF Debt Service Fund and the Health Insurance Reserve Fund. These loans will be repaid in 2017.

Transfers made during the year ended December 31, 2016 were as follows:

<b>TRANSFERS OUT</b>				
<u>Governmental Activities</u>				
	<u>Major Funds</u>	<u>Nonmajor Funds</u>		
		Pearl Road TIF #1	Royalton Road TIF	
<b>TRANSFERS IN</b>	<u>General</u>			<u>Total</u>
<b>Governmental Activities</b>				
<u>Major Funds:</u>				
Street Construction, Maintenance and Repair	\$ 3,370,000	\$ -	\$ -	\$ 3,370,000
Fire Levy	2,965,000	-	-	2,965,000
General Bond Retirement	609,000	-	-	609,000
General Capital Improvement	1,100,000	802,322	-	1,902,322
<u>Nonmajor Funds:</u>				
Police Pension	840,000	-	-	840,000
Fire Pension	1,044,000	-	-	1,044,000
Drainage Levy	1,000,000	-	-	1,000,000
Multi-Purpose Complex	2,100,000	-	-	2,100,000
Recreation Capital Improvement	500,000	-	-	500,000
Pearl Road TIF #1	-	-	202,742	202,742
<b>Total Governmental Activities</b>	<u><u>\$ 13,528,000</u></u>	<u><u>\$ 802,322</u></u>	<u><u>\$ 202,742</u></u>	<u><u>\$ 14,533,064</u></u>

Transfers made from the General Fund to various other funds provided additional resources for current operations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16. Transfers between governmental funds are eliminated on the governmental activities' statement of activities. During 2016, GAAP transfers were required to reflect the pay down of Bond Anticipation Notes principal and interest. These transfers were necessary to record the retirement in the proper governmental funds.



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

**Note 10 - Capital Assets**

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

	1/1/2016	Additions	Deletions	12/31/16
<b>Governmental Activities</b>				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 11,584,462	\$ -	\$ -	\$ 11,584,462
Construction in Progress	1,255,950	3,527,245	(1,278,280)	3,504,915
<i>Total Capital Assets, Not Being Depreciated</i>	<u>12,840,412</u>	<u>3,527,245</u>	<u>(1,278,280)</u>	<u>15,089,377</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings	52,759,160	49,103	-	52,808,263
Land Improvements	3,331,364	324,821	-	3,656,185
Machinery and Equipment	3,508,365	684,946	(17,381)	4,175,930
Furniture and Fixtures	952,169	-	-	952,169
Vehicles	13,978,595	985,106	(414,470)	14,549,231
Infrastructure:				
Streets	174,112,962	3,217,833	-	177,330,795
Bridges	203,000	-	-	203,000
Storm Sewers	99,111,283	3,003,331	-	102,114,614
Sidewalks	8,890,580	80,304	-	8,970,884
Traffic Signalization	6,443,048	-	-	6,443,048
<i>Total Capital Assets, Being Depreciated</i>	<u>363,290,526</u>	<u>8,345,444</u>	<u>(431,851)</u>	<u>371,204,119</u>
Less Accumulated Depreciation:				
Buildings	(12,247,874)	(1,005,283)	-	(13,253,157)
Land Improvements	(1,579,233)	(152,945)	-	(1,732,178)
Machinery and Equipment	(2,553,050)	(240,163)	16,512	(2,776,701)
Furniture and Fixtures	(748,203)	(41,040)	-	(789,243)
Vehicles	(10,287,150)	(962,042)	389,685	(10,859,507)
Infrastructure:				
Streets	(106,061,788)	(4,074,533)	-	(110,136,321)
Bridges	(30,877)	(7,735)	-	(38,612)
Storm Sewers	(41,661,657)	(1,700,157)	-	(43,361,814)
Sidewalks	(5,919,446)	(219,235)	-	(6,138,681)
Traffic Signalization	(2,494,891)	(245,507)	-	(2,740,398)
<i>Total Accumulated Depreciation</i>	<u>(183,584,169)</u>	<u>(8,648,640) *</u>	<u>406,197</u>	<u>(191,826,612)</u>
Total Capital Assets, Being Depreciated, Net	<u>179,706,357</u>	<u>(303,196)</u>	<u>(25,654)</u>	<u>179,377,507</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 192,546,769</u>	<u>\$ 3,224,049</u>	<u>\$ (1,303,934)</u>	<u>\$ 194,466,884</u>

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

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

Governmental Activities					
Security of Persons and Property	\$1,095,421				
Leisure Time Activities	685,977				
Community Environment	10,884				
Transportation	6,715,382				
General Government	140,976				
Total Depreciation Expense	<u>\$8,648,640</u>				
	Balance				Balance
	1/1/2016	Additions	Deletions		12/31/16
<b>Business-Type Activities</b>					
<b><i>Capital Assets, Not Being Depreciated:</i></b>					
Land	\$ 1,508,079	\$ -	\$ -		\$ 1,508,079
Construction in Progress	44,401	477,891	(484,615)		37,677
<b><i>Total Capital Assets, Not Being Depreciated</i></b>	<u>1,552,480</u>	<u>477,891</u>	<u>(484,615)</u>		<u>1,545,756</u>
<b><i>Capital Assets, Being Depreciated:</i></b>					
Buildings	9,910,501	-	-		9,910,501
Land Improvements	3,893,177	-	-		3,893,177
Machinery and Equipment	9,746,170	531,073	-		10,277,243
Furniture and Fixtures	19,748	-	-		19,748
Vehicles	2,183,898	284,137	(232,621)		2,235,414
Infrastructure:					
Sanitary Sewers	101,753,938	726,194	-		102,480,132
<b><i>Total Capital Assets, Being Depreciated</i></b>	<u>127,507,432</u>	<u>1,541,404</u>	<u>(232,621)</u>		<u>128,816,215</u>
Less Accumulated Depreciation:					
Buildings	(5,842,144)	(175,215)	-		(6,017,359)
Land Improvements	(3,627,575)	(4,900)	-		(3,632,475)
Machinery and Equipment	(8,303,694)	(177,404)	-		(8,481,098)
Furniture and Fixtures	(18,762)	-	-		(18,762)
Vehicles	(1,471,347)	(137,818)	220,990		(1,388,175)
Infrastructure:					
Sanitary Sewers	(64,470,082)	(1,362,811)	-		(65,832,893)
<b><i>Total Accumulated Depreciation</i></b>	<u>(83,733,604)</u>	<u>(1,858,148)</u>	<u>220,990</u>		<u>(85,370,762)</u>
Total Capital Assets, Being Depreciated, Net	<u>43,773,828</u>	<u>(316,744)</u>	<u>(11,631)</u>		<u>43,445,453</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$ 45,326,308</u>	<u>\$ 161,147</u>	<u>\$ (496,246)</u>		<u>\$ 44,991,209</u>

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

**Note 11 – Risk Management**

**Commercial Insurance**

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicles, and general liability risks including public officials' liability.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2016, the City contracted with The Fedeli Group to manage its insurance coverage through Travelers Insurance Companies as follows:

Type of Coverage	Coverage Limits		Deductible
	Per Occurrence	Aggregate	
Commercial and Personal Property Coverage			
(Includes Boiler and Machinery Coverage)	\$113,714,082		\$5,000
Ancillary Equipment (Rented)	\$150,000		\$1,000
Earthquake Damage	\$1,000,000		\$50,000
Flood Damage	\$1,000,000		\$50,000/\$100,000
Inland Marine	\$4,887,321		\$1,000
Crime Coverage			
Theft, Disappearance and Destruction	\$25,000		\$1,000
Employee Dishonesty	\$500,000		\$1,000
Forgery and Alteration	\$25,000		\$1,000
Computer Fraud	\$100,000		\$1,000
Comprehensive General Liability	\$1,000,000	\$2,000,000	\$0
Employee Benefits Liability	\$1,000,000	\$3,000,000	\$1,000
Stop Gap	\$1,000,000		\$0
Public Officials Liability	\$1,000,000	\$1,000,000	\$25,000
Police Professional Liability	\$1,000,000	\$1,000,000	\$25,000
Employment Practices Liability	\$1,000,000	\$1,000,000	\$25,000
Property Liability	\$1,000,000	\$2,000,000	\$0
Pesticide/Herbicide Liability	\$1,000,000	\$2,000,000	\$0
Cemetery Professional Liability	\$1,000,000	\$2,000,000	\$0
EMT/Paramedic Malpractice Liability	\$1,000,000	\$2,000,000	\$0
Sewer Liability	\$1,000,000	\$2,000,000	\$0
Certified Acts of Terrorism	Included		\$0
Automobile Liability and Physical Damage Coverage	\$1,000,000		\$0
Auto Liability Comprehensive			
Fire Vehicles	Agreed Value		\$1,000/\$2,000
Other Vehicles	Actual Cash Value		\$1,000/\$2,000
Auto Liability Collision			
Fire Vehicles	Agreed Value		\$1,000/\$2,000
Other Vehicles	Actual Cash Value		\$1,000/\$2,000
Hired Vehicle Rentals	Actual Cash Value		\$1,000
Miscellaneous			
Umbrella Coverage	\$10,000,000		\$10,000
Cyber Liability	\$1,000,000		\$10,000

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

The City also carries flood insurance through the National Flood Insurance Plan (NFIP). A portion of the City has been mapped and designated an “A” area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, and thus the City is eligible to purchase coverage of \$500,000 for both Building and Contents with a \$1,250 deductible.

The City continues to carry commercial insurance for other risks of loss, including employee health and life insurance. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage limits in any of the past five fiscal years.

**Workers’ Compensation**

The City has established a formal self-insurance program for liabilities arising from the City’s participation in the Ohio Bureau of Workers’ Compensation Individual Retrospective Rating Plan that covers workers’ compensation claims occurring between January 1, 2006 to December 31, 2014. In 2015, the City chose to be a state funded risk, paid a premium, and transferred all risk to the Ohio Bureau of Workers’ Compensation for calendar year 2015. For calendar year 2016, the City participated in the Ohio Municipal League’s (OML) Group Retrospective Rating Program, which is administered by Third Party Administrator, CompManagement. OML offers Group Retrospective Rating as an alternative rating program to assist members in reducing their workers’ compensation premium. Through the program, cities are grouped together to achieve premium refunds based on the performance of the group. Cities continue to pay their own individual merit-rated premium to the Ohio BWC and depending on the performance, the participating cities can either receive a retrospective premium refund or assessment (maximum assessment selected per group). Retrospective refunds are achieved when the standard premium of the group exceeds developed claim costs. For that reason, there is an increased emphasis on safety and claims management for Group Retrospective Rating participants.

The claims liability of \$1,416,142 reported in the fund at December 31, 2016, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claim, be reported. The estimate was not affected by incremental claims adjustment expense and does not include other allocated or unallocated claims adjustment expense. Changes in the fund’s claims liability amount in 2015 and 2016 were as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2015	\$ 1,258,384	\$ 137,787	\$ 44,920	\$ 1,351,251
2016	1,351,251	193,871	128,980	1,416,142

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

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**Note 12 – Defined Benefit Pension Plans**

***Net Pension Asset/Liability***

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

The net pension asset/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 asset/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.

The 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 asset/liability. Resulting adjustments to the net pension asset/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 asset/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.

***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.

**City of Strongsville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
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OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

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

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

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

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

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

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	State and Local
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
	<hr/>
Total Employer	<u>14.0 %</u>
 Employee	 <u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$1,475,695 for 2016.

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

Plan Description - City full-time police and firefighters participate in the 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.

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.

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

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

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$2,558,511 for 2016.

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

The net pension liability and asset for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.



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

	<u>OPERS Traditional Pension Plan</u>	<u>OPERS Combined Pension Plan</u>	<u>OP&amp;F Police</u>	<u>OP&amp;F Fire</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.087814%	0.05616%	0.2758712%	0.3010628%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	<u>0.091907%</u>	<u>0.06788%</u>	<u>0.2714812%</u>	<u>0.3021489%</u>	
Change in Proportionate Share	<u>0.004093%</u>	<u>0.01172%</u>	<u>-0.004390%</u>	<u>0.001086%</u>	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 15,919,450	\$ (33,030)	\$ 17,464,577	\$ 19,437,450	\$ 52,788,447
Pension Expense	\$ 2,382,238	\$ 16,818	\$ 1,999,068	\$ 2,274,026	\$ 6,672,150

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

	<u>OPERS</u>	<u>OP&amp;F Police</u>	<u>OP&amp;F Fire</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>				
Net difference between projected and actual earnings on pension plan investments	\$4,693,585	\$2,842,563	\$3,163,671	\$10,699,819
Changes in proportion and differences between City contributions and proportionate share of contributions	325,709	0	46,303	372,012
City contributions subsequent to the measurement date	<u>1,475,695</u>	<u>1,214,485</u>	<u>1,344,026</u>	<u>4,034,206</u>
Total Deferred Outflows of Resources	<u>\$6,494,989</u>	<u>\$4,057,048</u>	<u>\$4,554,000</u>	<u>\$15,106,037</u>
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$322,667	\$49,040	\$54,580	\$426,287
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>3,048</u>	<u>187,161</u>	<u>0</u>	<u>190,209</u>
Total Deferred Inflows of Resources	<u>\$325,715</u>	<u>\$236,201</u>	<u>\$54,580</u>	<u>\$616,496</u>

\$4,034,206 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 or addition of net pension asset in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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Year Ending December 31:	OPERS	OP&F Police	OP&F Fire	Total
2017	\$1,175,095	\$703,014	\$831,487	\$2,709,596
2018	1,249,915	703,014	831,487	\$2,784,416
2019	1,217,686	703,013	831,486	\$2,752,185
2020	1,059,931	551,478	662,835	\$2,274,244
2021	(2,268)	(45,511)	(1,594)	(49,373)
Thereafter	(6,780)	(8,646)	(307)	(15,733)
Total	<u>\$4,693,579</u>	<u>\$2,606,362</u>	<u>\$3,155,394</u>	<u>\$10,455,335</u>

**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension asset/liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The total pension asset in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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.

**City of Strongsville, Ohio**  
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The most recent experience study was completed for the five year period ended December 31, 2010.

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.40 percent for 2015.

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

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

**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 of Strongsville, Ohio**  
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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	\$25,363,575	\$15,919,450	\$7,953,632
Combined Plan	(679)	(\$33,030)	(\$59,056)

***Actuarial Assumptions – OP&F***

OP&F's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

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

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

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

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

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

\* levered 2x

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

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

**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	\$ 48,668,830	\$ 36,902,027	\$ 26,934,386

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**Note 13 – Post-Employment Benefits**

**Ohio Public Employees Retirement System**

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

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

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

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

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

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

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.00 percent during calendar year 2016.

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As recommended by the OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.00 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the RMA for participants in the Member-Directed Plan for 2016 was 4.0 percent. The City's actual employer contributions for December 31, 2016, 2015 and 2014 which were used to fund post-employment benefits were \$249,232, \$236,898, and \$222,065, respectively; 100 percent has been contributed for 2016, 2015 and 2014.

**Ohio Police and Fire Pension Fund**

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

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

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

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

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

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

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

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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 \$31,771 and \$28,244 for the year ended December 31, 2016, \$30,653 and \$27,582 for the year ended December 31, 2015, and \$30,396 and \$26,796 for the year ended December 31, 2014, respectively. The full amount has been contributed for 2016, 2015 and 2014.

**Note 14 – Short-Term Notes Payable**

The City's note activity, including the amount outstanding and the interest rate, is as follows:

	Balance January 1, 2016	Additions	Deletions	Balance December 31, 2016
<b>Governmental Activities:</b>				
<i>Various Purpose Improvement Notes, Series 2015</i>				
2013 Street Improvements - 1.375%, due 10/13/2016 - 3rd Renewal	\$ 1,000,000	\$ -	\$ (1,000,000)	\$ -
2015 Street Improvements - 1.375%, 10/13/2016 - New	800,000	-	(800,000)	-
<i>Various Purpose Improvement Notes, Series 2016</i>				
2015 Street Improvements - 2.000%, due 10/12/2017 - 2nd Renewal	-	600,000	-	600,000
2016 Storm Water Improvements - 2.000%, 10/12/2017 - New	-	1,300,000	-	1,300,000
Unamortized Premiums on Notes	14,445	18,810	(18,520)	14,735
<b>Total Governmental Activities</b>	<u>\$ 1,814,445</u>	<u>\$ 1,918,810</u>	<u>\$ (1,818,520)</u>	<u>\$ 1,914,735</u>

In 2016, the City issued \$1,900,000 in Various Purpose Improvement Notes Series 2016. These notes were dated October 12, 2016 and will mature on October 12, 2017 and bear a two percent rate of interest. \$600,000 of these notes were used to refinance the 2015 Street Improvement Notes. New notes for \$1,300,000 were issued for improving the City's storm water management system. The proceeds from the 2015 and 2016 Notes will be used for capital related activities. As of December 31, 2016, the City has unspent proceeds of \$1,300,000.

The notes are backed by the full faith and credit of the City and mature within one year. The note liabilities are reflected in the funds which received the proceeds. The premium and issuance costs are recorded in the General Bond Retirement Fund.



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**Note 15 – Long-Term Obligations**

The original issuance date, maturity date, interest rate, and original issuance amounts for the City's long-term obligations were as follows:

	Original Issuance Date	Maturity Date	Interest Rate	Original Issuance Amount
<b>Governmental Activities:</b>				
<u>General Obligation Bonds</u>				
<i>Various Purpose Improvements, Series 2006:</i>				
Service Department Vehicles/Equipment	9/14/2006	12/1/2011	3.75%	\$ 755,000
Technology Project	9/14/2006	12/1/2016	3.750 - 4.000%	860,000
Safety System (911 Equipment and Generator)	9/14/2006	12/1/2016	3.750 - 4.000%	575,000
Police/City Hall	9/14/2006	12/1/2026	3.750 - 5.125%	550,000
Municipal Service Center	9/14/2006	12/1/2026	3.750 - 5.125%	1,000,000
New Fire Station Ward 4	9/14/2006	12/1/2026	3.750 - 5.125%	8,000,000
<i>Total Various Purpose Improvements, Series 2006</i>				<u>11,740,000</u>
<i>Various Purpose Improvements, Series 2009-01:</i>				
Street Improvement Refunding	5/13/2009	12/1/2009	2.50%	460,000
Police Station, Jail, and Mayor's Court	5/13/2009	12/1/2034	2.250 - 5.000%	13,000,000
Intersection of Drake & Howe Roads	5/13/2009	12/1/2029	2.250 - 5.000%	1,550,000
Recreation Land Acquisition (Lunn Road)	5/13/2009	12/1/2029	2.250 - 5.000%	1,455,000
Intersection of Royalton Road and W. 130th	5/13/2009	12/1/2029	2.250 - 5.000%	445,000
<i>Total Various Purpose Improvements, Series 2009-01</i>				<u>16,910,000</u>
<i>Various Purpose Improvements, Series 2009-02:</i>				
Street Improvements (Pearl Road Widening)	12/8/2009	12/1/2029	1.500 - 5.000%	7,000,000
<i>Various Purpose Refundings, Series 2011:</i>				
Multi-Purpose Complex	9/6/2011	12/1/2021	2.000 - 4.000%	8,300,000
Police & Fire Communications Equipment	9/6/2011	12/1/2016	2.00%	485,000
Service Center Complex Renovations	9/6/2011	12/1/2021	2.000 - 4.000%	365,000
Fire Station #3	9/6/2011	12/1/2021	2.000 - 4.000%	1,585,000
<i>Total Various Purpose Refundings, Series 2011</i>				<u>10,735,000</u>
<i>Various Purpose Refundings, Series 2014:</i>				
Foltz Industrial Parkway Extension (refunded series 2005)	4/1/2014	12/1/2025	1.500 - 3.000%	\$ 1,095,000
Royalton Road Improvements (refunded series 2005)	4/1/2014	12/1/2025	1.500 - 3.000%	2,150,000
Police/City Hall (refunded series 2006)	4/1/2014	12/1/2026	1.500 - 3.000%	305,000
Municipal Service Center (refunded series 2006)	4/1/2014	12/1/2026	1.500 - 3.000%	545,000
New Fire Station Ward 4 (refunded series 2006)	4/1/2014	12/1/2026	1.500 - 3.000%	5,390,000
<i>Total Various Purpose Refundings, Series 2014</i>				<u>9,485,000</u>

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

	Original Issuance Date	Maturity Date	Interest Rate	Original Issuance Amount
<b>Governmental Activities:</b>				
<u>General Obligation Bonds (Continued)</u>				
<i>Various Purpose Improvement Refundings, Series 2015:</i>				
Police/City Hall (refunded series 2006)	10/22/2015	12/1/2023	1.500 - 2.125%	\$ 80,000
Municipal Service Center (refunded series 2006)	10/22/2015	12/1/2023	1.500 - 2.125%	165,000
New Fire Station Ward 4 (refunded series 2006)	10/22/2015	12/1/2023	1.500 - 2.125%	2,250,000
Police Station, Jail, and Mayor's Court (refunded series 2009)	10/22/2015	12/1/2026	1.500 - 3.000%	3,705,000
Intersection of Drake & Howe Roads (refunded series 2009)	10/22/2015	12/1/2026	1.500 - 3.000%	605,000
Recreation Land Acquisition (Lunn Road) (refunded series 2009)	10/22/2015	12/1/2026	1.500 - 3.000%	660,000
Intersection of Royalton Road and W. 130th (refunded series 2009)	10/22/2015	12/1/2026	1.500 - 3.000%	170,000
<i>Total Various Purpose Refundings, Series 2015</i>				<u>7,635,000</u>
<i>Various Purpose Improvement Refundings, Series 2016-01:</i>				
Police Station, Jail, and Mayor's Court (refunded series 2009)	7/21/2016	12/1/2034	1.500 - 4.000%	9,270,000
Intersection of Drake & Howe Roads (refunded series 2009)	7/21/2016	12/1/2029	1.500 - 4.000%	750,000
Recreation Land Acquisition (Lunn Road) (refunded series 2009)	7/21/2016	12/1/2029	1.500 - 4.000%	730,000
Intersection of Royalton Road and W. 130th (refunded series 2009)	7/21/2016	12/1/2029	1.500 - 4.000%	220,000
<i>Total Various Purpose Refundings, Series 2016</i>				<u>10,970,000</u>
<i>Various Purpose Improvement, Series 2016-02:</i>				
Street Improvements (Pearl Road Widening)	7/21/2016	12/1/2029	1.500 - 4.000%	5,510,000
<u>Special Assessment Bonds</u>				
<i>Various Purpose Improvements, Series 1996:</i>				
Drake Road	8/15/1996	12/1/2016	4.000 - 6.700%	35,000
Lunn Road	8/15/1996	12/1/2016	4.000 - 6.700%	488,000
Howe and Royalton Roads	8/15/1996	12/1/2016	4.000 - 6.700%	732,000
<i>Total Various Purpose Improvements, Series 1996:</i>				<u>1,255,000</u>
<i>Street Improvements, Series 1998:</i>				
Foltz Parkway	8/15/1998	12/1/2018	4.550 - 5.500%	305,000
<u>Ohio Public Works Commission (OPWC) Loans</u>				
Pearl Road Widening - Phase II	7/1/2013	1/1/2036	0%	2,172,730
<b>Business-Type Activities:</b>				
<u>Ohio Water Development Authority (OWDA) Loans</u>				
Westwood Park Sanitary Sewer	6/27/2002	7/1/2022	4.700%	948,523
Force Main, Pump Station and Sanitary Sewers	1/30/2003	7/1/2023	4.400%	2,259,707
Sewer Construction	5/27/2010	7/1/2030	3.390%	544,038
Drake Road East Sanitary Extension	12/9/2010	7/1/2032	2.870%	655,678
				<u>4,407,946</u>

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

Changes in the long-term obligations of the City during 2016 were as follows:

	Restated Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016	Amounts Due in One Year
<b>Governmental Activities:</b>					
<u>General Obligation Bonds</u>					
<i>Various Purpose Improvements, Series 2006:</i>					
Technology Project	\$ 195,000	\$ -	\$ (195,000)	\$ -	\$ -
Safety System (911 Equipment and Generator)	65,000	-	(65,000)	-	-
Police/City Hall	25,000	-	(25,000)	-	-
Municipal Service Center	50,000	-	(50,000)	-	-
New Fire Station Ward 4	165,000	-	(165,000)	-	-
<i>Total Various Purpose Improvements, Series 2006</i>	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>
<i>Various Purpose Improvements, Series 2009-01:</i>					
Police Station, Jail, and Mayor's Court	9,570,000	-	(9,445,000)	125,000	50,000
Intersection of Drake & Howe Roads	895,000	-	(790,000)	105,000	50,000
Recreation Land Acquisition (Lunn Road)	800,000	-	(750,000)	50,000	20,000
Intersection of Royalton Road and W. 130th	255,000	-	(225,000)	30,000	15,000
<i>Total Various Purpose Improvements, Series 2009-01</i>	<u>11,520,000</u>	<u>-</u>	<u>(11,210,000)</u>	<u>310,000</u>	<u>135,000</u>
<i>Various Purpose Improvements, Series 2009-02:</i>					
Street Improvements (Pearl Road Widening)	6,690,000	-	(5,635,000)	1,055,000	340,000
<i>Various Purpose Refundings, Series 2011:</i>					
Multi-Purpose Complex Refunding, Series 2001	5,625,000	-	(875,000)	4,750,000	900,000
Police & Fire Communications Equipment	90,000	-	(90,000)	-	-
Service Center Complex Renovations	190,000	-	(35,000)	155,000	35,000
Fire Station #3	1,150,000	-	(65,000)	1,085,000	205,000
<i>Total Various Purpose Refunding, Series 2011</i>	<u>7,055,000</u>	<u>-</u>	<u>(1,065,000)</u>	<u>5,990,000</u>	<u>1,140,000</u>
<i>Various Purpose Refundings, Series 2014:</i>					
Foltz Industrial Parkway Extension	1,055,000	-	(90,000)	965,000	90,000
Royalton Road Improvements	2,075,000	-	(170,000)	1,905,000	175,000
Police/City Hall	295,000	-	(5,000)	290,000	5,000
Municipal Service Center	525,000	-	(5,000)	520,000	10,000
New Fire Station Ward 4	5,210,000	-	(70,000)	5,140,000	65,000
<i>Total Various Purpose Refunding, Series 2014</i>	<u>9,160,000</u>	<u>-</u>	<u>(340,000)</u>	<u>8,820,000</u>	<u>345,000</u>
<i>Various Purpose Refundings, Series 2015:</i>					
Police/City Hall	80,000	-	-	80,000	30,000
Municipal Service Center	165,000	-	-	165,000	65,000
New Fire Station Ward 4	2,245,000	-	(5,000)	2,240,000	455,000
Police Station, Jail, and Mayor's Court	3,645,000	-	(25,000)	3,620,000	35,000
Intersection of Drake & Howe Roads	590,000	-	(5,000)	585,000	5,000
Recreation Land Acquisition (Lunn Road)	645,000	-	(5,000)	640,000	5,000
Intersection of Royalton Road and W. 130th	165,000	-	(5,000)	160,000	5,000
<i>Total Various Purpose Refunding, Series 2015</i>	<u>7,535,000</u>	<u>-</u>	<u>(45,000)</u>	<u>7,490,000</u>	<u>600,000</u>
<i>Various Purpose Refundings, Series 2016-01:</i>					
Police Station, Jail, and Mayor's Court	-	9,270,000	-	9,270,000	10,000
Intersection of Drake & Howe Roads	-	750,000	-	750,000	5,000
Recreation Land Acquisition (Lunn Road)	-	730,000	-	730,000	5,000
Intersection of Royalton Road and W. 130th	-	220,000	-	220,000	5,000
<i>Total Various Purpose Refunding, Series 2016-01</i>	<u>-</u>	<u>10,970,000</u>	<u>-</u>	<u>10,970,000</u>	<u>25,000</u>
<i>Various Purpose Improvements, Series 2016-02:</i>					
Street Improvements (Pearl Road Widening)	-	5,510,000	-	5,510,000	35,000
<i>Total General Obligation Bonds</i>	<u>42,460,000</u>	<u>16,480,000</u>	<u>(18,795,000)</u>	<u>40,145,000</u>	<u>2,620,000</u>

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

	Restated Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016	Amounts Due in One Year
<b>Governmental Activities (Continued):</b>					
<u>Special Assessment Bonds</u>					
<i>Various Purpose Improvements, Series 1996:</i>					
Drake Road	\$ 3,000	\$ -	\$ (3,000)	\$ -	\$ -
Lunn Road	39,000	-	(39,000)	-	-
Howe and Royalton Roads	58,000	-	(58,000)	-	-
<i>Total Various Purpose Improvements, Series 1996:</i>	100,000	-	(100,000)	-	-
<i>Street Improvements, Series 1998:</i>					
Foltz Parkway	70,000	-	(20,000)	50,000	25,000
<i>Total Special Assessment Bonds</i>	170,000	-	(120,000)	50,000	25,000
<u>Ohio Public Works Commission (OPWC) Loan</u>					
Pearl Road Widening - Phase II	2,172,730	-	(108,636)	2,064,094	108,636
<u>Net Pension Liability</u>					
OPERS	9,817,214	4,955,133	-	14,772,347	-
OP&F	29,887,587	7,014,440	-	36,902,027	-
<i>Total Net Pension Liability</i>	39,704,801	11,969,573	-	51,674,374	-
<u>Other Long-Term Obligations</u>					
Unamortized Bond Premiums	1,315,829	1,937,003	(486,518)	2,766,314	-
Workers' Compensation Claims	1,351,251	193,871	(128,980)	1,416,142	90,175
Compensated Absences	5,693,024	1,733,313	(1,447,777)	5,978,560	1,449,682
<i>Total Other Long-Term Obligations</i>	8,360,104	3,864,187	(2,063,275)	10,161,016	1,539,857
<b>Total Governmental Activities Long-Term Obligations</b>	<b>\$ 92,867,635</b>	<b>\$ 32,313,760</b>	<b>\$ (21,086,911)</b>	<b>\$ 104,094,484</b>	<b>\$ 4,293,493</b>
<b>Business-Type Activities:</b>					
<u>Ohio Water Development Authority (OWDA) Loans</u>					
Westwood Park Sanitary Sewer	\$ 408,559	\$ -	\$ (55,112)	\$ 353,447	\$ 57,733
Force Main, Pump Station and Sanitary Sewers	1,082,731	-	(124,778)	957,953	130,328
Sewer Construction	428,802	-	(23,339)	405,463	24,136
Drake Road East Sanitary Sewer Extension	566,153	-	(27,262)	538,891	28,050
<i>Total OWDA Loans</i>	2,486,245	-	(230,491)	2,255,754	240,247
<u>Net Pension Liability</u>					
OPERS	774,136	372,967	-	1,147,103	-
<u>Other Long-Term Obligations</u>					
Compensated Absences	297,656	85,099	(53,522)	329,233	50,585
<i>Total Other Long-Term Obligations</i>	297,656	85,099	(53,522)	329,233	50,585
<b>Total Business-Type Activities Long-Term Obligations</b>	<b>\$ 3,558,037</b>	<b>\$ 458,066</b>	<b>\$ (284,013)</b>	<b>\$ 3,732,090</b>	<b>\$ 290,832</b>
<b>Total Entity-Wide Long-Term Obligations</b>	<b>\$ 96,425,672</b>	<b>\$ 32,771,826</b>	<b>\$ (21,370,924)</b>	<b>\$ 107,826,574</b>	<b>\$ 4,584,325</b>

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

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The Ohio Water Development Authority (OWDA) loans are revenue obligations (not general obligations) of the City, payable from the revenue of the systems that are improved with the OWDA loans and from special assessments that relate to those improvements. The OWDA does not require that the City generate “coverage” (revenues in excess of the amounts needed for system operations and loan payments), nor does the OWDA require the creation or funding of any reserve funds. The OWDA loans will be paid from the Sanitary Sewer Fund. The Ohio Public Works Commission (OPWC) loan will be paid from the General Bond Retirement Fund. General obligation bonds will be paid from the General Bond Retirement Fund and Pearl Road TIF #1 Fund. Special assessment bonds will be paid from the proceeds of special assessments levied against benefitted property owners paid from the General Bond Retirement Fund. In the event that a property owner would fail to pay the assessment, payment would be made by the City. Workers’ Compensation claims will be paid from the Workers’ Compensation Reserve Fund (refer to Note 11 for further information). The compensated absences liability will primarily be paid from the General Fund. See Note 12 for further information on Net Pension Liability.

In July 2013, the City entered into a loan agreement with the Ohio Public Works Commission (OPWC) for a zero percent interest loan for the Pearl Road Widening project. In 2015 the City made its final drawdown on the loan for a total amount of \$2,172,730. The twenty-year loan will be repaid with forty semi-annual payments of \$54,318 commencing July 1, 2016. The loan will be repaid from the General Bond Retirement Fund.

**Current Defeased Debt**

On July 21, 2016, the City issued \$16,480,000 in bonds for the purpose of refunding the callable portion of the City’s outstanding various purpose improvement bonds, series 2009. The refunding bonds were issued to refund those bonds at a lower overall interest cost. The advance refunding met the requirements of an in-substance debt defeasance and the bonds were removed from the City’s government-wide financial statements. The aggregate debt service on the Series 2009 bonds was \$27,699,910 versus \$25,861,677 for the refunding bonds. As a result of the advance refunding, the City’s cash savings attributable to this refunding transaction was \$1,838,233. The present value of the difference between the two debt streams using the arbitrage yield was \$1,593,721 which constitutes the economic gain on the transaction. As of December 31, 2016, the amount of defeased debt outstanding but removed from the government-wide financial statements amounted to \$16,445,000.

**Prior Years’ Debt Defeasance**

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Government securities that were placed in the irrevocable trust fund. The investment and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City’s government-wide financial statements. As of December 31, 2016, the amount of defeased debt (related to the 2015 refunding) still outstanding but removed from the government-wide financial statements is to \$ 4,640,000.

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

**Principal and Interest Requirements**

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

Governmental Activities							
Years	General Obligation Bonds		Special Assessment Bonds		OPWC Loan	Total	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2017	2,620,000	\$1,230,113	25,000	2,750	\$108,636	\$2,753,636	\$1,232,863
2018	2,680,000	1,161,937	25,000	1,375	108,636	2,813,636	1,163,312
2019	2,755,000	1,103,438	0	0	108,636	2,863,636	1,103,438
2020	2,870,000	1,022,256	0	0	108,636	2,978,636	1,022,256
2021	2,975,000	940,256	0	0	108,636	3,083,636	940,256
2022-2026	14,195,000	3,635,975	0	0	543,183	14,738,183	3,635,975
2027-2031	8,480,000	1,588,575	0	0	543,183	9,023,183	1,588,575
2032-2035	3,570,000	289,200	0	0	434,548	4,004,548	289,200
Total	\$40,145,000	\$10,971,750	\$50,000	\$4,125	\$2,064,094	\$42,259,094	\$10,975,875

Business-Type Activities		
Years	OWDA Loans	
	Principal	Interest
2017	240,247	79,405
2018	250,427	70,162
2019	261,046	60,522
2020	272,124	50,467
2021	283,682	39,980
2022-2026	605,916	91,372
2027-2031	320,961	27,497
2032-2034	21,351	307
Total	\$2,255,754	\$419,712

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

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**Note 16 – Construction Commitments and Operating Lease**

As of December 31, 2016, the City had the following significant commitments with respect to capital-related projects:

	<u>Remaining Construction Commitment</u>
<u>Fire Levy Fund</u>	
Fire Station #3 Renovation	\$ 154,907
<u>Drainage Levy Fund</u>	
Courtland Culvert	41,919
Walnut Drainage Retention	703,223
Donegal Drive Retention	742,000
Cherry Stone Retention	991,725
<u>Recreation Capital Improvement</u>	
Locker Room Renovations	754,685
<u>Enterprise Fund</u>	
Bowman Drive Sewer Replacement	2,535,984
<b>Total Government-wide Construction Commitments</b>	<u><u>\$ 5,924,443</u></u>

**Operating Lease**

In September 2002, the City entered in a 15 year lease agreement for the use of portions of a privately owned ice rink facility. The lease expires on August 31, 2017 and the City has the option to renew the lease at that time. Based on accounting for leases, this lease is accounted for as an operating lease. Operating leases do not give rise to property rights or lease obligations. During 2016, expenditures for the operating lease totaled \$275,000.

The final payment in the amount of \$206,250 is due in 2017.

**Note 17 – Contingent Liabilities**

There are several lawsuits pending in which the City is involved. City management estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

Under the terms of federal and state grants, periodic audits are required and certain expenditures may be questioned as not appropriate under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial.

**Note 18 - Jointly Governed Organizations**

**Southwest General Health Center**

The Southwest General Health Center is an Ohio nonprofit corporation providing health services. The Health Center is a jointly governed organization among the communities of Berea, Brook Park, Columbia Township, Middleburg Heights, Olmsted Falls and Strongsville.

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

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The Health Center is governed by a Board of Trustees consisting of the following: one member of the legislative body from each of the political subdivisions, one resident from each of the political subdivisions who is not a member of the legislative body, three persons who are residents of any of the participating political subdivisions, and the president and the vice president of the medical staff. The legislative body of each political subdivision elects their own member to serve on the Board of Trustees of the Health Center.

The Board exercises total control over the operation of the Health Center including budgeting, appropriating, contracting and designating management. Each City's control is limited to its representation on the Board. In 2016, the City of Strongsville contributed \$344,570 to the Health Center. Financial information may be obtained by writing to the Southwest General Health Center, 18697 Bagley Road, Middleburg Heights, Ohio 44130-3497.

**Regional Income Tax Agency**

In 1971, thirty-eight municipalities joined together to organize a Regional Council of Governments (RCOG) to administer tax collection and enforcement concerns facing the cities and villages. The first official act of the RCOG was to form the Regional Income Tax Agency (RITA). Today RITA serves as the income tax collection agency for 248 municipalities throughout the State of Ohio. The City was one of the original members of RCOG. Financial information may be obtained by writing to RITA, 10107 Brecksville Road, Brecksville, Ohio, 44141.

**Southwest Council of Governments**

The Southwest Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions, and regional development. The Council's Board is comprised of one member from each of the participating cities. The Board 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. The Council has established two subsidiary organizations, the Hazardous Material Response Team ("HAZMAT"), which provides hazardous material protection and assistance, and the Southwest Enforcement Bureau, which provides extra assistance to cities in the form of a SWAT team. In 2016, the City of Strongsville contributed \$16,000 to the Council. Financial information may be obtained by writing to the Finance Director of the City of Berea, at 11 Berea Commons, Berea, Ohio 44017.

**Northeast Ohio Public Energy Council**

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of energy. NOPEC is currently comprised of over 130 communities who have been authorized by ballot to purchase energy on behalf of their citizens. The intent of NOPEC is to provide energy at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide energy to the citizens of its member communities. NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eleven-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information should be directed to NOPEC, 31360 Solon Road, Suite 33, Solon, Ohio 44139.



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

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**Southwest Regional Communications**

The Southwest Regional Communications is a jointly-governed organization between the City and seven other communities. Formed as a Regional Council of Governments as permitted under Ohio Revised Code Section 167.01, the intent of the Southwest Regional Communications is to establish, own, operate, maintain, and administer, a regional communications network for public safety and public service purposes for the mutual benefit of the participating communities. This organization is controlled by a governing body consisting of each participating community's mayor or his/her delegate or representative. The degree of control exercised by any member is limited to its representation on the governing board.

All members agree to contribute the sums of money on a shared basis as agreed per the requirements set forth in the Articles of Understanding. In accordance with GASB Statement No. 14 and amended by GASB Statement No. 61, the City does not have an equity interest in the organization. In 2016, the City of Strongsville contributed \$67,243 to the organization. Financial information may be obtained by contacting Martin S. Healy, 17401 Holland Road, Brook Park, Ohio 44142, by telephone at 216-433-1300.

**Note 19 – Related Organization**

The Strongsville Community Improvement Corporation (CIC) was formed to promote and assist in economic development with the City. City Council created the CIC in 1977 and appointed the initial CIC Board members. The CIC does not represent a potential financial benefit for or burden on the City.

**Note 20 – Tax Abatement Disclosures**

Pursuant to Ohio Revised Code Chapter 3735.65-70, the City has established nineteen Pre-1994 Community Reinvestment Area's (CRAs) within and surrounding Strongsville's business parks. The CRA program provided the City with a resources used to stimulate growth and economic development by providing a direct incentive tax exemption benefiting both residential and industrial property owners who renovate existing or construct new buildings within the designated area. Improvements within the CRAs designated areas are granted an abatement of 100% on the additional property taxes resulting from the increase in assessed value as a result of the improvements for a period of up to 15 years. The amount of the abatement is deducted from the recipient's property tax bill.

Below is the information relevant to the disclosure of the program for the year ended December 31, 2016.



## **Required Supplementary Information**

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

<b>Traditional Plan</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension Liability	0.091907%	0.087814%	0.087814%
City's Proportionate Share of the Net Pension Liability	\$15,919,450	\$10,591,350	\$10,352,127
City's Covered-Employee Payroll	\$11,437,692	\$10,801,667	\$10,433,501
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	139.18%	98.05%	99.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%
<b>Combined Plan</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension (Asset)	0.067880%	0.05616%	0.05616%
City's Proportionate Share of the Net Pension (Asset)	(\$33,030)	(\$21,623)	(\$5,893)
City's Covered-Employee Payroll	\$247,042	\$206,833	\$212,553
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	13.37%	10.45%	2.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	116.90%	114.83%	104.33%

(1) Information prior to 2013 is not available.

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

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

<b>Police</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension Liability	0.2714812%	0.2758712%	0.2758712%
City's Proportionate Share of the Net Pension Liability	\$17,464,577	\$14,291,279	\$13,435,793
City's Covered-Employee Payroll	\$6,149,832	\$6,078,132	\$6,080,280
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	283.98%	235.13%	220.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	71.71%	73.00%
<b>Fire</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension Liability	0.3021489%	0.3010628%	0.3010628%
City's Proportionate Share of the Net Pension Liability	\$19,437,450	\$15,596,308	\$14,662,703
City's Covered-Employee Payroll	\$5,534,217	\$5,389,043	\$5,225,596
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	351.22%	289.41%	280.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	71.71%	73.00%

(1) Information prior to 2013 is not available.

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Contractually Required Contributions</u>				
Traditional Plan	\$ 1,440,661	\$1,372,523	\$1,296,200	\$1,356,355
Combined Plan	<u>35,034</u>	<u>\$29,645</u>	<u>\$24,820</u>	<u>27,632</u>
Total Required Contributions	\$1,475,695	\$1,402,168	\$1,321,020	\$1,383,987
Contributions in Relation to the Contractually Required Contribution	<u>(\$1,475,695)</u>	<u>(\$1,402,168)</u>	<u>(\$1,321,020)</u>	<u>(\$1,383,987)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered-Employee Payroll				
Traditional Plan	\$12,005,508	\$11,437,692	\$10,801,667	\$10,433,501
Combined Plan	\$291,950	\$247,042	\$206,833	\$212,553
<u>Pension Contributions as a Percentage of Covered-Employee Payroll</u>				
Traditional Plan	12.00%	12.00%	12.00%	13.00%
Combined Plan	12.00%	12.00%	12.00%	13.00%

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

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Contractually Required Contributions</u>										
Police	\$1,214,485	\$1,168,468	\$1,154,845	\$956,428	\$729,404	\$751,204	\$696,232	\$731,106	\$692,906	\$676,100
Fire	\$1,344,026	\$1,300,541	\$1,266,425	\$1,057,138	\$895,979	\$927,285	\$811,840	\$866,840	\$837,528	\$796,452
Total Required Contributions	\$2,558,511	\$2,469,009	\$2,421,270	\$2,013,566	\$1,625,383	\$1,678,489	\$1,508,072	\$1,597,946	\$1,530,434	\$1,472,552
Contributions in Relation to the Contractually Required Contribution	<u>(\$2,558,511)</u>	<u>(\$2,469,009)</u>	<u>(\$2,421,270)</u>	<u>(\$2,013,566)</u>	<u>(\$1,625,383)</u>	<u>(\$1,678,489)</u>	<u>(\$1,508,072)</u>	<u>(\$1,597,946)</u>	<u>(\$1,530,434)</u>	<u>(\$1,472,552)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered-Employee Payroll</u>										
Police	\$6,392,026	\$6,149,832	\$6,078,132	\$6,080,280	\$5,720,816	\$5,891,796	\$5,460,643	\$5,734,165	\$5,434,557	\$5,302,745
Fire	\$5,719,260	\$5,534,217	\$5,389,043	\$5,225,596	\$5,194,081	\$5,375,565	\$4,706,319	\$5,025,159	\$4,855,235	\$4,617,113
<u>Pension Contributions as a Percentage of Covered- Employee Payroll</u>										
Police	19.00%	19.00%	19.00%	[2]	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%
Fire	23.50%	23.50%	23.50%	[2]	17.25%	17.25%	17.25%	17.25%	17.25%	17.25%

[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:

*Police Pension Fund* - This fund accounts for the revenue from property taxes levied and expenditures relative to payment of the City's share (19.50 percent) of the current police pension liability to the Ohio Police & Fire Pension Fund. The Ohio Revised Code requires that the City levy 0.3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by a transfer from the General Fund.

*State Highway Maintenance Fund* - This fund accounts for a percentage of the revenue from the City's share of State gasoline taxes and motor vehicle registration fees. State law requires that these taxes be used for maintenance and repair of the state highways within the City.

*Motor Vehicle License Tax Fund* - This fund accounts for the additional \$5 tax levied upon the vehicles registered within the City to be used specifically for the maintenance of public roads and highways within the City.

*Emergency Vehicle Fund* - This fund accounts for the revenues generated by the charges for emergency medical services to be used for the acquisition of emergency medical service vehicles, or any other equipment related to or required for emergency medical services operations, and any other public safety related vehicles or equipment utilized at the time of and in conjunction with calls for emergency medical services.

*Fire Pension Fund* - This fund accounts for the revenue from property taxes levied and expenditures relative to payment of the City's share (24.00 percent) of the current fire pension liability to the Ohio Police & Fire Pension Fund. The Ohio Revised Code requires that the City levy 0.3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by a transfer from the General Fund.

*Clerk of Courts Computerization Fund* - This fund accounts for the revenue received from court costs assessed under the authority of Ohio Revised Code Section 1901.261(b) by the Mayor's Court on the filing of each cause of action or appeal, certificate of judgment or modifications of judgment for the purpose of procuring or maintaining computer systems of the office of the clerk of the Mayor's Court.

*Drainage Levy Fund* - This fund accounts for the revenue received from a voted property tax levy (gross millage 0.4, effective millage 0.389418 for tax year 2015/collection year 2016) approved for the purpose of constructing, reconstructing and renovating storm sewers and storm drainage facilities.

*Multi-Purpose Complex Fund* – This fund accounts for the revenue received from various recreation/senior membership and user fees. Transfers are made from the General Fund to provide additional resources.

*Southwest General Hospital Levy Fund* - This fund accounts for the revenue received from a voted property tax levy (gross millage 1.0, effective millage 0.188144 for tax year 2015/collection year 2016) approved for the use, maintenance and support of Southwest General Hospital by the residents of Strongsville.

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

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

*Law Enforcement Federal Seizure Fund* - This fund accounts for seized and/or forfeited cash and tangible property received from the United States government that was relinquished in accordance with the Comprehensive Drug Penalty Act of 1984 to be used by local law enforcement.

*Law Enforcement State Seizure Fund* - This fund accounts for seized and/or forfeited cash and tangible property received from the Cuyahoga County Common Pleas Court with the State of Ohio, which was relinquished in accordance with Section (D) (1) to (8) of Ohio Revised Code Section 2933.41. Eighty percent of the seizure or forfeiture is to be used by local law enforcement while the remaining twenty percent is forwarded to the Cuyahoga County Prosecuting Attorney's Office.

*Law Enforcement Drug Fine Fund* – This fund accounts for all fines imposed and bail forfeited by an individual convicted of certain drug offenses to be used by local law enforcement.

*Law Enforcement DWI/DUI Fund* - This fund accounts for fines and penalties received for DWI/DUI violations. These funds are to be used for costs incurred in enforcing DWI/DUI laws, incarceration costs and public education.

*Tree Fund* - This fund accounts for various fees and permits charged pursuant to City Ordinances for the purpose of planting, replacing, maintaining, protecting and promoting trees within the City.

*Community Diversion Fund* - This fund accounts for the revenue received from the Juvenile Court Division of the Cuyahoga County Court of Common Pleas. The purpose of this program is to divert local youth who are juvenile offenders of misdemeanor and status offenses from formal court action and to utilize community resources to ameliorate the situations.

*Earned Benefits Fund* - This fund accounts for the revenue set-aside by City Council used for the payment of accumulated sick and vacation leave balances upon the termination of employment by employees of the City and to provide funds for the payment of salaries and related fringes during a twenty-seven pay year per Ohio Revised Code Section 5705.13. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget.

### ***Nonmajor Debt Service Funds***

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:

*Pearl Road TIF #1 Fund* - This fund accounts for the receipt of service payments in lieu of taxes (PILOTs) that are legally restricted for the payment of public improvements described in City ordinance. The general area affected by this TIF is Pearl Road between Route 82 and Boston Road and the area along Route 82 between Pearl and Howe Roads.

*Royalton Road TIF Fund* – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2008-220. The general area affected by this TIF is north of Route 82 and Howe Road intersection.

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

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*Pearl Road TIF #2 Fund* – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2010-196. The general area affected by this TIF is Pearl Road between Route 82 and Boston Road.

*Pearl Road TIF #3 Fund* – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2011-191. The general area affected by this TIF is Pearl, Royalton, Howe and Prospect Roads.

*Westwood Commons TIF Fund* – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2015-195. The City will reimburse the Developer for the public infrastructure improvements that directly benefit the City, its residents and the property. The area affected by this TIF is the northeastern corner of Pearl Road and Westwood Drive.

*Giant Eagle TIF Fund* – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2013-250. The general area affected by this TIF is Pearl and Royalton Roads.

*Get Go TIF Fund* – This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2014-200. The general area affected by this TIF is Drake and Pearl Road from Boston Road to Royalton Road.

### ***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:

*Recreation Capital Improvement Fund* – This fund accounts for resources restricted for recreation improvements. Resources include federal, state, and local grants, dedicated building fees, debt proceeds and transfers from the General Fund.

*Pearl Road Capital Improvement Fund* - This fund accounts for federal, state, and local grants, loan proceeds and other resource used to make major improvements to Pearl Road.

*Whitney/Pearl Road TIF Capital Improvement Fund* - This fund accounts for the revenue received from Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2014-202. The general area affected by this TIF is Pearl Road and Whitney Road south to the intersection of Big Creek Parkway and east to the I-71 underpass.

**City of Strongsville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2016*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 6,751,749	\$ 398,448	\$ 464,619	\$ 7,614,816
Accrued Interest Receivable	6,879	2,439	-	9,318
Accounts Receivable	183,492	-	-	183,492
Intergovernmental Receivable	172,052	1,464,902	46,143	1,683,097
Prepaid Items	75,368	-	-	75,368
Property Taxes Receivable	1,604,027	-	-	1,604,027
Permissive Motor Vehicle Taxes Receivable	30,349	-	-	30,349
<b>Total Assets</b>	<b>\$ 8,823,916</b>	<b>\$ 1,865,789</b>	<b>\$ 510,762</b>	<b>\$ 11,200,467</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 77,944	\$ 1,991	\$ -	\$ 79,935
Accrued Wages and Benefits	41,101	-	-	41,101
Contracts Payable	164,606	-	900	165,506
Intergovernmental Payable	87,287	-	-	87,287
Matured Compensated Absences Payable	4,998	-	-	4,998
Accrued Interest Payable	5,633	2,600	-	8,233
Retainage Payable	62,172	-	-	62,172
Interfund Payable	-	28,300	-	28,300
Notes Payable	1,300,000	600,000	-	1,900,000
<b>Total Liabilities</b>	<b>1,743,741</b>	<b>632,891</b>	<b>900</b>	<b>2,377,532</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes and Payments in Lieu of Taxes	1,565,703	1,464,902	46,143	3,076,748
Unavailable Revenue - Delinquent Property Taxes	38,324	-	-	38,324
Unavailable Revenue - Other	259,864	-	-	259,864
<b>Total Deferred Inflows of Resources</b>	<b>1,863,891</b>	<b>1,464,902</b>	<b>46,143</b>	<b>3,374,936</b>
<b>Fund Balances:</b>				
Nonspendable	75,368	-	-	75,368
Restricted	2,385,975	370,709	14,974	2,771,658
Committed	2,754,941	-	448,745	3,203,686
Unassigned	-	(602,713)	-	(602,713)
<b>Total Fund Balances (Deficits)</b>	<b>5,216,284</b>	<b>(232,004)</b>	<b>463,719</b>	<b>5,447,999</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 8,823,916</b>	<b>\$ 1,865,789</b>	<b>\$ 510,762</b>	<b>\$ 11,200,467</b>

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 1,577,377	\$ -	\$ -	\$ 1,577,377
Permissive Motor Vehicle Taxes	355,013	-	-	355,013
Payments in Lieu of Taxes	-	1,428,743	14,974	1,443,717
Intergovernmental	522,796	-	-	522,796
Interest	23,641	8,309	-	31,950
Fees, Licenses, and Permits	116,068	-	-	116,068
Fines and Forfeitures	30,385	-	-	30,385
Charges for Services	4,104,414	-	75,950	4,180,364
Contributions and Donations	500	-	-	500
All Other Revenues	10,270	-	-	10,270
<b>Total Revenues</b>	<u>6,740,464</u>	<u>1,437,052</u>	<u>90,924</u>	<u>8,268,440</u>
<b>EXPENDITURES</b>				
Security of Persons and Property	2,837,013	-	-	2,837,013
Public Health Services	344,570	-	-	344,570
Leisure Time Activities	4,923,783	-	-	4,923,783
Community Environment	107,962	-	-	107,962
Basic Utility Services	291,511	-	-	291,511
Transportation	93,022	-	-	93,022
General Government	29,800	97,368	-	127,168
Capital Outlay	1,462,189	-	867,437	2,329,626
Debt Service:				
Principal Retirement	-	335,000	-	335,000
Interest and Fiscal Charges	5,633	241,760	-	247,393
<b>Total Expenditures</b>	<u>10,095,483</u>	<u>674,128</u>	<u>867,437</u>	<u>11,637,048</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,355,019)</u>	<u>762,924</u>	<u>(776,513)</u>	<u>(3,368,608)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	24,100	-	42,077	66,177
Refunding Bonds Issues	-	5,510,000	-	5,510,000
Premium on Debt Issuance	-	561,401	-	561,401
Payment to Refunded Bond Escrow Account	-	(5,973,196)	-	(5,973,196)
Transfers In	4,984,000	202,742	500,000	5,686,742
Transfers Out	-	(1,005,064)	-	(1,005,064)
<b>Total Other Financing Sources (Uses)</b>	<u>5,008,100</u>	<u>(704,117)</u>	<u>542,077</u>	<u>4,846,060</u>
Net Change in Fund Balances	1,653,081	58,807	(234,436)	1,477,452
Fund Balances (Deficit) - Beginning of Year	3,563,203	(290,811)	698,155	3,970,547
<b>Fund Balances (Deficit) - End of Year</b>	<u>\$ 5,216,284</u>	<u>\$ (232,004)</u>	<u>\$ 463,719</u>	<u>\$ 5,447,999</u>

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

	<b>Police Pension</b>	<b>State Highway Maintenance</b>	<b>Motor Vehicle License Tax</b>	<b>Emergency Vehicle</b>	<b>Fire Pension</b>
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 237,802	\$ 337,841	\$ 819,018	\$ 1,999,489	\$ 254,639
Accrued Interest Receivable	-	711	1,664	4,504	-
Accounts Receivable	-	-	-	183,492	-
Intergovernmental Receivable	24,253	70,913	-	-	24,253
Prepaid Items	-	-	-	-	-
Property Taxes Receivable	390,219	-	-	-	390,219
Permissive Motor Vehicle Taxes Receivable	-	-	30,349	-	-
<b>Total Assets</b>	<u>\$ 652,274</u>	<u>\$ 409,465</u>	<u>\$ 851,031</u>	<u>\$ 2,187,485</u>	<u>\$ 669,111</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ 6,947	\$ -
Accrued Wages and Benefits	-	-	-	-	-
Contracts Payable	-	-	-	-	-
Intergovernmental Payable	35,479	-	-	-	45,465
Matured Compensated Absences Payable	-	-	-	-	-
Accrued Interest Payable	-	-	-	-	-
Retainage Payable	-	-	-	-	-
Notes Payable	-	-	-	-	-
<b>Total Liabilities</b>	<u>35,479</u>	<u>-</u>	<u>-</u>	<u>6,947</u>	<u>45,465</u>
<b>Deferred Inflows of Resources:</b>					
Property Taxes	380,896	-	-	-	380,896
Unavailable Revenue - Delinquent Property Taxes	9,323	-	-	-	9,323
Unavailable Revenue - Other	24,253	55,455	-	104,715	24,253
<b>Total Deferred Inflows of Resources</b>	<u>414,472</u>	<u>55,455</u>	<u>-</u>	<u>104,715</u>	<u>414,472</u>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	202,323	354,010	851,031	-	209,174
Committed	-	-	-	2,075,823	-
<b>Total Fund Balances</b>	<u>202,323</u>	<u>354,010</u>	<u>851,031</u>	<u>2,075,823</u>	<u>209,174</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 652,274</u>	<u>\$ 409,465</u>	<u>\$ 851,031</u>	<u>\$ 2,187,485</u>	<u>\$ 669,111</u>

<b>Clerk of Courts Computerization</b>	<b>Drainage Levy</b>	<b>Multi- Purpose Complex</b>	<b>Southwest General Hospital Levy</b>	<b>Law Enforcement Federal Seizure</b>	<b>Law Enforcement State Seizure</b>	<b>Law Enforcement Drug Fine</b>
\$ 155,190	\$ 2,057,594	\$ 563,040	\$ -	\$ 13,285	\$ 47,892	\$ 4,691
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,320	31,672	-	19,516	-	-	-
-	-	75,368	-	-	-	-
-	509,587	-	314,002	-	-	-
-	-	-	-	-	-	-
<u>\$ 156,510</u>	<u>\$ 2,598,853</u>	<u>\$ 638,408</u>	<u>\$ 333,518</u>	<u>\$ 13,285</u>	<u>\$ 47,892</u>	<u>\$ 4,691</u>
\$ 2,382	\$ -	\$ 68,615	\$ -	\$ -	\$ -	\$ -
-	-	41,101	-	-	-	-
-	164,606	-	-	-	-	-
-	-	6,343	-	-	-	-
-	-	4,998	-	-	-	-
-	5,633	-	-	-	-	-
-	62,172	-	-	-	-	-
-	1,300,000	-	-	-	-	-
<u>2,382</u>	<u>1,532,411</u>	<u>121,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	497,411	-	306,500	-	-	-
-	12,176	-	7,502	-	-	-
-	31,672	-	19,516	-	-	-
<u>-</u>	<u>541,259</u>	<u>-</u>	<u>333,518</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	75,368	-	-	-	-
154,128	525,183	-	-	13,285	47,892	4,691
-	-	441,983	-	-	-	-
<u>154,128</u>	<u>525,183</u>	<u>517,351</u>	<u>-</u>	<u>13,285</u>	<u>47,892</u>	<u>4,691</u>
<u>\$ 156,510</u>	<u>\$ 2,598,853</u>	<u>\$ 638,408</u>	<u>\$ 333,518</u>	<u>\$ 13,285</u>	<u>\$ 47,892</u>	<u>\$ 4,691</u>

(Continued)

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

	<b>Law Enforcement DWI/DUI</b>	<b>Tree</b>	<b>Community Diversion</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 22,283	\$ 237,135	\$ 1,850	\$ 6,751,749
Accrued Interest Receivable	-	-	-	6,879
Accounts Receivable	-	-	-	183,492
Intergovernmental Receivable	125	-	-	172,052
Prepaid Items	-	-	-	75,368
Property Taxes Receivable	-	-	-	1,604,027
Permissive Motor Vehicle Taxes Receivable	-	-	-	30,349
<b>Total Assets</b>	<u>\$ 22,408</u>	<u>\$ 237,135</u>	<u>\$ 1,850</u>	<u>\$ 8,823,916</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ 77,944
Accrued Wages and Benefits	-	-	-	41,101
Contracts Payable	-	-	-	164,606
Intergovernmental Payable	-	-	-	87,287
Matured Compensated Absences Payable	-	-	-	4,998
Accrued Interest Payable	-	-	-	5,633
Retainage Payable	-	-	-	62,172
Notes Payable	-	-	-	1,300,000
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,743,741</u>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	-	-	-	1,565,703
Unavailable Revenue - Delinquent Property Taxes	-	-	-	38,324
Unavailable Revenue - Other	-	-	-	259,864
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,863,891</u>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	75,368
Restricted	22,408	-	1,850	2,385,975
Committed	-	237,135	-	2,754,941
<b>Total Fund Balances</b>	<u>22,408</u>	<u>237,135</u>	<u>1,850</u>	<u>5,216,284</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 22,408</u>	<u>\$ 237,135</u>	<u>\$ 1,850</u>	<u>\$ 8,823,916</u>



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

	<b>Police Pension</b>	<b>State Highway Maintenance</b>	<b>Motor Vehicle License Tax</b>	<b>Emergency Vehicle</b>	<b>Fire Pension</b>
<b>REVENUES</b>					
Property Taxes	\$ 381,892	\$ -	\$ -	\$ -	\$ 381,892
Permissive Motor Vehicle Taxes	-	-	355,013	-	-
Intergovernmental	48,573	146,490	-	2,500	48,573
Interest	-	2,417	5,512	15,712	-
Fees, Licenses, and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Charges for Services	-	-	-	1,010,601	-
Contributions and Donations	-	-	-	-	-
All Other Revenues	-	-	-	9,970	-
<b>Total Revenues</b>	<u>430,465</u>	<u>148,907</u>	<u>360,525</u>	<u>1,038,783</u>	<u>430,465</u>
<b>EXPENDITURES</b>					
Security of Persons and Property	1,250,731	-	-	183,447	1,383,089
Public Health Services	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-
Community Environment	-	-	-	-	-
Basic Utility Services	-	-	-	-	-
Transportation	-	93,022	-	-	-
General Government	-	-	-	-	-
Capital Outlay	-	-	-	471,245	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
<b>Total Expenditures</b>	<u>1,250,731</u>	<u>93,022</u>	<u>-</u>	<u>654,692</u>	<u>1,383,089</u>
Excess of Revenues Over (Under) Expenditures	<u>(820,266)</u>	<u>55,885</u>	<u>360,525</u>	<u>384,091</u>	<u>(952,624)</u>
<b>OTHER FINANCING SOURCES</b>					
Sale of Capital Assets	-	-	-	21,600	-
Transfer In	840,000	-	-	-	1,044,000
<b>Total Other Financing Sources</b>	<u>840,000</u>	<u>-</u>	<u>-</u>	<u>21,600</u>	<u>1,044,000</u>
Net Change in Fund Balances	19,734	55,885	360,525	405,691	91,376
Fund Balances - Beginning of Year	182,589	298,125	490,506	1,670,132	117,798
<b>Fund Balances - End of Year</b>	<u>\$ 202,323</u>	<u>\$ 354,010</u>	<u>\$ 851,031</u>	<u>\$ 2,075,823</u>	<u>\$ 209,174</u>

(Continued)

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

	<b>Clerk of Courts Computerization</b>	<b>Drainage Levy</b>	<b>Multi- Purpose Complex</b>	<b>Southwest General Hospital Levy</b>
<b>REVENUES</b>				
Property Taxes	\$ -	\$ 499,483	\$ -	\$ 314,110
Permissive Motor Vehicle Taxes	-	-	-	-
Intergovernmental	-	63,053	174,747	30,460
Interest	-	-	-	-
Fees, Licenses, and Permits	-	-	-	-
Fines and Forfeitures	18,280	-	-	-
Charges for Services	-	-	3,093,813	-
Contributions and Donations	-	-	500	-
All Other Revenues	-	300	-	-
<b>Total Revenues</b>	<b>18,280</b>	<b>562,836</b>	<b>3,269,060</b>	<b>344,570</b>
<b>EXPENDITURES</b>				
Security of Persons and Property	-	-	-	-
Public Health Services	-	-	-	344,570
Leisure Time Activities	-	-	4,923,783	-
Community Environment	-	-	-	-
Basic Utility Services	-	291,511	-	-
Transportation	-	-	-	-
General Government	29,800	-	-	-
Capital Outlay	-	891,474	99,470	-
Debt Service:				-
Interest and Fiscal Charges	-	5,633	-	-
<b>Total Expenditures</b>	<b>29,800</b>	<b>1,188,618</b>	<b>5,023,253</b>	<b>344,570</b>
Excess of Revenues Over (Under) Expenditures	(11,520)	(625,782)	(1,754,193)	-
<b>OTHER FINANCING SOURCES</b>				
Sale of Capital Assets	-	-	2,500	-
Transfer In	-	1,000,000	2,100,000	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>1,000,000</b>	<b>2,102,500</b>	<b>-</b>
Net Change in Fund Balances	(11,520)	374,218	348,307	-
Fund Balances - Beginning of Year	165,648	150,965	169,044	-
<b>Fund Balances - End of Year</b>	<b>\$ 154,128</b>	<b>\$ 525,183</b>	<b>\$ 517,351</b>	<b>\$ -</b>

<b>Law Enforcement Federal Seizure</b>	<b>Law Enforcement State Seizure</b>	<b>Law Enforcement Drug Fine</b>	<b>Law Enforcement DWI/DUI</b>	<b>Tree</b>	<b>Community Diversion</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,577,377
-	-	-	-	-	-	355,013
-	-	-	-	-	8,400	522,796
-	-	-	-	-	-	23,641
-	-	-	-	116,068	-	116,068
-	2,074	3,579	1,155	-	5,297	30,385
-	-	-	-	-	-	4,104,414
-	-	-	-	-	-	500
-	-	-	-	-	-	10,270
-	2,074	3,579	1,155	116,068	13,697	6,740,464
-	5,788	-	211	-	13,747	2,837,013
-	-	-	-	-	-	344,570
-	-	-	-	-	-	4,923,783
-	-	-	-	107,962	-	107,962
-	-	-	-	-	-	291,511
-	-	-	-	-	-	93,022
-	-	-	-	-	-	29,800
-	-	-	-	-	-	1,462,189
-	-	-	-	-	-	5,633
-	5,788	-	211	107,962	13,747	10,095,483
-	(3,714)	3,579	944	8,106	(50)	(3,355,019)
-	-	-	-	-	-	24,100
-	-	-	-	-	-	4,984,000
-	-	-	-	-	-	5,008,100
-	(3,714)	3,579	944	8,106	(50)	1,653,081
13,285	51,606	1,112	21,464	229,029	1,900	3,563,203
\$ 13,285	\$ 47,892	\$ 4,691	\$ 22,408	\$ 237,135	\$ 1,850	\$ 5,216,284

**City of Strongsville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Debt Service Funds*  
*December 31, 2016*

	<b>Pearl Road TIF #1</b>	<b>Royalton Road TIF</b>	<b>Pearl Road TIF #2</b>	<b>Pearl Road TIF #3</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 26,040	\$ 51,462	\$ 83,722	\$ 143,240
Accrued Interest Receivable	2,064	375	-	-
Intergovernmental Receivable	1,138,701	178,263	22,182	32,029
<b>Total Assets</b>	<u>\$ 1,166,805</u>	<u>230,100</u>	<u>105,904</u>	<u>\$ 175,269</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ -	\$ 1,991	\$ -	\$ -
Accrued Interest Payable	2,600	-	-	-
Interfund Payable	-	-	-	-
Notes Payable	600,000	-	-	-
<b>Total Liabilities</b>	<u>602,600</u>	<u>1,991</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>				
Payments in Lieu of Taxes	1,138,701	178,263	22,182	32,029
<b>Total Deferred Inflows of Resources</b>	<u>1,138,701</u>	<u>178,263</u>	<u>22,182</u>	<u>32,029</u>
<b>Fund Balances:</b>				
Restricted	-	49,846	83,722	143,240
Unassigned	(574,496)	-	-	-
<b>Total Fund Balances (Deficit)</b>	<u>(574,496)</u>	<u>49,846</u>	<u>83,722</u>	<u>143,240</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 1,166,805</u>	<u>\$ 230,100</u>	<u>\$ 105,904</u>	<u>\$ 175,269</u>

**City of Strongsville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Debt Service Funds*  
*December 31, 2016*

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<b>Westwood Commons TIF</b>	<b>Giant Eagle TIF</b>	<b>Get Go TIF</b>	<b>Total Nonmajor Debt Service Funds</b>
\$ 83	\$ 73,442	20,459	\$ 398,448
-	-	-	2,439
-	73,306	20,421	1,464,902
<u>\$ 83</u>	<u>\$ 146,748</u>	<u>40,880</u>	<u>\$ 1,865,789</u>
\$ -	\$ -	-	\$ 1,991
-	-	-	2,600
28,300	-	-	28,300
-	-	-	600,000
<u>28,300</u>	<u>-</u>	<u>-</u>	<u>632,891</u>
-	73,306	20,421	1,464,902
<u>-</u>	<u>73,306</u>	<u>20,421</u>	<u>1,464,902</u>
-	73,442	20,459	370,709
(28,217)	-	-	(602,713)
<u>(28,217)</u>	<u>73,442</u>	<u>20,459</u>	<u>(232,004)</u>
<u>\$ 83</u>	<u>\$ 146,748</u>	<u>40,880</u>	<u>\$ 1,865,789</u>

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

	<b>Pearl Road TIF</b>	<b>Royalton Road TIF</b>	<b>Pearl Road TIF #2</b>	<b>Pearl Road TIF #3</b>
<b>REVENUES</b>				
Payment in Lieu of Taxes	\$ 1,105,296	\$ 178,528	\$ 18,930	\$ 32,088
Interest	7,057	1,252	-	-
<b>Total Revenues</b>	<u>1,112,353</u>	<u>179,780</u>	<u>18,930</u>	<u>32,088</u>
<b>EXPENDITURES</b>				
General Government	95,202	2,166	-	-
Debt Service:	-	-	-	-
Principal Retirement	335,000	-	-	-
Interest and Fiscal Charges	241,760	-	-	-
<b>Total Expenditures</b>	<u>671,962</u>	<u>2,166</u>	<u>-</u>	<u>-</u>
Excess Revenues Over Expenditures	<u>440,391</u>	<u>177,614</u>	<u>18,930</u>	<u>32,088</u>
<b>OTHER FINANCING (USES)</b>				
Refunding Bonds Issues	5,510,000	-	-	-
Premium on Debt Issuance	561,401	-	-	-
Payment to Refunded Bond Escrow Account	(5,973,196)	-	-	-
Transfer In	202,742	-	-	-
Transfer Out	(802,322)	(202,742)	-	-
<b>Total Other Financing (Uses)</b>	<u>(501,375)</u>	<u>(202,742)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(60,984)</u>	<u>(25,128)</u>	<u>18,930</u>	<u>32,088</u>
Fund Balances (Deficit) - Beginning of Year	(513,512)	74,974	64,792	111,152
<b>Fund Balances (Deficit) - End of Year</b>	<u><u>\$ (574,496)</u></u>	<u><u>\$ 49,846</u></u>	<u><u>\$ 83,722</u></u>	<u><u>\$ 143,240</u></u>

# City of Strongsville, Ohio

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*

*Nonmajor Debt Service Funds*

*For the Year Ended December 31, 2016*

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Westwood Commons TIF	Giant Eagle TIF	Get Go TIF	Total Nonmajor Debt Service Funds
\$ -	\$ 73,442	\$ 20,459	\$ 1,428,743
-	-	-	8,309
-	73,442	20,459	1,437,052
-	-	-	97,368
-	-	-	-
-	-	-	335,000
-	-	-	241,760
-	-	-	674,128
-	73,442	20,459	762,924
-	-	-	5,510,000
-	-	-	561,401
-	-	-	(5,973,196)
-	-	-	202,742
-	-	-	(1,005,064)
-	-	-	(704,117)
-	73,442	20,459	58,807
(28,217)	-	-	(290,811)
<u>\$ (28,217)</u>	<u>\$ 73,442</u>	<u>\$ 20,459</u>	<u>\$ (232,004)</u>

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

	<b>Recreation Capital Improvement</b>	<b>Whitney/ Pearl TIF</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 449,645	\$ 14,974	\$ 464,619
Intergovernmental Receivable	-	46,143	46,143
<b>Total Assets</b>	<u>\$ 449,645</u>	<u>61,117</u>	<u>\$ 510,762</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Contracts Payable	\$ 900	\$ -	\$ 900
<b>Total Liabilities</b>	<u>900</u>	<u>-</u>	<u>900</u>
<b>Deferred Inflows of Resources:</b>			
Payments in Lieu of Taxes	-	46,143	46,143
<i>Total Deferred Inflows of Resources</i>	<u>-</u>	<u>46,143</u>	<u>46,143</u>
<b>Fund Balances:</b>			
Restricted	-	14,974	14,974
Committed	448,745	-	448,745
<b>Total Fund Balances</b>	<u>448,745</u>	<u>14,974</u>	<u>463,719</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 449,645</u>	<u>\$ 61,117</u>	<u>\$ 510,762</u>



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

	<b>Recreation Capital Improvement</b>	<b>Whitney/ Pearl TIF</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>REVENUES</b>			
Payment in Lieu of Taxes	\$ -	\$ 14,974	\$ 14,974
Charges for Services	75,950	-	75,950
<b>Total Revenues</b>	<u>75,950</u>	<u>14,974</u>	<u>90,924</u>
<b>EXPENDITURES</b>			
Capital Outlay	867,437	-	867,437
<b>Total Expenditures</b>	<u>867,437</u>	<u>-</u>	<u>867,437</u>
Excess of Revenues (Under) Expenditures	<u>(791,487)</u>	<u>14,974</u>	<u>(776,513)</u>
<b>OTHER FINANCING SOURCES</b>			
Sale of Capital Assets	42,077	-	42,077
Transfer In	500,000	-	500,000
<b>Total Other Financing Sources</b>	<u>542,077</u>	<u>-</u>	<u>542,077</u>
Net Change in Fund Balances	(249,410)	14,974	(234,436)
Fund Balances - Beginning of Year	698,155	-	698,155
<b>Fund Balances - End of Year</b>	<u><u>\$ 448,745</u></u>	<u><u>\$ 14,974</u></u>	<u><u>\$ 463,719</u></u>

**City of Strongsville, Ohio**  
*Combining Statement of Net Position*  
*Nonmajor Proprietary Funds*  
*December 31, 2016*

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***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.

*Workers' Compensation Reserve* – To account for and report workers' compensation costs incurred under the State retrospectively rated workers' compensation program.

*Health Insurance Reserve* – To account for and report the premiums charges to City Funds and the payments incurred for claims.

**City of Strongsville, Ohio**  
*Combining Statement of Net Position*  
*Nonmajor Proprietary Funds*  
*December 31, 2016*

	<b>Workers' Compensation Reserve</b>	<b>Health Insurance Reserve</b>	<b>Nonmajor Internal Service Funds</b>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 1,057,368	\$ 300,000	\$ 1,357,368
Intergovernmental Receivable	10,700	-	10,700
Prepaid Items	374,284	-	374,284
<b>Total Assets</b>	<u>1,442,352</u>	<u>300,000</u>	<u>1,742,352</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Intergovernmental Payable	26,210	-	26,210
Interfund Payable	-	300,000	300,000
Claims Payable	90,175	-	90,175
<b>Total Current Liabilities</b>	<u>116,385</u>	<u>300,000</u>	<u>416,385</u>
<b>Noncurrent Liabilities:</b>			
Claims Payable	1,325,967	-	1,325,967
<b>Total Liabilities</b>	<u>1,442,352</u>	<u>300,000</u>	<u>1,742,352</u>
<b>NET POSITION</b>			
Unrestricted	-	-	-
<b>Total Net Position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<b>Workers' Compensation Reserve</b>	<b>Health Insurance Reserve</b>	<b>Nonmajor Internal Service Funds</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 343,500	\$ -	\$ 343,500
Miscellaneous	411,559	-	411,559
<b>Total Operating Revenues</b>	<u>755,059</u>	<u>-</u>	<u>755,059</u>
<b>OPERATING EXPENSES</b>			
Contractual Services	561,188	-	561,188
Claims	193,871	-	193,871
<b>Total Operating Expense</b>	<u>755,059</u>	<u>-</u>	<u>755,059</u>
Change in Net Assets	-	-	-
Net Assets - Beginning of Year	-	-	-
<b>Net Assets - End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</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***

*Bond Escrow Fund* – This fund is used to account for the receipt of refundable deposits required of contractors, builders, residents or others to insure compliance with various City ordinances.

*Mayor's Court Fund* – This fund is used to account for the receipt of fines collected through the Mayor's Court established by the Ohio Revised Code and City ordinances.

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

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	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016
<b>Bond Escrow</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 618,193	\$ 703,551	\$ 580,594	\$ 741,150
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 618,193	\$ 703,551	\$ 580,594	\$ 741,150
<b>Mayor's Court</b>				
<b>Assets</b>				
Cash and Cash Equivalents: in Segregated Accounts	\$ 62,804	\$ 846,754	\$ 843,835	\$ 65,723
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 62,804	\$ 846,754	\$ 843,835	\$ 65,723
<b>Total - All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 618,193	\$ 703,551	\$ 580,594	\$ 741,150
Cash and Cash Equivalents: in Segregated Accounts	62,804	846,754	843,835	65,723
Total Assets	\$ 680,997	\$ 1,550,305	\$ 1,424,429	\$ 806,873
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 680,997	\$ 1,550,305	\$ 1,424,429	\$ 806,873

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

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Municipal Income Taxes	\$ 30,500,000	\$ 31,400,000	\$ 31,340,258	\$ (59,742)
Property Taxes	475,395	471,128	471,188	60
Hotel Taxes	180,000	185,000	182,026	(2,974)
Intergovernmental Revenues	734,128	677,093	683,730	6,637
Charges for Services	1,287,100	1,401,700	1,363,973	(37,727)
Fees, Licenses, and Permits	771,800	1,404,200	1,406,991	2,791
Fines and Forfeitures	641,500	715,500	707,018	(8,482)
Interest Income	85,000	200,000	194,363	(5,637)
Contributions and Donations	1,000	1,000	1,000	-
Miscellaneous	676,500	754,500	743,577	(10,923)
<b>Total Revenues</b>	<b>35,352,423</b>	<b>37,210,121</b>	<b>37,094,124</b>	<b>(115,997)</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property:				
Public Safety Director:				
Personal Services	152,500	156,100	155,918	182
Other	6,000	6,000	668	5,332
<b>Total Public Safety Director</b>	<b>158,500</b>	<b>162,100</b>	<b>156,586</b>	<b>5,514</b>
Police:				
Personal Services	8,582,800	8,922,400	8,637,988	284,412
Other	970,300	985,000	839,463	145,537
<b>Total Police</b>	<b>9,553,100</b>	<b>9,907,400</b>	<b>9,477,451</b>	<b>429,949</b>
Corrections Officers:				
Personal Services	738,000	781,200	755,364	25,836
Other	140,500	140,500	91,569	48,931
<b>Total Corrections Officers</b>	<b>878,500</b>	<b>921,700</b>	<b>846,933</b>	<b>74,767</b>
Joint Dispatch Center:				
Personal Services	2,174,600	2,305,600	2,273,695	31,905
Other	67,500	67,500	47,203	20,297
<b>Total Joint Dispatch Center</b>	<b>2,242,100</b>	<b>2,373,100</b>	<b>2,320,898</b>	<b>52,202</b>
Street Lighting:				
Other	366,700	371,700	369,300	2,400
<b>Total Security of Persons and Property</b>	<b>13,198,900</b>	<b>13,736,000</b>	<b>13,171,168</b>	<b>564,832</b>
				(Continued)



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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Health Services:				
Cemetery:				
Personal Services	110,900	124,300	119,349	4,951
Other	20,700	20,700	13,548	7,152
Total Cemetery	131,600	145,000	132,897	12,103
County Board of Health:				
Other	175,500	175,500	175,420	80
Total Public Health Services	307,100	320,500	308,317	12,183
Leisure Time Activities:				
Parks:				
Personal Services	100,400	103,400	102,721	679
Other	193,100	293,100	248,857	44,243
Total Leisure Time Activities	293,500	396,500	351,578	44,922
Community Environment:				
Building:				
Personal Services	1,049,400	1,017,700	994,926	22,774
Other	220,200	361,300	312,365	48,935
Total Building	1,269,600	1,379,000	1,307,291	71,709
Architectural Board of Review:				
Other	6,000	6,000	1,488	4,512
Planning Commission:				
Personal Services	102,300	104,400	101,951	2,449
Other	61,000	67,000	53,217	13,783
Total Planning Commission	163,300	171,400	155,168	16,232
Board of Appeals:				
Other	11,000	11,000	8,891	2,109
Economic Development:				
Personal Services	137,600	142,900	141,330	1,570
Other	144,600	144,600	32,988	111,612
Total Economic Development	282,200	287,500	174,318	113,182
Total Community Environment	1,732,100	1,854,900	1,647,156	207,744

(Continued)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Basic Utility Services:				
Rubbish:				
Other	2,441,500	2,441,500	2,276,933	164,567
Total Basic Utility Services	2,441,500	2,441,500	2,276,933	164,567
General Government:				
Council:				
Personal Services	307,300	315,700	315,006	694
Other	26,000	26,000	16,083	9,917
Total Council	333,300	341,700	331,089	10,611
Mayor's Office:				
Personal Services	332,400	339,300	338,999	301
Other	15,300	15,300	7,473	7,827
Total Mayor's Office	347,700	354,600	346,472	8,128
Human Resources:				
Personal Services	218,000	224,500	223,262	1,238
Other	100,200	100,200	64,904	35,296
Total Human Resources	318,200	324,700	288,166	36,534
Finance:				
Personal Services	490,900	496,900	475,596	21,304
Other	22,600	22,600	11,650	10,950
Total Finance	513,500	519,500	487,246	32,254
Law:				
Personal Services	436,800	450,300	438,131	12,169
Other	125,900	125,900	37,539	88,361
Total Legal	562,700	576,200	475,670	100,530
Communication and Technology:				
Personal Services	625,000	637,200	538,407	98,793
Other	760,500	810,500	670,927	139,573
Total Communication and Technology	1,385,500	1,447,700	1,209,334	238,366
Mayor's Court:				
Personal Services	120,200	161,900	153,251	8,649
Other	80,000	43,400	22,474	20,926
Total Mayor's Court	200,200	205,300	175,725	29,575
Civil Service:				
Other	54,100	94,100	54,273	39,827

(Continued)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Miscellaneous:				
Other	1,799,600	1,632,400	1,392,494	239,906
Total General Government	5,514,800	5,496,200	4,760,469	735,731
<i>Total Expenditures</i>	<u>23,487,900</u>	<u>24,245,600</u>	<u>22,515,621</u>	<u>1,729,979</u>
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	11,864,523	12,964,521	14,578,503	1,613,982
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	26,600	37,800	11,200	(26,600)
Advances In	-	155,907	155,907	-
Advances Out	-	(328,300)	(328,300)	-
Transfers Out	(12,002,800)	(14,328,000)	(14,328,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(11,976,200)</u>	<u>(14,462,593)</u>	<u>(14,489,193)</u>	<u>(26,600)</u>
<i>Net Change in Fund Balance</i>	(111,677)	(1,498,072)	89,310	1,587,382
<i>Fund Balance - Beginning of Year</i>	7,985,420	7,985,420	7,985,420	-
<i>Fund Balance - End of Year</i>	<u>\$ 7,873,743</u>	<u>\$ 6,487,348</u>	<u>\$ 8,074,730</u>	<u>\$ 1,587,382</u>

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Municipal Income Taxes	\$ 3,700,000	\$ 3,800,000	\$ 3,706,291	\$ (93,709)
Intergovernmental Revenues	1,740,000	1,815,000	1,799,052	(15,948)
Charges for Services	-	9,000	8,213	(787)
Interest Income	9,000	30,000	31,703	1,703
<i>Total Revenues</i>	<u>5,449,000</u>	<u>5,654,000</u>	<u>5,545,259</u>	<u>(108,741)</u>
<b>Expenditures:</b>				
Current:				
Transportation:				
Street Repairs:				
Personal Services	4,260,700	4,402,600	4,316,537	86,063
Other	2,227,500	3,014,900	2,891,456	123,444
Total Street Repairs	<u>6,488,200</u>	<u>7,417,500</u>	<u>7,207,993</u>	<u>209,507</u>
Traffic Signal Maintenance:				
Personal Services	220,600	109,500	98,999	10,501
Other	230,500	230,500	126,833	103,667
Total Traffic Signal Maintenance	<u>451,100</u>	<u>340,000</u>	<u>225,832</u>	<u>114,168</u>
Snow Removal:				
Other	<u>689,000</u>	<u>689,000</u>	<u>449,537</u>	<u>239,463</u>
Municipal Garage:				
Personal Services	668,100	687,000	616,327	70,673
Other	835,000	835,000	658,426	176,574
Total Municipal Garage	<u>1,503,100</u>	<u>1,522,000</u>	<u>1,274,753</u>	<u>247,247</u>
Total Expenditures	<u>9,131,400</u>	<u>9,968,500</u>	<u>9,158,115</u>	<u>810,385</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,682,400)</u>	<u>(4,314,500)</u>	<u>(3,612,856)</u>	<u>701,644</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	-	21,000	21,385	385
Transfers In	3,370,000	3,370,000	3,370,000	-
<i>Total Other Financing Sources (Uses)</i>	<u>3,370,000</u>	<u>3,391,000</u>	<u>3,391,385</u>	<u>385</u>
<i>Net Change in Fund Balance</i>	<u>(312,400)</u>	<u>(923,500)</u>	<u>(221,471)</u>	<u>702,029</u>
<i>Fund Balance - Beginning of Year</i>	<u>4,087,265</u>	<u>4,087,265</u>	<u>4,087,265</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 3,774,865</u>	<u>\$ 3,163,765</u>	<u>\$ 3,865,794</u>	<u>\$ 702,029</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 4,353,047	\$ 4,329,278	\$ 4,329,420	\$ 142
Intergovernmental Revenues	554,967	552,700	552,082	(618)
Charges for Services	100	1,800	1,559	(241)
Fees, Licenses, and Permits	1,800	2,800	2,280	(520)
Contributions and Donations	-	3,000	3,000	-
Miscellaneous	500	-	-	-
<i>Total Revenues</i>	<u>4,910,414</u>	<u>4,889,578</u>	<u>4,888,341</u>	<u>(1,237)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property:				
Fire:				
Personal Services	7,343,800	7,472,100	7,011,420	460,680
Other	426,100	1,260,700	924,279	336,421
Total Fire	<u>7,769,900</u>	<u>8,732,800</u>	<u>7,935,699</u>	<u>797,101</u>
Fire Station Ward 1:				
Other	<u>44,000</u>	<u>44,000</u>	<u>27,972</u>	<u>16,028</u>
Fire Station Ward 2:				
Other	<u>32,100</u>	<u>32,100</u>	<u>17,892</u>	<u>14,208</u>
Fire Station Ward 3:				
Other	<u>181,900</u>	<u>35,500</u>	<u>16,218</u>	<u>19,282</u>
Fire Station Ward 4:				
Other	<u>108,900</u>	<u>108,900</u>	<u>70,970</u>	<u>37,930</u>
<i>Total Expenditures</i>	<u>8,136,800</u>	<u>8,953,300</u>	<u>8,068,751</u>	<u>884,549</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,226,386)	(4,063,722)	(3,180,410)	883,312
<b>Other Financing Sources</b>				
Sale of Capital Assets	-	1,000	800	(200)
Transfers In	<u>2,665,000</u>	<u>2,965,000</u>	<u>2,965,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(561,386)	(1,097,722)	(214,610)	883,112
<i>Fund Balance - Beginning of Year</i>	<u>2,573,934</u>	<u>2,573,934</u>	<u>2,573,934</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 2,012,548</u>	<u>\$ 1,476,212</u>	<u>\$ 2,359,324</u>	<u>\$ 883,112</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 2,874,626	\$ 2,927,850	\$ 2,927,943	\$ 93
Intergovernmental Revenues	679,635	607,968	607,966	(2)
Special Assessments	128,500	128,500	125,643	(2,857)
Interest Income	10,000	26,000	24,954	(1,046)
<i>Total Revenues</i>	<u>3,692,761</u>	<u>3,690,318</u>	<u>3,686,506</u>	<u>(3,812)</u>
<b>Expenditures:</b>				
Current:				
Debt Service:				
Principal	2,262,788	2,244,000	2,243,636	364
Interest & Fiscal Charges	1,406,626	1,076,032	1,075,969	63
Debt Issuance Costs	42,000	274,000	215,624	58,376
<i>Total Expenditures</i>	<u>3,711,414</u>	<u>3,594,032</u>	<u>3,535,229</u>	<u>58,803</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(18,653)	96,286	151,277	54,991
<b>Other Financing Sources</b>				
Refunding Bonds Issued	-	10,970,000	10,970,000	-
Premium on Debt Issuance	-	1,395,000	1,394,412	(588)
Payment to Refunded Bond Escrow Account	-	(12,138,000)	(12,137,837)	163
Transfers In	127,800	609,000	609,000	-
<i>Total Other Financing Sources</i>	<u>127,800</u>	<u>836,000</u>	<u>835,575</u>	<u>(425)</u>
<i>Net Change in Fund Balance</i>	109,147	932,286	986,852	54,566
<i>Fund Balance - Beginning of Year</i>	<u>1,735,092</u>	<u>1,735,092</u>	<u>1,735,092</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 1,844,239</u>	<u>\$ 2,667,378</u>	<u>\$ 2,721,944</u>	<u>\$ 54,566</u>

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Franchise Taxes	\$ 805,000	\$ 828,000	\$ 821,472	\$ (6,528)
Intergovernmental Revenues	3,515,200	1,932,539	1,531,015	(401,524)
Special Assessments	20,100	20,100	17,909	(2,191)
Charges for Services	-	1,200	799	(401)
Contributions and Donations	-	3,660,000	3,659,154	(846)
<i>Total Revenues</i>	<u>4,340,300</u>	<u>6,441,839</u>	<u>6,030,349</u>	<u>(411,490)</u>
<b>Expenditures:</b>				
Current:				
Basic Utility Services:				
Rubbish:				
Other	-	206,800	206,662	138
Total Basic Utility Services	-	206,800	206,662	138
Transportation:				
Street Repairs:				
Other	5,624,834	7,455,643	7,368,314	87,329
Total Transportation	5,624,834	7,455,643	7,368,314	87,329
Security of Persons and Property:				
Fire:				
Other	35,000	30,100	30,100	-
Total Security of Persons and Property	35,000	30,100	30,100	-
<i>Total Expenditures</i>	<u>5,659,834</u>	<u>7,692,543</u>	<u>7,605,076</u>	<u>87,467</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,319,534)	(1,250,704)	(1,574,727)	(324,023)
<b>Other Financing Sources</b>				
Transfers In	1,400,000	1,100,000	1,100,000	-
<i>Total Other Financing Sources</i>	<u>1,400,000</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	80,466	(150,704)	(474,727)	(324,023)
<i>Fund Balance - Beginning of Year</i>	<u>2,977,737</u>	<u>2,977,737</u>	<u>2,977,737</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 3,058,203</u>	<u>\$ 2,827,033</u>	<u>\$ 2,503,010</u>	<u>\$ (324,023)</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services	\$ 6,390,100	\$ 6,992,500	\$ 7,084,652	\$ 92,152
Interest Income	16,000	60,000	58,811	(1,189)
Other Services	137,900	188,800	185,081	(3,719)
Miscellaneous	-	100	42	(58)
<i>Total Revenues</i>	<u>6,544,000</u>	<u>7,241,400</u>	<u>7,328,586</u>	<u>87,186</u>
<b>Expenses</b>				
Sanitary Sewer:				
Engineering and Administration:				
Personal Services	462,900	478,300	462,323	15,977
Fringe Benefits	170,800	172,700	169,140	3,560
Contractual Services	840,900	835,500	793,047	42,453
Materials and Supplies	7,000	4,400	3,793	607
Other	9,500	14,500	5,195	9,305
Capital Outlay	-	130,000	121,283	8,717
Total Engineering and Administration	<u>1,491,100</u>	<u>1,635,400</u>	<u>1,554,781</u>	<u>80,619</u>
Plant:				
Contractual Services	2,393,500	2,773,500	2,014,675	758,825
Capital Outlay	230,000	250,000	46,458	203,542
Total Plant	<u>2,623,500</u>	<u>3,023,500</u>	<u>2,061,133</u>	<u>962,367</u>
Line:				
Personal Services	469,600	495,500	464,391	31,109
Fringe Benefits	196,300	199,100	191,953	7,147
Contractual Services	285,000	275,800	120,754	155,046
Materials and Supplies	140,000	140,000	62,957	77,043
Other	-	3,000	3,000	-
Capital Outlay	-	164,200	162,854	1,346
Total Line	<u>1,090,900</u>	<u>1,277,600</u>	<u>1,005,909</u>	<u>271,691</u>
Sewer Capital Improvements:				
Contractual Services	506,900	496,100	264,816	231,284
Capital Outlay	993,100	1,472,200	1,214,547	257,653
Total Capital Improvements	<u>1,500,000</u>	<u>1,968,300</u>	<u>1,479,363</u>	<u>488,937</u>
				(Continued)



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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt Service:				
Principal	230,493	230,493	230,491	2
Interest & Fiscal Charges	95,242	95,242	84,458	10,784
Total Debt Service	325,735	325,735	314,949	10,786
<i>Total Expenses</i>	<u>7,031,235</u>	<u>8,230,535</u>	<u>6,416,135</u>	<u>1,814,400</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(487,235)	(989,135)	912,451	1,901,586
<b>Other Financing Sources</b>				
Capital Contribution - Tap-in Fees	240,000	400,000	396,308	(3,692)
Capital Contributions - Special Assessments	73,700	115,100	112,106	(2,994)
Capital Contributions - Developers	-	726,300	726,194	(106)
Sale of Capital Assets	-	2,600	2,575	(25)
<i>Total Other Financing Sources</i>	<u>313,700</u>	<u>1,244,000</u>	<u>1,237,183</u>	<u>(6,817)</u>
<i>Net Change in Fund Equity</i>	(173,535)	254,865	2,149,634	1,894,769
<i>Fund Equity - Beginning of Year</i>	<u>6,325,567</u>	<u>6,325,567</u>	<u>6,325,567</u>	<u>-</u>
<i>Fund Equity - End of Year</i>	<u><u>\$ 6,152,032</u></u>	<u><u>\$ 6,580,432</u></u>	<u><u>\$ 8,475,201</u></u>	<u><u>\$ 1,894,769</u></u>

# City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 385,287	\$ 381,881	\$ 381,892	\$ 11
Intergovernmental Revenues	49,286	48,573	48,573	-
<i>Total Revenues</i>	<u>434,573</u>	<u>430,454</u>	<u>430,465</u>	<u>11</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	<u>1,229,600</u>	<u>1,282,400</u>	<u>1,239,060</u>	<u>43,340</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(795,027)	(851,946)	(808,595)	43,351
<b>Other Financing Sources</b>				
Transfers In	<u>840,000</u>	<u>840,000</u>	<u>840,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	44,973	(11,946)	31,405	43,351
<i>Fund Balance - Beginning of Year</i>	<u>206,397</u>	<u>206,397</u>	<u>206,397</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 251,370</u>	<u>\$ 194,451</u>	<u>\$ 237,802</u>	<u>\$ 43,351</u>

# City of Strongsville, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual State Highway Maintenance Fund For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 140,000	\$ 148,000	\$ 145,869	\$ (2,131)
Interest Income	600	2,200	2,039	(161)
<i>Total Revenues</i>	<u>140,600</u>	<u>150,200</u>	<u>147,908</u>	<u>(2,292)</u>
<b>Expenditures:</b>				
Current:				
Transportation:				
State Highway Maintenance:				
Other	<u>140,000</u>	<u>140,000</u>	<u>93,022</u>	<u>46,978</u>
<i>Net Change in Fund Balance</i>	600	10,200	54,886	44,686
<i>Fund Balance - Beginning of Year</i>	<u>283,512</u>	<u>283,512</u>	<u>283,512</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 284,112</u></u>	<u><u>\$ 293,712</u></u>	<u><u>\$ 338,398</u></u>	<u><u>\$ 44,686</u></u>

## City of Strongsville, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Motor Vehicle License Tax Fund  
For the Year Ended December 31, 2016*

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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Permissive Motor Vehicle Taxes	\$ 330,000	\$ 353,000	\$ 352,540	\$ (460)
Interest Income	1,000	4,600	4,769	169
<i>Total Revenues</i>	<u>331,000</u>	<u>357,600</u>	<u>357,309</u>	<u>(291)</u>
<b>Expenditures:</b>				
Current:				
Transportation:				
Motor Vehicle License Tax:				
Other	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	31,000	357,600	357,309	(291)
<i>Fund Balance - Beginning of Year</i>	<u>463,012</u>	<u>463,012</u>	<u>463,012</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 494,012</u>	<u>\$ 820,612</u>	<u>\$ 820,321</u>	<u>\$ (291)</u>

# City of Strongsville, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Emergency Vehicle Fund For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ -	\$ 6,500	\$ 6,000	\$ (500)
Charges for Services	900,000	1,000,000	1,003,254	3,254
Interest Income	5,000	14,000	12,911	(1,089)
Miscellaneous	-	10,000	9,970	(30)
<i>Total Revenues</i>	<u>905,000</u>	<u>1,030,500</u>	<u>1,032,135</u>	<u>1,635</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property:				
Emergency Vehicle:				
Other	<u>1,369,000</u>	<u>969,000</u>	<u>664,602</u>	<u>304,398</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(464,000)</u>	<u>61,500</u>	<u>367,533</u>	<u>306,033</u>
<b>Other Financing Sources</b>				
Sale of Capital Assets	<u>-</u>	<u>22,000</u>	<u>21,600</u>	<u>(400)</u>
<i>Total Other Financing Sources</i>	<u>-</u>	<u>22,000</u>	<u>21,600</u>	<u>(400)</u>
<i>Net Change in Fund Balance</i>	<u>(464,000)</u>	<u>83,500</u>	<u>389,133</u>	<u>305,633</u>
<i>Fund Balance - Beginning of Year</i>	<u>1,613,884</u>	<u>1,613,884</u>	<u>1,613,884</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 1,149,884</u></u>	<u><u>\$ 1,697,384</u></u>	<u><u>\$ 2,003,017</u></u>	<u><u>\$ 305,633</u></u>

# City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 385,287	\$ 381,881	\$ 381,892	\$ 11
Intergovernmental Revenues	49,286	48,573	48,573	-
<i>Total Revenues</i>	<u>434,573</u>	<u>430,454</u>	<u>430,465</u>	<u>11</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property:				
Fire:				
Personal Services	<u>1,373,000</u>	<u>1,407,000</u>	<u>1,355,723</u>	<u>51,277</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(938,427)	(976,546)	(925,258)	51,288
<b>Other Financing Sources</b>				
Transfers In	<u>1,000,000</u>	<u>1,044,000</u>	<u>1,044,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	61,573	67,454	118,742	51,288
<i>Fund Balance - Beginning of Year</i>	<u>135,897</u>	<u>135,897</u>	<u>135,897</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 197,470</u>	<u>\$ 203,351</u>	<u>\$ 254,639</u>	<u>\$ 51,288</u>

## City of Strongsville, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Clerk of Court Computerization Fund  
For the Year Ended December 31, 2016*

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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and Forfeitures	\$ 15,000	\$ 19,000	\$ 18,030	\$ (970)
<b>Expenditures:</b>				
Current:				
General Government:				
Clerk of Courts:				
Other	40,000	40,000	29,674	10,326
<i>Net Change in Fund Balance</i>	(25,000)	(21,000)	(11,644)	9,356
<i>Fund Balance - Beginning of Year</i>	166,834	166,834	166,834	-
<i>Fund Balance - End of Year</i>	<u>\$ 141,834</u>	<u>\$ 145,834</u>	<u>\$ 155,190</u>	<u>\$ 9,356</u>

# City of Strongsville, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Drainage Levy Fund For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 502,131	\$ 499,468	\$ 499,483	\$ 15
Intergovernmental Revenues	65,881	63,053	63,053	-
Miscellaneous	-	600	300	(300)
<i>Total Revenues</i>	<u>568,012</u>	<u>563,121</u>	<u>562,836</u>	<u>(285)</u>
<b>Expenditures:</b>				
Current:				
Basic Utility Services:				
Drainage Levy:				
Other	500,000	1,325,000	1,101,193	223,807
<i>Total Expenditures</i>	<u>500,000</u>	<u>1,325,000</u>	<u>1,101,193</u>	<u>223,807</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>68,012</u>	<u>(761,879)</u>	<u>(538,357)</u>	<u>223,522</u>
<b>Other Financing Sources</b>				
Issue Bond Anticipation Notes	-	1,300,000	1,300,000	-
Transfers In	-	1,000,000	1,000,000	-
<i>Total Other Financing Sources</i>	<u>-</u>	<u>2,300,000</u>	<u>2,300,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	68,012	1,538,121	1,761,643	223,522
<i>Fund Balance - Beginning of Year</i>	295,951	295,951	295,951	-
<i>Fund Balance - End of Year</i>	<u>\$ 363,963</u>	<u>\$ 1,834,072</u>	<u>\$ 2,057,594</u>	<u>\$ 223,522</u>



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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 100,000	\$ 180,000	\$ 174,747	\$ (5,253)
Charges for Services	3,000,000	3,066,000	3,130,082	64,082
Contributions and Donations	-	500	500	-
<i>Total Revenues</i>	<u>3,100,000</u>	<u>3,246,500</u>	<u>3,305,329</u>	<u>58,829</u>
<b>Expenditures:</b>				
Current:				
Leisure Time Activities:				
Sports Programs:				
Personal Services	258,800	255,000	250,438	4,562
Other	166,600	197,600	194,786	2,814
Total Sports Programs	<u>425,400</u>	<u>452,600</u>	<u>445,224</u>	<u>7,376</u>
Recreation Administration:				
Personal Services	442,600	449,000	432,278	16,722
Other	659,000	663,500	643,728	19,772
Total Recreation Administration	<u>1,101,600</u>	<u>1,112,500</u>	<u>1,076,006</u>	<u>36,494</u>
Fitness Programs:				
Personal Services	426,200	431,500	418,963	12,537
Other	135,900	150,900	148,516	2,384
Total Fitness Programs	<u>562,100</u>	<u>582,400</u>	<u>567,479</u>	<u>14,921</u>
Ice Rink:				
Other	<u>281,000</u>	<u>281,000</u>	<u>279,463</u>	<u>1,537</u>
Aquatics Programs:				
Personal Services	636,700	651,300	640,601	10,699
Other	98,100	98,100	93,425	4,675
Total Aquatics Programs	<u>734,800</u>	<u>749,400</u>	<u>734,026</u>	<u>15,374</u>
Recreation Programs:				
Personal Services	219,800	246,400	239,186	7,214
Other	30,200	38,400	37,058	1,342
Total Recreation Programs	<u>250,000</u>	<u>284,800</u>	<u>276,244</u>	<u>8,556</u>

(Continued)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Events:				
Other	15,200	15,200	14,384	816
Total Special Events	15,200	15,200	14,384	816
Old Town Hall:				
Personal Services	9,900	10,200	6,763	3,437
Other	16,100	16,100	15,462	638
Total Old Town Hall	26,000	26,300	22,225	4,075
Senior Services:				
Personal Services	548,600	568,500	561,115	7,385
Other	303,900	395,900	366,052	29,848
Total Senior Services	852,500	964,400	927,167	37,233
Recreation Maintenance:				
Personal Services	496,700	519,700	458,424	61,276
Other	203,000	203,000	195,029	7,971
Total Recreation Maintenance	699,700	722,700	653,453	69,247
Program Refunds:				
Other	43,200	43,200	36,270	6,930
Total Expenditures	4,991,500	5,234,500	5,031,941	202,559
Excess of Revenues Over (Under) Expenditures	(1,891,500)	(1,988,000)	(1,726,612)	261,388
<b>Other Financing Sources</b>				
Sale of Capital Assets	-	2,500	2,500	-
Transfers In	2,000,000	2,100,000	2,100,000	-
Total Other Financing Sources	2,000,000	2,102,500	2,102,500	-
Net Change in Fund Balance	108,500	114,500	375,888	261,388
Fund Balance - Beginning of Year	187,152	187,152	187,152	-
Fund Balance - End of Year	\$ 295,652	\$ 301,652	\$ 563,040	\$ 261,388

# City of Strongsville, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Southwest General Hospital Levy Fund For the Year Ended December 31, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 316,529	\$ 314,069	\$ 314,110	\$ 41
Intergovernmental Revenues	30,713	33,173	30,460	(2,713)
<i>Total Revenues</i>	<u>347,242</u>	<u>347,242</u>	<u>344,570</u>	<u>(2,672)</u>
<b>Expenditures:</b>				
Current:				
Public Health Services:				
Other	332,280	347,242	344,570	2,672
<i>Net Change in Fund Balance</i>	14,962	-	-	-
<i>Fund Balance - Beginning of Year</i>	-	-	-	-
<i>Fund Balance - End of Year</i>	<u>\$ 14,962</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# City of Strongsville, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Law Enforcement Federal Seizures Fund For the Year Ended December 31, 2016*

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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
<b>Expenditures:</b>				
Current:				
Security of Persons and Property:				
Police Department:				
Other	2,000	2,000	-	2,000
<i>Net Change in Fund Balance</i>	(1,000)	(1,000)	-	1,000
<i>Fund Balance - Beginning of Year</i>	13,285	13,285	13,285	-
<i>Fund Balance - End of Year</i>	<u>\$ 12,285</u>	<u>\$ 12,285</u>	<u>\$ 13,285</u>	<u>\$ 1,000</u>

# City of Strongsville, Ohio

## *Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Law Enforcement State Seizures Fund For the Year Ended December 31, 2016*

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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and Forfeitures	\$ 3,000	\$ 3,000	\$ 2,074	\$ (926)
<b>Expenditures:</b>				
Current:				
Security of Persons and Property:				
Police Department:				
Other	2,000	12,000	5,788	6,212
<i>Net Change in Fund Balance</i>	1,000	(9,000)	(3,714)	5,286
<i>Fund Balance - Beginning of Year</i>	51,606	51,606	51,606	-
<i>Fund Balance - End of Year</i>	<u>\$ 52,606</u>	<u>\$ 42,606</u>	<u>\$ 47,892</u>	<u>\$ 5,286</u>

# City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and Forfeitures	\$ 400	\$ 4,400	\$ 3,579	\$ (821)
<b>Expenditures:</b>				
Current:				
Security of Persons and Property:				
Police Department:				
Other	400	400	-	400
<i>Net Change in Fund Balance</i>	-	4,000	3,579	(421)
<i>Fund Balance - Beginning of Year</i>	1,112	1,112	1,112	-
<i>Fund Balance - End of Year</i>	<u>\$ 1,112</u>	<u>\$ 5,112</u>	<u>\$ 4,691</u>	<u>\$ (421)</u>

# City of Strongsville, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Law Enforcement DWI/DUI Fund For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and Forfeitures	\$ 2,000	\$ 2,000	\$ 1,180	\$ (820)
<b>Expenditures:</b>				
Current:				
Security of Persons and Property:				
Police Department:				
Other	10,000	10,000	211	9,789
<i>Net Change in Fund Balance</i>	(8,000)	(8,000)	969	8,969
<i>Fund Balance - Beginning of Year</i>	21,314	21,314	21,314	-
<i>Fund Balance - End of Year</i>	<u>\$ 13,314</u>	<u>\$ 13,314</u>	<u>\$ 22,283</u>	<u>\$ 8,969</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fees, Licenses, and Permits	117,000	117,000	116,068	(932)
<i>Total Revenues</i>	<u>117,000</u>	<u>117,000</u>	<u>116,068</u>	<u>(932)</u>
<b>Expenditures:</b>				
Current:				
Community Environment:				
Tree Maintenance:				
Other	100,000	110,000	107,962	2,038
<i>Net Change in Fund Balance</i>	17,000	7,000	8,106	1,106
<i>Fund Balance - Beginning of Year</i>	<u>229,029</u>	<u>229,029</u>	<u>229,029</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 246,029</u></u>	<u><u>\$ 236,029</u></u>	<u><u>\$ 237,135</u></u>	<u><u>\$ 1,106</u></u>



# City of Strongsville, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Community Diversion Fund For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 8,900	\$ 8,900	\$ 8,400	\$ (500)
Fines and Forfeitures	3,500	5,000	5,297	297
<i>Total Revenues</i>	<u>12,400</u>	<u>13,900</u>	<u>13,697</u>	<u>(203)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	10,200	11,300	10,747	553
Other	1,500	3,000	3,000	-
<i>Total Expenditures</i>	<u>11,700</u>	<u>14,300</u>	<u>13,747</u>	<u>553</u>
<i>Net Change in Fund Balance</i>	700	(400)	(50)	350
<i>Fund Balance - Beginning of Year</i>	<u>1,900</u>	<u>1,900</u>	<u>1,900</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 2,600</u></u>	<u><u>\$ 1,500</u></u>	<u><u>\$ 1,850</u></u>	<u><u>\$ 350</u></u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	\$ 150,000	\$ 150,000	\$ -	\$ 150,000
Joint Dispatch Center:				
Personal Services	-	5,190	4,718	\$ 472
Fire Department:				
Personal Services	150,000	101,460	69,145	32,315
Total Security of Persons and Property	300,000	256,650	73,863	182,787
Community Environment:				
Building:				
Personal Services	-	20,800	19,716	1,084
Total Community Environment	-	20,800	19,716	1,084
Transportation:				
Service:				
Personal Services	100,000	61,070	56,107	4,963
Total Transportation	100,000	61,070	56,107	4,963
General Government:				
Communication and Technology:				
Personal Services	-	15,430	10,860	4,570
Law:				
Personal Services	-	51,850	46,669	5,181
Total General Government	-	67,280	57,529	9,751
<i>Total Expenditures</i>	400,000	405,800	207,215	198,585
<i>Excess of Revenues Over (Under) Expenditures</i>	(400,000)	(405,800)	(207,215)	198,585
<b>Other Financing Sources</b>				
Transfers In	600,000	800,000	800,000	-
<i>Net Change in Fund Balance</i>	200,000	394,200	592,785	198,585
<i>Fund Balance - Beginning of Year</i>	2,648,793	2,648,793	2,648,793	-
<i>Fund Balance - End of Year</i>	\$ 2,848,793	\$ 3,042,993	\$ 3,241,578	\$ 198,585

# City of Strongsville, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Pearl Road TIF #1 Fund For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Payment in Lieu of Taxes	\$ 1,180,000	\$ 1,106,000	\$ 1,105,296	\$ (704)
Interest Income	2,000	8,000	5,916	(2,084)
<i>Total Revenues</i>	<u>1,182,000</u>	<u>1,114,000</u>	<u>1,111,212</u>	<u>(2,788)</u>
<b>Expenditures:</b>				
Current:				
General Government:				
Other	-	98,000	95,202	2,798
Debt Service:				
Principal	1,935,000	1,935,000	1,935,000	-
Interest & Fiscal Charges	289,125	241,785	241,643	142
<i>Total Expenditures</i>	<u>2,224,125</u>	<u>2,274,785</u>	<u>2,271,845</u>	<u>2,940</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,042,125)	(1,160,785)	(1,160,633)	152
<b>Other Financing Sources (Uses)</b>				
Issue Bond Anticipation Notes	800,000	600,000	600,000	-
Refunding Bonds Issued	-	5,510,000	5,510,000	-
Premium on Debt Issuance	-	562,000	561,401	(599)
Payment to Refunded Bond Escrow Account	-	(5,973,200)	(5,973,196)	4
<i>Total Other Financing Sources (Uses)</i>	<u>800,000</u>	<u>698,800</u>	<u>698,205</u>	<u>(595)</u>
<i>Net Change in Fund Balance</i>	(242,125)	(461,985)	(462,428)	(443)
<i>Fund Balance - Beginning of Year</i>	<u>490,085</u>	<u>490,085</u>	<u>490,085</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 247,960</u>	<u>\$ 28,100</u>	<u>\$ 27,657</u>	<u>\$ (443)</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Payment in Lieu of Taxes	\$ 186,000	\$ 180,000	\$ 178,528	\$ (1,472)
Interest Income	300	1,200	1,076	(124)
<i>Total Revenues</i>	<u>186,300</u>	<u>181,200</u>	<u>179,604</u>	<u>(1,596)</u>
<b>Expenditures:</b>				
Current:				
General Government:				
Other	3,000	3,000	175	2,825
Debt Service:				
Principal	200,000	200,000	200,000	-
Interest & Fiscal Charges	2,500	2,800	2,742	58
<i>Total Expenditures</i>	<u>205,500</u>	<u>205,800</u>	<u>202,917</u>	<u>2,883</u>
<i>Net Change in Fund Balance</i>	(19,200)	(24,600)	(23,313)	1,287
<i>Fund Balance - Beginning of Year</i>	<u>75,069</u>	<u>75,069</u>	<u>75,069</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 55,869</u></u>	<u><u>\$ 50,469</u></u>	<u><u>\$ 51,756</u></u>	<u><u>\$ 1,287</u></u>

## City of Strongsville, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Pearl Road TIF #2 Fund  
For the Year Ended December 31, 2016*

---

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Payment in Lieu of Taxes	\$ 22,000	\$ 19,000	\$ 18,930	\$ (70)
<i>Net Change in Fund Balance</i>	22,000	19,000	18,930	(70)
<i>Fund Balance - Beginning of Year</i>	64,792	64,792	64,792	-
<i>Fund Balance - End of Year</i>	<u>\$ 86,792</u>	<u>\$ 83,792</u>	<u>\$ 83,722</u>	<u>\$ (70)</u>

## City of Strongsville, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Pearl Road TIF #3 Fund  
For the Year Ended December 31, 2016*

---

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Payment in Lieu of Taxes	\$ 40,000	\$ 33,000	\$ 32,088	\$ (912)
<b>Expenditures:</b>				
Current:				
General Government:				
Other	-	1,800	1,783	17
<i>Net Change in Fund Balance</i>	40,000	31,200	30,305	(895)
<i>Fund Balance - Beginning of Year</i>	112,935	112,935	112,935	-
<i>Fund Balance - End of Year</i>	<u>\$ 152,935</u>	<u>\$ 144,135</u>	<u>\$ 143,240</u>	<u>\$ (895)</u>

# City of Strongsville, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Westwood Commons TIF Fund For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
Current:				
General Government:				
Other	-	28,300	28,217	83
<i>Excess of Revenues Over (Under) Expenditures</i>	-	(28,300)	(28,217)	83
<b>Other Financing Sources</b>				
Advances In	-	28,300	28,300	-
<i>Net Change in Fund Balance</i>	-	-	83	83
<i>Fund Balance - Beginning of Year</i>	-	-	-	-
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83</u>	<u>\$ 83</u>

## City of Strongsville, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Giant Eagle TIF Fund  
For the Year Ended December 31, 2016*

---

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Payment in Lieu of Taxes	<u>\$ -</u>	<u>\$ 74,000</u>	<u>\$ 73,442</u>	<u>\$ (558)</u>
<i>Net Change in Fund Balance</i>	-	74,000	73,442	(558)
<i>Fund Balance - Beginning of Year</i>	-	-	-	-
<i>Fund Balance - End of Year</i>	<u><u>\$ -</u></u>	<u><u>\$ 74,000</u></u>	<u><u>\$ 73,442</u></u>	<u><u>\$ (558)</u></u>



## City of Strongsville, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Get Go TIF Fund  
For the Year Ended December 31, 2016*

---

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Payment in Lieu of Taxes	<u>\$ -</u>	<u>\$ 21,000</u>	<u>\$ 20,459</u>	<u>\$ (541)</u>
<i>Net Change in Fund Balance</i>	-	21,000	20,459	(541)
<i>Fund Balance - Beginning of Year</i>	-	-	-	-
<i>Fund Balance - End of Year</i>	<u><u>\$ -</u></u>	<u><u>\$ 21,000</u></u>	<u><u>\$ 20,459</u></u>	<u><u>\$ (541)</u></u>

# City of Strongsville, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Recreation Capital Improvement Fund For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 78,000	\$ -	\$ -	\$ -
Charges for Services	50,000	80,500	75,950	(4,550)
Contributions and Donations	-	193,000	193,000	-
<i>Total Revenues</i>	<u>128,000</u>	<u>273,500</u>	<u>268,950</u>	<u>(4,550)</u>
<b>Expenditures:</b>				
Current:				
Leisure Time Activities:				
Recreation Capital Improvement:				
Other	50,000	1,119,000	1,059,537	59,463
<i>Total Expenditures</i>	<u>50,000</u>	<u>1,119,000</u>	<u>1,059,537</u>	<u>59,463</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	78,000	(845,500)	(790,587)	54,913
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	-	50,000	42,077	(7,923)
Transfers In	-	500,000	500,000	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>550,000</u>	<u>542,077</u>	<u>(7,923)</u>
<i>Net Change in Fund Balance</i>	78,000	(295,500)	(248,510)	46,990
<i>Fund Balance - Beginning of Year</i>	<u>698,155</u>	<u>698,155</u>	<u>698,155</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 776,155</u>	<u>\$ 402,655</u>	<u>\$ 449,645</u>	<u>\$ 46,990</u>

# City of Strongsville, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Pearl Road Capital Improvement Fund For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Other Financing Sources (Uses)</b>				
Advances Out	\$ -	\$ (155,907)	\$ (155,907)	\$ -
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(155,907)</u>	<u>(155,907)</u>	<u>-</u>
 <i>Net Change in Fund Balance</i>	 -	 (155,907)	 (155,907)	 -
 <i>Fund Balance - Beginning of Year</i>	 155,907	 155,907	 155,907	 -
<i>Fund Balance - End of Year</i>	<u>\$ 155,907</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Strongsville, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Pearl/Whitney Road TIF Capital Improvement Fund  
 For the Year Ended December 31, 2016*

---

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Payment in Lieu of Taxes	\$ -	\$ 15,000	\$ 14,974	\$ (26)
<i>Net Change in Fund Balance</i>	-	15,000	14,974	(26)
<i>Fund Balance - Beginning of Year</i>	-	-	-	-
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 14,974</u>	<u>\$ (26)</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services	\$ 250,000	\$ 343,800	\$ 343,500	\$ (300)
Miscellaneous	6,100	407,100	400,859	(6,241)
<i>Total Revenues</i>	<u>256,100</u>	<u>750,900</u>	<u>744,359</u>	<u>(6,541)</u>
<b>Expenses:</b>				
Contractual Services	121,900	1,134,500	1,093,594	40,906
Claims	498,100	130,000	128,980	1,020
<i>Total Expenses</i>	<u>620,000</u>	<u>1,264,500</u>	<u>1,222,574</u>	<u>41,926</u>
<i>Net Change in Fund Equity</i>	(363,900)	(513,600)	(478,215)	35,385
<i>Fund Equity - Beginning of Year</i>	<u>1,535,583</u>	<u>1,535,583</u>	<u>1,535,583</u>	-
<i>Fund Equity - End of Year</i>	<u><u>\$ 1,171,683</u></u>	<u><u>\$ 1,021,983</u></u>	<u><u>\$ 1,057,368</u></u>	<u><u>\$ 35,385</u></u>

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

---

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Other Financing Sources</b>				
Advances In		300,000	300,000	-
<i>Net Change in Fund Balance</i>	-	300,000	300,000	-
<i>Fund Balance - Beginning of Year</i>	-	-	-	-
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>

## **STATISTICAL SECTION**





# City of Strongsville, Ohio

## Statistical Section

This part of the 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.

### **Contents**

### **Page(s)**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Net Position by Component – Last Ten Years .....	S4
Changes in Net Position – Last Ten Years.....	S6
Fund Balances, Governmental Funds - Last Ten Years.....	S12
Changes in Fund Balances, Governmental Funds – Last Ten Years .....	S14

#### **Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes and municipal income taxes.

Assessed Valuations and Estimated Actual Values of Taxable Property – Last Ten Years .....	S18
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years .....	S20
Effective Property Tax Rates – Direct and Overlapping Governments – Last Ten Years.....	S22
Property Tax Levies and Collections – Last Ten Years.....	S24
Principal Taxpayers – Real Estate Tax – 2016 and 2011.....	S26
Income Tax Revenue Base and Collections (Cash Basis) – Last Ten Years .....	S27

# City of Strongsville, Ohio

## Statistical Section (Continued)

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### Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita - Last Ten Years .....	S28
Ratio of Net General Obligation Bonded Debt to Estimated Actual Value and Net Bonded Debt Per Capita - Last Ten Years .....	S29
Computation of Direct and Overlapping General Obligation Bonded Debt .....	S30
Legal Debt Margin - Last Ten Years .....	S32

### Economic and Demographic Information

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

Demographic and Economic Statistics – Last Ten Years .....	S34
Principal Municipal Income Tax Withholders – Current and Nine Years Ago .....	S36

### Operating Information

These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Full-Time City Employees by Function/Program - Last Ten Years .....	S37
Operating Indicators by Function/Program - Last Ten Years .....	S38
Capital Assets Statistics by Function/Program – Last Ten Years .....	S48

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



## City of Strongsville, Ohio

*Net Position by Component*

*Accrual Basis of Accounting*

***Last Ten Years***

	2016	2015 (1)	2014 (1)	2013
Governmental Activities				
Net Investment in Capital Assets	\$151,649,343	\$147,391,701	\$141,087,430	\$130,311,512
Restricted	18,322,568	17,214,931	15,079,263	12,867,552
Unrestricted	(20,486,586)	(18,861,881)	(19,327,351)	15,942,477
<i>Total Governmental Activities Net Position</i>	<u>\$149,485,325</u>	<u>\$145,744,751</u>	<u>\$136,839,342</u>	<u>\$159,121,541</u>
Business Type - Activities				
Net Investment in Capital Assets	\$42,735,455	\$42,840,063	\$42,808,562	\$42,665,297
Unrestricted	11,229,612	9,174,740	7,304,460	7,552,854
<i>Total Business-Type Activities Net Position</i>	<u>\$53,965,067</u>	<u>\$52,014,803</u>	<u>\$50,113,022</u>	<u>\$50,218,151</u>
Primary Government				
Net Investment in Capital Assets	\$194,384,798	\$190,231,764	\$183,895,992	\$172,976,809
Restricted	18,322,568	17,214,931	15,079,263	12,867,552
Unrestricted	(9,256,974)	(9,687,141)	(12,022,891)	23,495,331
<i>Total Primary Government Net Position</i>	<u>\$203,450,392</u>	<u>\$197,759,554</u>	<u>\$186,952,364</u>	<u>\$209,339,692</u>

( 1 ) - Restated for GASB Statement No. 68 Implementation

**Table 1**

2012	2011	2010	2009	2008	2007
\$132,674,654	\$135,950,267	\$132,311,472	\$125,782,137	\$143,431,182	\$140,167,160
12,312,614	13,792,283	16,619,046	24,275,156	11,326,386	15,960,953
13,679,441	9,614,650	12,359,330	13,247,353	11,150,219	13,042,068
<u>\$158,666,709</u>	<u>\$159,357,200</u>	<u>\$161,289,848</u>	<u>\$163,304,646</u>	<u>\$165,907,787</u>	<u>\$169,170,181</u>
\$43,649,981	\$46,143,739	\$46,710,018	\$49,376,535	\$49,248,305	\$49,079,857
6,893,848	4,299,529	4,998,720	3,897,142	5,485,942	4,679,290
<u>\$50,543,829</u>	<u>\$50,443,268</u>	<u>\$51,708,738</u>	<u>\$53,273,677</u>	<u>\$54,734,247</u>	<u>\$53,759,147</u>
\$176,324,635	\$182,094,006	\$179,021,490	\$175,158,672	\$192,679,487	\$189,247,017
12,312,614	13,792,283	16,619,046	24,275,156	11,326,386	15,960,953
20,573,289	13,914,179	17,358,050	17,144,495	16,636,161	17,721,358
<u>\$209,210,538</u>	<u>\$209,800,468</u>	<u>\$212,998,586</u>	<u>\$216,578,323</u>	<u>\$220,642,034</u>	<u>\$222,929,328</u>

## City of Strongsville, Ohio

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

	2016	2015	2014	2013
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$269,661	\$251,350	\$228,753	\$240,556
Security of Persons and Property	2,923,756	2,909,713	2,223,037	1,576,135
Public Health Services	59,325	49,700	57,325	57,869
Leisure Time Activities	3,169,763	3,031,393	2,905,030	2,927,501
Community Environment	1,560,243	1,392,174	1,356,188	914,601
Basic Utility Services	62,034	52,001	41,471	94,651
Transportation	8,213	1,600	10,923	3,000
Subtotal - Charges for Services	<u>8,052,995</u>	<u>7,687,931</u>	<u>6,822,727</u>	<u>5,814,313</u>
Operating Grants and Contributions:				
General Government	0	0	0	0
Security of Persons and Property	65,935	85,594	80,009	107,294
Leisure Time Activities	100,500	0	3,402	18,827
Community Environment	5,000	3,894	31,106	13,750
Basic Utility Services	0	0	193,868	6,898
Transportation	1,954,143	1,963,337	1,968,070	1,967,759
Subtotal - Operating Grants and Contributions	<u>2,125,578</u>	<u>2,052,825</u>	<u>2,276,455</u>	<u>2,114,528</u>
Capital Grants and Contributions:				
Security of Persons and Property	0	61,332	528,306	1,939
Leisure Time Activities	267,747	0	40,963	30,672
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	1,039,470
Transportation	5,239,683	6,968,820	11,307,679	6,998
Subtotal - Capital Grants and Contributions	<u>5,507,430</u>	<u>7,030,152</u>	<u>11,876,948</u>	<u>1,079,079</u>
<i>Total Governmental Activities Program Revenues</i>	<u>15,686,003</u>	<u>16,770,908</u>	<u>20,976,130</u>	<u>9,007,920</u>
Business-Type Activities:				
Charges for Services:				
Sanitary Sewer	7,511,939	6,726,483	6,198,988	5,738,519
Operating Grants and Contributions				
Sanitary Sewer	0	486	23,684	0
Capital Grants and Contributions				
Sanitary Sewer	1,122,502	1,984,382	1,357,513	396,085
<i>Total Business-Type Activities Program Revenues</i>	<u>8,634,441</u>	<u>8,711,351</u>	<u>7,580,185</u>	<u>6,134,604</u>
<i>Total Primary Government Program Revenues</i>	<u>\$24,320,444</u>	<u>\$25,482,259</u>	<u>\$28,556,315</u>	<u>\$15,142,524</u>

**Table 2**

2012	2011	2010	2009	2008	2007
\$248,566	\$188,192	\$1,732,960	\$2,317,001	\$2,684,589	\$2,437,564
1,864,219	1,683,289	1,106,800	894,314	885,578	953,819
56,200	44,925	50,778	60,244	48,089	60,876
3,085,539	3,068,427	3,126,816	3,151,756	3,138,885	3,008,295
826,526	874,340	74,865	57,393	52,172	0
42,703	70,961	0	457	0	0
2,200	1,400	25,258	12,793	131,402	57,820
<u>6,125,953</u>	<u>5,931,534</u>	<u>6,117,477</u>	<u>6,493,958</u>	<u>6,940,715</u>	<u>6,518,374</u>
0	0	0	0	0	0
95,342	58,953	32,195	496,956	196,699	97,091
6,675	4,176	0	0	728	0
4,000	29,750	3,500	0	102,883	10,000
0	0	0	0	0	0
<u>1,909,109</u>	<u>1,993,922</u>	<u>1,881,165</u>	<u>1,822,652</u>	<u>1,950,319</u>	<u>1,455,121</u>
<u>2,015,126</u>	<u>2,086,801</u>	<u>1,916,860</u>	<u>2,319,608</u>	<u>2,250,629</u>	<u>1,562,212</u>
38,341	0	624,893	0	0	0
15,000	486,787	190,500	0	0	0
0	0	0	0	0	170,663
0	0	0	300,761	112,682	16,467
<u>220,100</u>	<u>5,287,070</u>	<u>4,900,599</u>	<u>620,630</u>	<u>1,563,836</u>	<u>0</u>
<u>273,441</u>	<u>5,773,857</u>	<u>5,715,992</u>	<u>921,391</u>	<u>1,676,518</u>	<u>187,130</u>
<u>8,414,520</u>	<u>13,792,192</u>	<u>13,750,329</u>	<u>9,734,957</u>	<u>10,867,862</u>	<u>8,267,716</u>
5,688,046	5,225,116	5,420,941	5,104,311	6,027,451	6,113,473
0	0	0	0	0	0
<u>1,101,103</u>	<u>538,368</u>	<u>904,765</u>	<u>206,265</u>	<u>0</u>	<u>0</u>
<u>6,789,149</u>	<u>5,763,484</u>	<u>6,325,706</u>	<u>5,310,576</u>	<u>6,027,451</u>	<u>6,113,473</u>
<u>\$15,203,669</u>	<u>\$19,555,676</u>	<u>\$20,076,035</u>	<u>\$15,045,533</u>	<u>\$16,895,313</u>	<u>\$14,381,189</u>

(Continued)

# City of Strongsville, Ohio

## Changes in Net Position (continued)

### Accrual Basis of Accounting

### Last Ten Years

	2016	2015	2014	2013
<b>Expenses</b>				
Governmental Activities:				
General Government	\$4,636,384	\$4,520,606	\$4,392,450	\$4,345,550
Security of Persons and Property:	27,112,686	24,419,872	25,052,042	22,032,268
Public Health Services	665,050	633,105	599,730	609,757
Leisure Time Activities	6,147,676	5,795,150	5,790,696	5,579,473
Community Environment	1,737,171	1,555,688	1,721,146	1,573,803
Basic Utility Services	2,577,206	2,372,551	2,450,397	2,310,738
Transportation	17,172,786	16,398,784	15,952,366	16,510,864
Interest and Fiscal Charges	1,507,876	1,694,011	1,853,013	1,966,448
<i>Total Governmental Activities Expenses</i>	<u>61,556,835</u>	<u>57,389,767</u>	<u>57,811,840</u>	<u>54,928,901</u>
Business-Type Activities				
Sanitary Sewer	6,800,984	6,885,083	7,150,206	6,502,969
<i>Total Business-Type Activities Expenses</i>	<u>6,800,984</u>	<u>6,885,083</u>	<u>7,150,206</u>	<u>6,502,969</u>
<i>Total Primary Government Program Expenses</i>	<u>68,357,819</u>	<u>64,274,850</u>	<u>64,962,046</u>	<u>61,431,870</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(45,870,832)	(40,618,859)	(36,835,710)	(45,920,981)
Business-Type Activities	1,833,457	1,826,268	429,979	(368,365)
<i>Total Primary Government Net Expense</i>	<u>(44,037,375)</u>	<u>(38,792,591)</u>	<u>(36,405,731)</u>	<u>(46,289,346)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$462,717	\$452,976	\$449,300	\$449,334
Other Purposes	5,797,533	5,781,880	5,740,574	5,412,835
Debt Service	2,873,745	3,423,949	3,435,946	3,440,487
Municipal Income Taxes Levied For:				
General Purposes	31,572,460	31,120,903	30,267,292	28,221,681
Other Purposes	3,720,687	3,744,688	3,599,013	3,319,369
Other Local Taxes Levied For:				
General Purposes	0	0	0	0
Other Purposes	0	0	0	0
Hotel Taxes	183,892	166,683	189,728	179,090
Permissive Motor Vehicle Taxes	355,013	338,386	330,566	328,246
Franchise Taxes	817,532	810,366	734,772	704,713
Payments in Lieu of Taxes	1,443,717	2,149,150	1,377,939	1,490,423



**Table 2**

2012	2011	2010	2009	2008	2007
\$4,302,219	\$5,530,388	\$6,269,187	\$6,508,706	\$7,098,680	\$6,786,628
21,838,362	21,516,765	19,977,428	19,224,379	19,002,791	18,018,132
588,830	601,590	576,471	664,106	673,737	691,325
5,436,655	5,748,672	5,765,092	5,699,830	5,683,148	5,489,674
1,718,686	1,746,987	1,160,407	1,342,951	1,315,155	1,412,973
2,047,268	2,076,197	2,552,751	2,527,962	2,535,449	2,512,831
15,681,631	19,356,513	19,202,006	15,647,804	15,736,157	14,221,684
2,103,662	2,339,292	2,637,914	2,586,722	2,128,048	1,983,198
<u>53,717,313</u>	<u>58,916,404</u>	<u>58,141,256</u>	<u>54,202,460</u>	<u>54,173,165</u>	<u>51,116,445</u>
<u>6,714,808</u>	<u>7,068,791</u>	<u>6,435,645</u>	<u>6,771,146</u>	<u>7,196,930</u>	<u>7,865,730</u>
<u>6,714,808</u>	<u>7,068,791</u>	<u>6,435,645</u>	<u>6,771,146</u>	<u>7,196,930</u>	<u>7,865,730</u>
<u>60,432,121</u>	<u>65,985,195</u>	<u>64,576,901</u>	<u>60,973,606</u>	<u>61,370,095</u>	<u>58,982,175</u>
(45,302,793)	(45,124,212)	(44,390,927)	(44,467,503)	(43,305,303)	(42,848,729)
<u>74,341</u>	<u>(1,305,307)</u>	<u>(109,939)</u>	<u>(1,460,570)</u>	<u>(1,169,479)</u>	<u>(1,752,257)</u>
<u>(45,228,452)</u>	<u>(46,429,519)</u>	<u>(44,500,866)</u>	<u>(45,928,073)</u>	<u>(44,474,782)</u>	<u>(44,600,986)</u>
\$419,991	\$424,295	\$434,211	\$557,971	\$500,118	\$522,343
5,253,644	5,324,748	5,405,637	5,664,398	4,464,616	4,610,482
3,401,469	3,460,320	3,585,239	3,893,170	3,745,667	3,853,875
26,677,393	26,251,391	22,863,432	23,250,680	24,737,583	24,573,922
3,157,012	2,625,174	2,622,417	2,680,482	2,880,291	2,831,795
0	0	722,501	1,237,868	1,105,006	2,385,214
0	0	318,728	313,231	290,111	317,247
181,064	171,572	0	0	0	0
324,002	325,245	0	0	0	0
706,163	645,974	0	0	0	0
866,597	848,939	609,562	349,651	0	0

(Continued)

## City of Strongsville, Ohio

### *Changes in Net Position (continued)*

#### *Accrual Basis of Accounting*

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Grants and Entitlements not Restricted to Specific Programs	1,955,574	2,074,097	2,215,056	2,638,081
Investment Income	344,358	85,319	158,257	107,997
Gain (Loss) on Sale of Capital Assets	73,908	27,015	3,453	12,456
All Other Revenue	10,270	85,582	94,390	71,101
Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Governmental Activities</i>	<u>49,611,406</u>	<u>50,260,994</u>	<u>48,596,286</u>	<u>46,375,813</u>
Business-Type Activities				
Investment Income	114,232	45,513	49,557	42,687
Gain on Sale of Capital Assets	2,575	30,000	75,000	0
Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Business-Type Activities Expenses</i>	<u>116,807</u>	<u>75,513</u>	<u>124,557</u>	<u>42,687</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>49,728,213</u>	<u>50,336,507</u>	<u>48,720,843</u>	<u>46,418,500</u>
<b>Change in Net Assets</b>				
Governmental Activities	3,740,574	9,642,135	11,760,576	454,832
Business-Type Activities	<u>1,950,264</u>	<u>1,901,781</u>	<u>554,536</u>	<u>(325,678)</u>
<i>Total Primary Government Change in Net Position</i>	<u><u>\$5,690,838</u></u>	<u><u>\$11,543,916</u></u>	<u><u>\$12,315,112</u></u>	<u><u>\$129,154</u></u>

**Table 2**

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
3,376,078	3,673,797	4,137,516	3,351,151	3,588,997	2,201,145
143,795	174,298	221,886	565,760	740,975	1,765,591
104,369	0	0	0	116,910	0
725	4,708	0	0	17,214	0
<u>0</u>	<u>0</u>	<u>650,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>44,612,302</u>	<u>43,930,461</u>	<u>41,571,129</u>	<u>41,864,362</u>	<u>42,187,488</u>	<u>43,061,614</u>
26,220	39,837	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>(650,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>26,220</u>	<u>39,837</u>	<u>(650,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>44,638,522</u>	<u>43,970,298</u>	<u>40,921,129</u>	<u>41,864,362</u>	<u>42,187,488</u>	<u>43,061,614</u>
(690,491)	(1,193,751)	(2,819,798)	(2,603,141)	(1,117,815)	212,885
<u>100,561</u>	<u>(1,265,470)</u>	<u>(759,939)</u>	<u>(1,460,570)</u>	<u>(1,169,479)</u>	<u>(1,752,257)</u>
<u>(\$589,930)</u>	<u>(\$2,459,221)</u>	<u>(\$3,579,737)</u>	<u>(\$4,063,711)</u>	<u>(\$2,287,294)</u>	<u>(\$1,539,372)</u>

## City of Strongsville, Ohio

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

	2016	2015	2014	2013
<b>General Fund</b>				
Nonspendable	\$107,683	\$108,813	\$99,871	\$100,391
Committed	3,241,578	2,648,793	2,183,404	2,008,568
Assigned	0	111,677	0	0
Unassigned	13,079,275	12,479,133	14,588,071	14,567,182
Reserved for Inventories, Prepaids, and Encumbrances	0	0	0	0
Unreserved	0	0	0	0
Total General Fund	<u>16,428,536</u>	<u>15,348,416</u>	<u>16,871,346</u>	<u>16,676,141</u>
<b>All Other Governmental Funds</b>				
Nonspendable	534,502	690,260	709,213	511,679
Restricted	14,259,818	13,162,251	11,780,476	7,906,906
Committed	3,203,686	2,693,862	2,059,505	2,400,891
Unassigned (Deficit)	(602,713)	(541,729)	(2,958,156)	(2,443,025)
Reserved for Inventories, Prepaids, and Encumbrances	0	0	0	0
Reserved for Debt Service	0	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue funds	0	0	0	0
Capital Projects funds	0	0	0	0
Total All Other Governmental Funds	<u>17,395,293</u>	<u>16,004,644</u>	<u>11,591,038</u>	<u>8,376,451</u>
<b>Total Governmental Funds</b>	<u><u>\$33,823,829</u></u>	<u><u>\$31,353,060</u></u>	<u><u>\$28,462,384</u></u>	<u><u>\$25,052,592</u></u>

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

**Table 3**

2012	2011	2010	2009	2008	2007
\$57,252	\$87,347	\$356,036	\$0	\$0	\$0
1,587,387	1,000,000	6,800	0	0	0
174,133	93,058	0	0	0	0
13,929,851	11,754,185	11,333,325	0	0	0
0	0	0	342,856	299,324	272,177
0	0	0	11,161,498	11,537,393	10,809,794
15,748,623	12,934,590	11,696,161	11,504,354	11,836,717	11,081,971
594,322	788,206	552,153	0	0	0
6,342,091	7,100,443	10,975,566	0	0	0
2,770,345	2,772,189	3,059,448	0	0	0
(4,083,178)	(5,496,105)	0	0	0	0
0	0	0	538,166	498,903	435,090
0	0	0	2,107,301	2,308,787	2,991,563
0	0	0	7,873,397	8,256,585	8,360,462
0	0	0	11,008,764	12,078,222	1,387,781
5,623,580	5,164,733	14,587,167	21,527,628	23,142,497	13,174,896
<u>\$21,372,203</u>	<u>\$18,099,323</u>	<u>\$26,283,328</u>	<u>\$33,031,982</u>	<u>\$34,979,214</u>	<u>\$24,256,867</u>

## City of Strongsville, Ohio

### *Changes in Fund Balances, Governmental Funds*

#### *Modified Accrual Basis of Accounting*

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

	2016	2015	2014	2013
<b>Revenues</b>				
Municipal Income Taxes	\$35,486,019	\$34,299,444	\$33,037,551	\$31,293,787
Property Taxes	9,305,928	9,483,617	9,693,836	9,370,727
Other Taxes	0	0	0	0
Hotel Taxes	183,892	166,683	189,728	179,090
Permissive Motor Vehicle Taxes	355,013	338,386	330,566	328,246
Franchise Taxes	678,934	810,366	734,772	764,513
Payment in Lieu of Taxes	1,443,717	2,149,150	1,377,939	1,490,423
Intergovernmental	5,446,959	5,238,151	10,503,164	5,801,751
Special Assessments	130,257	125,257	216,197	201,198
Charges for Services	5,554,194	5,344,116	4,552,341	4,128,191
Fees, Licenses and Permits	1,525,339	1,346,835	1,321,085	897,119
Fines and Forfeitures	738,480	727,321	687,548	594,025
Contributions and Donations	4,500	10,060	94,053	43,645
Interest	344,358	85,319	158,257	107,997
All Other Revenue	250,477	322,370	300,580	346,455
<i>Total Revenues</i>	<u>61,448,067</u>	<u>60,447,075</u>	<u>63,197,617</u>	<u>55,547,167</u>
<b>Expenditures</b>				
Current:				
General Government	4,402,801	4,377,994	4,026,332	4,264,294
Security of Persons and Property	23,883,179	23,275,603	22,038,035	20,847,287
Public Health Services	653,314	634,356	619,899	609,538
Leisure Time Activities	5,237,825	5,168,978	4,883,317	4,910,785
Community Environment	1,632,152	1,584,455	1,508,060	1,573,280
Basic Utility Services	2,577,206	2,374,351	2,450,397	2,310,738
Transportation	10,154,996	10,023,595	9,228,919	10,187,888
Capital Outlay	6,742,255	6,379,419	11,826,437	4,218,030
Debt Service:				
Principal Retirement	2,578,636	2,455,000	2,460,000	2,190,000
Interest and Fiscal Charges	1,304,842	1,529,895	1,682,540	2,007,702
Bond Issuance Costs	215,624	205,660	234,029	39,212
Advance Refunding Escrow	0	0	0	0
<i>Total Expenditures</i>	<u>59,382,830</u>	<u>58,009,306</u>	<u>60,957,965</u>	<u>53,158,754</u>

**Table 4**

2012	2011 (1)	2010	2009	2008	2007
\$29,472,936	\$28,203,761	\$26,460,113	\$25,926,979	\$27,521,333	\$27,508,910
9,114,409	9,327,017	9,474,306	9,895,558	8,930,246	8,928,671
0	0	1,041,230	2,265,750	2,236,940	2,404,471
181,064	171,572	0	0	0	0
324,002	325,245	0	0	0	0
646,363	645,974	0	0	0	0
866,597	848,939	609,562	0	0	0
5,818,163	9,660,513	12,337,923	6,397,976	5,737,481	4,180,607
196,199	181,198	173,606	150,000	145,000	140,000
4,412,698	4,270,678	4,306,774	4,746,566	4,668,474	4,754,916
810,323	829,427	778,914	1,422,755	1,477,214	1,365,786
687,176	575,280	635,519	0	0	0
36,375	1,744,177	0	0	0	0
143,795	174,298	221,886	540,955	725,526	1,750,142
226,958	259,071	300,964	311,725	1,841,875	441,968
<u>52,937,058</u>	<u>57,217,150</u>	<u>56,340,797</u>	<u>51,658,264</u>	<u>53,284,089</u>	<u>51,475,471</u>
4,098,422	4,684,119	6,023,550	6,384,644	6,699,678	6,478,223
20,813,310	20,322,032	18,953,918	18,400,681	17,811,396	17,291,565
587,350	606,142	602,857	653,054	667,697	689,121
4,737,621	5,412,647	5,149,526	5,084,001	5,075,995	4,943,165
1,714,586	1,716,758	1,112,484	1,334,368	1,277,746	1,517,796
2,047,268	2,076,197	2,552,751	2,527,962	2,535,449	2,512,831
9,168,526	13,710,377	12,504,482	8,758,272	8,806,301	7,684,081
3,277,644	8,128,639	11,616,943	12,387,291	10,600,177	12,248,397
1,245,000	2,315,000	2,563,688	19,234,457	2,659,457	2,529,457
2,095,278	2,336,917	2,690,882	2,870,106	2,022,217	1,965,418
0	241,499	0	0	0	0
0	1,499,540	0	0	0	0
<u>49,785,005</u>	<u>63,049,867</u>	<u>63,771,081</u>	<u>77,634,836</u>	<u>58,156,113</u>	<u>57,860,054</u>

(Continued)

## City of Strongsville, Ohio

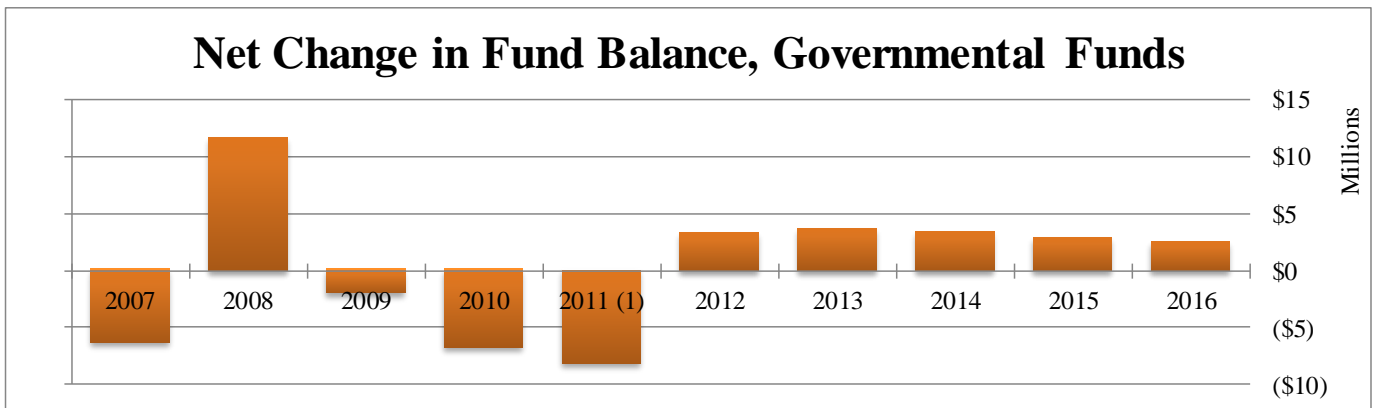
### Changes in Fund Balances, Governmental Funds (continued)

#### Modified Accrual Basis of Accounting

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

	2016	2015	2014	2013
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,065,237</u>	<u>2,437,769</u>	<u>2,239,652</u>	<u>2,388,413</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	99,562	87,960	168,812	85,341
General Obligation Notes and Bonds Issued	0	0	0	0
Refunding Bonds Issued	16,480,000	7,635,000	9,485,000	0
Premium on Debt Issuance	1,937,003	332,458	259,448	0
OPWC Loans Issued	0	175,888	790,207	1,206,635
Payment to Refunded Bond Escrow Account	(18,111,033)	(7,778,399)	(9,533,327)	0
Transfers In	14,533,064	15,424,345	15,620,252	12,107,592
Transfers Out	<u>(14,533,064)</u>	<u>(15,424,345)</u>	<u>(15,620,252)</u>	<u>(12,107,592)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>405,532</u>	<u>452,907</u>	<u>1,170,140</u>	<u>1,291,976</u>
<i>Net Change in Fund Balances</i>	<u><u>\$2,470,769</u></u>	<u><u>\$2,890,676</u></u>	<u><u>\$3,409,792</u></u>	<u><u>\$3,680,389</u></u>
Debt Service as a Percentage of Noncapital Expenditures	7.4%	7.7%	8.4%	8.6%

(1) In 2011, the City reclassified several revenues for a more proper presentation.





**Table 4**

<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>3,152,053</u>	<u>(5,832,717)</u>	<u>(7,430,284)</u>	<u>(25,976,572)</u>	<u>(4,872,024)</u>	<u>(6,384,583)</u>
120,827	54,159	31,630	26,320	33,950	30,850
0	0	0	24,985,000	16,450,000	0
0	10,735,000	0	0	0	0
0	734,553	0	553,020	0	0
0	0	0	0	0	0
0	(13,875,000)	0	(1,535,000)	0	0
10,461,099	15,045,506	10,000,250	10,324,632	10,434,101	10,625,955
<u>(10,461,099)</u>	<u>(15,045,506)</u>	<u>(9,350,250)</u>	<u>(10,324,632)</u>	<u>(10,434,101)</u>	<u>(10,625,955)</u>
<u>120,827</u>	<u>(2,351,288)</u>	<u>681,630</u>	<u>24,029,340</u>	<u>16,483,950</u>	<u>30,850</u>
<u>\$3,272,880</u>	<u>(8,184,005)</u>	<u>(\$6,748,654)</u>	<u>(\$1,947,232)</u>	<u>\$11,611,926</u>	<u>(\$6,353,733)</u>
7.2%	8.6%	10.1%	33.9%	9.8%	9.9%

## City of Strongsville, Ohio

### *Assessed Valuations and Estimated Actual Values of Taxable Property*

#### **Last Ten Years**

Tax/ Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2015/2016	\$1,082,352,810	\$326,544,110	\$4,025,419,771	\$34,011,790	\$38,649,761
2014/2015	1,047,149,690	334,314,990	3,947,041,943	33,218,660	37,748,477
2013/2014	1,040,470,570	341,314,550	3,947,957,486	31,573,530	35,877,875
2012/2013	1,034,250,240	338,196,020	3,921,275,029	28,773,280	32,696,909
2011/2012	1,069,394,630	349,705,480	4,054,571,743	26,461,290	30,069,648
2010/2011	1,065,813,650	351,694,900	4,050,024,429	25,230,750	28,671,307
2009/2010	1,060,500,060	339,966,540	4,001,333,143	24,348,890	27,669,193
2008/2009	1,144,174,580	340,536,050	4,242,030,371	22,889,670	26,010,989
2007/2008	1,134,046,780	329,271,100	4,180,908,229	21,700,330	24,659,466
2006/2007	1,122,917,950	336,777,870	4,170,559,486	27,670,430	31,443,670

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

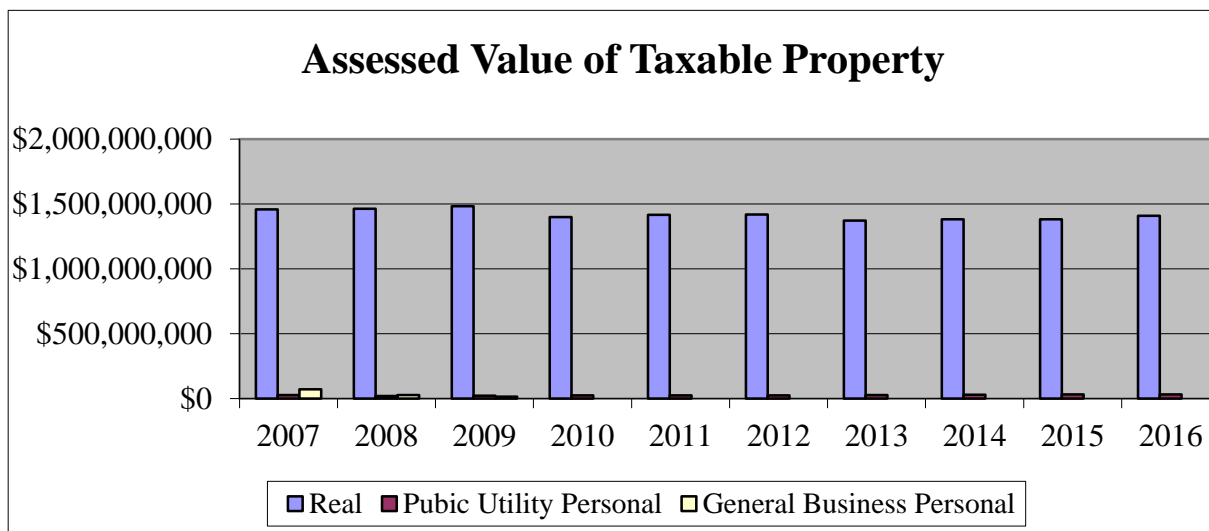
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General 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. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage was 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

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

**Source:** Ohio Department of Taxation and Office of the County Fiscal Officer, Cuyahoga County, Ohio

**Table 5**

Tangible Personal Property						
General Business		Total				
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Direct Tax Rate	
\$0	\$0	\$1,442,908,710	\$4,064,069,533	35.50%	\$9.30	
0	0	1,414,683,340	3,984,790,420	35.50	9.80	
0	0	1,413,357,650	3,983,835,361	35.48	9.80	
0	0	1,401,219,540	3,953,971,938	35.44	9.90	
0	0	1,445,561,400	4,084,641,391	35.39	9.90	
0	0	1,442,739,300	4,078,695,735	35.37	9.90	
0	0	1,424,815,490	4,029,002,336	35.36	9.90	
16,619,271	265,908,336	1,524,219,571	4,533,949,696	33.62	9.90	
28,361,669	453,786,704	1,513,379,879	4,659,354,398	32.48	10.10	
73,437,883	587,503,064	1,560,804,133	4,789,506,220	32.59	10.10	



## City of Strongsville, Ohio

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

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

	Tax Year/ Collection Year 2015/2016	Tax Year/ Collection Year 2014/2015	Tax Year/ Collection Year 2013/2014	Tax Year/ Collection Year 2012/2013
<b>City of Strongsville</b>				
<b>Unvoted Millage</b>				
Debt	\$2.3000	\$2.3000	\$2.3000	\$2.3000
Fire Pension	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	<u>2.9000</u>	<u>2.9000</u>	<u>2.9000</u>	<u>2.9000</u>
<b>Voted Millage by Levy</b>				
1976 Current Expense	1.5000	1.5000	1.5000	1.5000
1976 Recreational	0.0000	0.0000	0.0000	0.0000
1976 Southwest Hospital	1.0000	1.0000	1.0000	1.0000
1976 Sewage	0.0000	0.0000	0.0000	0.5000
1979 Fire	0.0000	0.0000	0.0000	0.0000
2000 Bond	0.0000	0.5000	0.5000	0.5000
2004 Fire	2.0000	2.0000	2.0000	2.0000
2008 Fire	1.5000	1.5000	1.5000	1.5000
2013 Sewage	0.4000	0.4000	0.4000	0.0000
<i>Total Voted Millage</i>	<u>6.4000</u>	<u>6.9000</u>	<u>6.9000</u>	<u>7.0000</u>
<b>Total Millage - City</b>	<u>\$9.3000</u>	<u>\$9.8000</u>	<u>\$9.8000</u>	<u>\$9.9000</u>
<b>Overlapping Rates by Taxing District</b>				
<i>Cuyahoga County</i>	14.0500	14.0500	14.0500	13.2200
<i>Strongsville City School District</i>	81.7800	81.6800	81.6800	81.6800
<i>Polaris Joint Vocational School District</i>	2.4000	2.4000	2.4000	2.4000
<i>Cleveland Metroparks</i>	2.7500	2.7500	2.7500	1.8500
<i>Cuyahoga County Library</i>	2.5000	2.5000	2.5000	2.5000
<i>Cuyahoga County Community College</i>	4.0000	3.1000	3.1000	3.1000
<i>Cleveland-Cuyahoga Port Authority</i>	0.1300	0.1300	0.1300	0.1300
<b>Total Millage - Overlapping Governments</b>	<u>107.6100</u>	<u>106.6100</u>	<u>106.6100</u>	<u>104.8800</u>
<b>Grand Total - All Direct and Overlapping Rates</b>	<u>\$116.9100</u>	<u>\$116.4100</u>	<u>\$116.4100</u>	<u>\$114.7800</u>

**Table 6**

Tax Year/ Collection Year 2011/2012	Tax Year/ Collection Year 2010/2011	Tax Year/ Collection Year 2009/2010	Tax Year/ Collection Year 2008/2009	Tax Year/ Collection Year 2007/2008	Tax Year/ Collection Year 2006/2007
\$2.3000	\$2.3000	\$2.3000	\$2.3000	\$2.3000	\$2.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
2.9000	2.9000	2.9000	2.9000	2.9000	2.9000
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
0.0000	0.0000	0.0000	0.0000	1.7000	1.7000
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
1.5000	1.5000	1.5000	1.5000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
7.0000	7.0000	7.0000	7.0000	7.2000	7.2000
\$9.9000	\$9.9000	\$9.9000	\$9.9000	\$10.1000	\$10.1000
13.2200	13.3200	13.3200	13.3200	13.4200	13.4200
80.9800	81.1900	81.2900	81.2000	81.3000	74.8000
2.4000	2.4000	2.4000	2.4000	2.4000	2.4000
1.8500	1.8500	1.8500	1.8500	1.8500	1.8500
2.5000	2.5000	2.5000	2.5000	2.0000	2.0000
3.1000	3.1000	2.8000	2.8000	2.8000	2.8000
0.1300	0.1300	0.1300	0.1300	0.1300	0.1300
104.1800	104.4900	104.2900	104.2000	103.9000	97.4000
\$114.0800	\$114.3900	\$114.1900	\$114.1000	\$114.0000	\$107.5000

## City of Strongsville, Ohio

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

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

	Tax Year/ Collection Year 2015/2016	Tax Year/ Collection Year 2014/2015	Tax Year/ Collection Year 2013/2014	Tax Year/ Collection Year 2012/2013
<b>City of Strongsville</b>				
<b>Unvoted Millage</b>				
Debt	\$2.300000	\$2.300000	\$2.300000	\$2.300000
Fire Pension	0.300000	0.300000	0.300000	0.300000
Police Pension	0.300000	0.300000	0.300000	0.300000
<b>Total Unvoted Millage</b>	<b>2.900000</b>	<b>2.900000</b>	<b>2.900000</b>	<b>2.900000</b>
<b>Voted Millage by Levy</b>				
1976 Current Expense	0.282211	0.289602	0.289878	0.289707
1976 Recreational	0.000000	0.000000	0.000000	0.000000
1976 Southwest Hospital	0.188141	0.193068	0.193252	0.193138
1976 Sewage	0.000000	0.000000	0.000000	0.096569
1979 Fire	0.000000	0.000000	0.000000	0.000000
2000 Bond	0.000000	0.500000	0.500000	0.500000
2004 Fire	1.947094	1.998092	2.000000	2.000000
2008 Fire	1.460320	1.498569	1.500000	1.500000
2013 Sewage	0.389418	0.399618	0.400000	0.000000
<b>Total Voted Millage</b>	<b>4.267184</b>	<b>4.878949</b>	<b>4.883130</b>	<b>4.579414</b>
<b>Total Millage - City</b>	<b>\$7.167184</b>	<b>\$7.778949</b>	<b>\$7.783130</b>	<b>\$7.479414</b>
<b>Overlapping Rates by Taxing District</b>				
<i>Cuyahoga County</i>	13.869781	14.050000	14.050000	13.220000
<i>Strongsville City School District</i>	41.060653	41.922794	41.854334	41.838769
<i>Polaris Joint Vocational School District</i>	2.295968	2.331868	2.331112	2.328529
<i>Cleveland Metroparks</i>	2.711903	2.750000	2.750000	1.850000
<i>Cuyahoga County Library</i>	2.469462	2.500000	2.500000	2.500000
<i>Cuyahoga County Community College</i>	3.942787	4.000000	3.100000	3.100000
<i>Cleveland-Cuyahoga Port Authority</i>	0.112676	0.114311	0.113900	0.113492
<b>Total Millage - Overlapping Governments</b>	<b>66.463230</b>	<b>67.668973</b>	<b>66.699346</b>	<b>64.950790</b>
<b>Grand Total - All Direct and Overlapping Rates</b>	<b>\$73.630414</b>	<b>\$75.447922</b>	<b>\$74.482476</b>	<b>\$72.430204</b>

**Table 7**

Tax Year/ Collection Year 2011/2012	Tax Year/ Collection Year 2010/2011	Tax Year/ Collection Year 2009/2010	Tax Year/ Collection Year 2008/2009	Tax Year/ Collection Year 2007/2008	Tax Year/ Collection Year 2006/2007
\$2.300000	\$2.300000	\$2.300000	\$2.300000	\$2.300000	\$2.300000
0.300000	0.300000	0.300000	0.300000	0.300000	0.300000
0.300000	0.300000	0.300000	0.300000	0.300000	0.300000
2.900000	2.900000	2.900000	2.900000	2.900000	2.900000
0.278268	0.277905	0.277864	0.256155	0.256240	0.257112
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.185512	0.185270	0.185243	0.170770	0.170827	0.171408
0.092756	0.092635	0.092621	0.085385	0.085413	0.085704
0.000000	0.000000	0.000000	0.000000	0.478405	0.480034
0.500000	0.500000	0.500000	0.500000	0.500000	0.500000
1.952296	1.949756	1.949480	1.797176	1.797780	1.803904
1.500000	1.500000	1.500000	1.499496	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
4.508832	4.505566	4.505208	4.308982	3.288665	3.298162
\$7.408832	\$7.405566	\$7.405208	\$7.208982	\$6.188665	\$6.198162
13.118223	13.186617	13.178886	12.660733	11.868868	11.865485
40.077864	40.254326	40.351065	38.226754	38.338526	31.941104
2.186133	2.182141	2.181147	1.999999	1.999998	1.999999
1.818768	1.810574	1.806839	1.669811	1.672048	1.671513
2.500000	2.500000	2.500000	2.500000	1.808638	1.809282
3.082039	3.076462	2.597303	2.395197	2.392311	2.391513
0.103340	0.102853	0.102733	0.094739	0.094625	0.094593
62.886367	63.112973	62.717973	59.547233	58.175014	51.773489
\$70.295199	\$70.518539	\$70.123181	\$66.756215	\$64.363679	\$57.971651

## City of Strongsville, Ohio

### Property Tax Levies and Collections

#### Last Ten Years

Tax/ Collection Year	Current Tax Levy (1)	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections (1)	Total Tax Collections (1)
2015/2016	\$11,965,272	\$11,714,263	97.90%	\$195,162	\$11,909,425
2014/2015	12,446,731	12,671,814	101.81	196,222	12,868,036
2013/2014	12,500,289	12,020,210	96.16	285,671	12,305,881
2012/2013	11,898,035	11,743,658	98.70	298,151	12,041,809
2011/2012	11,654,737	10,771,927	92.43	487,422	11,259,349
2010/2011	11,570,511	11,092,903	95.87	246,145	11,339,048
2009/2010	11,224,849	10,854,727	96.70	310,180	11,164,907
2008/2009	11,074,911	10,586,349	95.59	215,394	10,801,743
2007/2008	9,754,760	9,499,418	97.38	314,373	9,813,791
2006/2007	9,902,589	9,511,343	96.05	268,047	9,779,390

Source: Office of the County Fiscal Officer, Cuyahoga County, Ohio

(1) State reimbursement of rollback and homestead exemptions are included along with payments in lieu of taxes from Cuyahoga County.

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.



**Table 8**

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes (1)	Percentage of Delinquent Taxes to Current Tax Levy
99.53%	\$283,367	2.37%
103.38	498,285	4.00
98.44	279,297	2.23
101.21	493,092	4.14
96.61	579,463	4.97
98.00	640,974	5.54
99.47	645,606	5.75
97.53	707,131	6.38
100.61	432,154	4.43
98.76	706,961	7.14

# City of Strongsville, Ohio

## Principal Taxpayers – Real Estate Tax

2016 and 2011

Table 9

Taxpayer	2016	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Southpark Mall, LLC.	\$72,455,110	5.02 %
Cleveland Electric Illuminating Company	24,621,980	1.71
Greens of Strongsville, LTD.	8,877,760	0.62
Vam, LTD.	8,762,100	0.61
Cherry Street Village	8,141,920	0.56
Polo Club Apartments, LLC.	7,314,490	0.51
Chestnut Lake Apartments	6,412,990	0.44
Wal-Mart Real Estate	5,302,330	0.37
4C's, LLC.	5,028,240	0.35
Costco Wholesale Corporation	4,769,280	0.33
Total	\$151,686,200	10.51 %
Total Assessed Valuation	\$1,442,908,710	
Taxpayer	2011(1)	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Southpark Mall, LLC	\$65,745,630	4.56 %
Cleveland Electric Illuminating Company	20,722,740	1.44
Vam, LTD.	12,512,750	0.87
Firstcal Industrial 2 Acquisition	11,704,760	0.81
Greens of Strongsville, LTD.	8,858,510	0.61
Cherry Street Village	7,972,310	0.55
Polo Club Apartments, LLC.	7,275,880	0.50
Chestnut Lake Apartments	6,627,620	0.46
Wal-Mart Real Estate	5,915,560	0.41
Ohio Commerce Center Investments	5,250,000	0.36
Total	\$152,585,760	10.58 %
Total Assessed Valuation	\$1,442,739,300	

**Source:** Office of the County Fiscal Officer, Cuyahoga County, Ohio

(1) Information prior to 2011 is not available

(2) The amounts presented represent the assessed values upon which 2016 collections were based.

# City of Strongsville, Ohio

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

### Last Ten Years

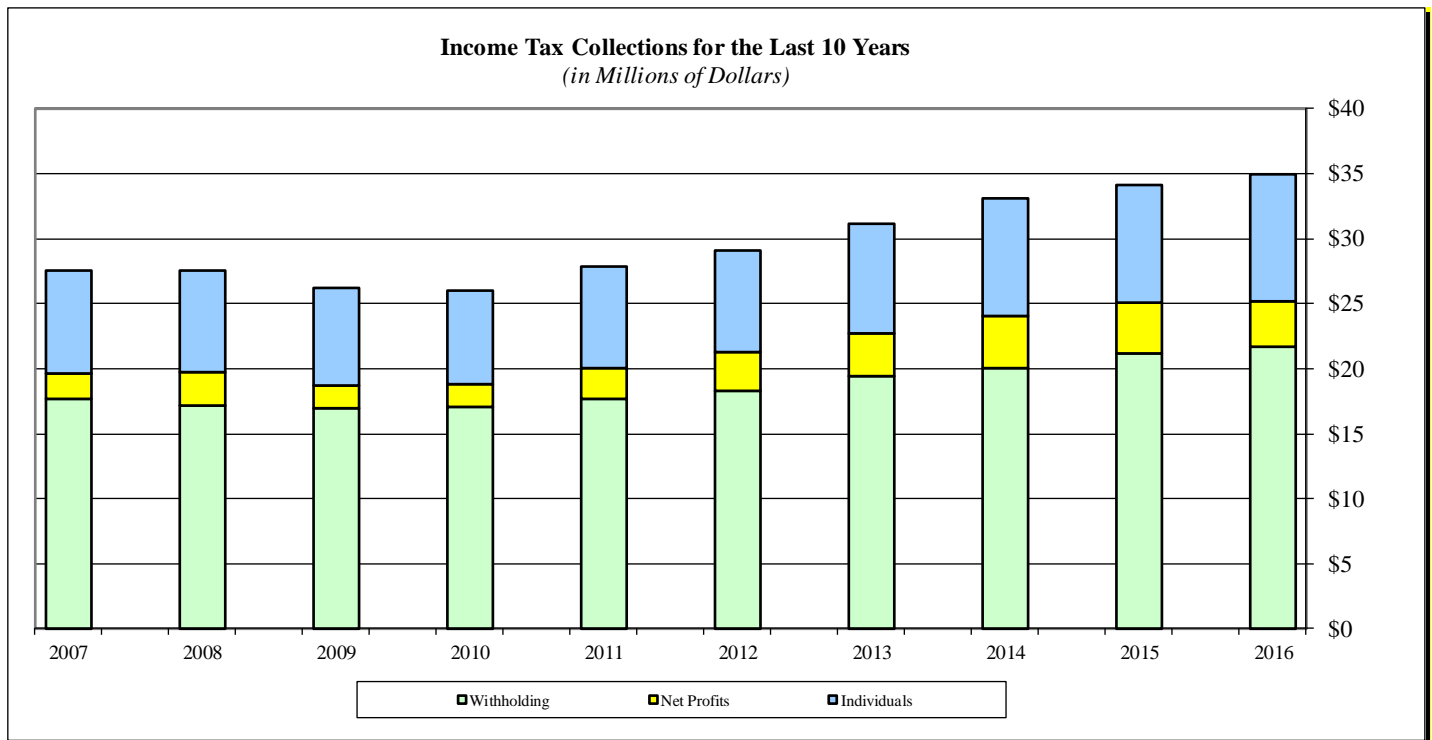
**Table 10**

Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes (1) From Individuals	Percentage of Taxes from Individuals
2016	2.00 %	\$ 35,005,722	\$ 21,688,802	61.96 %	\$ 3,549,683	10.14 %	\$ 9,767,237	27.90 %
2015	2.00	34,119,630	21,137,392	61.95	3,909,169	11.46	9,073,069	26.59
2014	2.00	33,135,341	20,051,546	60.52	4,010,665	12.10	9,073,130	27.38
2013	2.00	31,191,054	19,471,624	62.43	3,242,840	10.39	8,476,590	27.18
2012	2.00	29,074,716	18,295,799	62.93	2,979,071	10.24	7,799,846	26.83
2011	2.00	27,896,316	17,701,146	63.45	2,364,892	8.48	7,830,278	28.07
2010	2.00	26,020,812	17,084,709	65.66	1,721,627	6.62	7,214,476	27.72
2009	2.00	26,215,912	16,980,532	64.77	1,690,117	6.45	7,545,263	28.78
2008	2.00	27,584,664	17,151,422	62.18	2,573,058	9.33	7,860,184	28.49
2007	2.00	27,516,760	17,682,322	64.26	1,955,142	7.11	7,879,296	28.63

Source: Regional Income Tax Agency (RITA)

(1) City implemented an Income Tax Credit Reduction from 100% to 75%, effective April 1, 2004.

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.



# City of Strongsville, Ohio

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

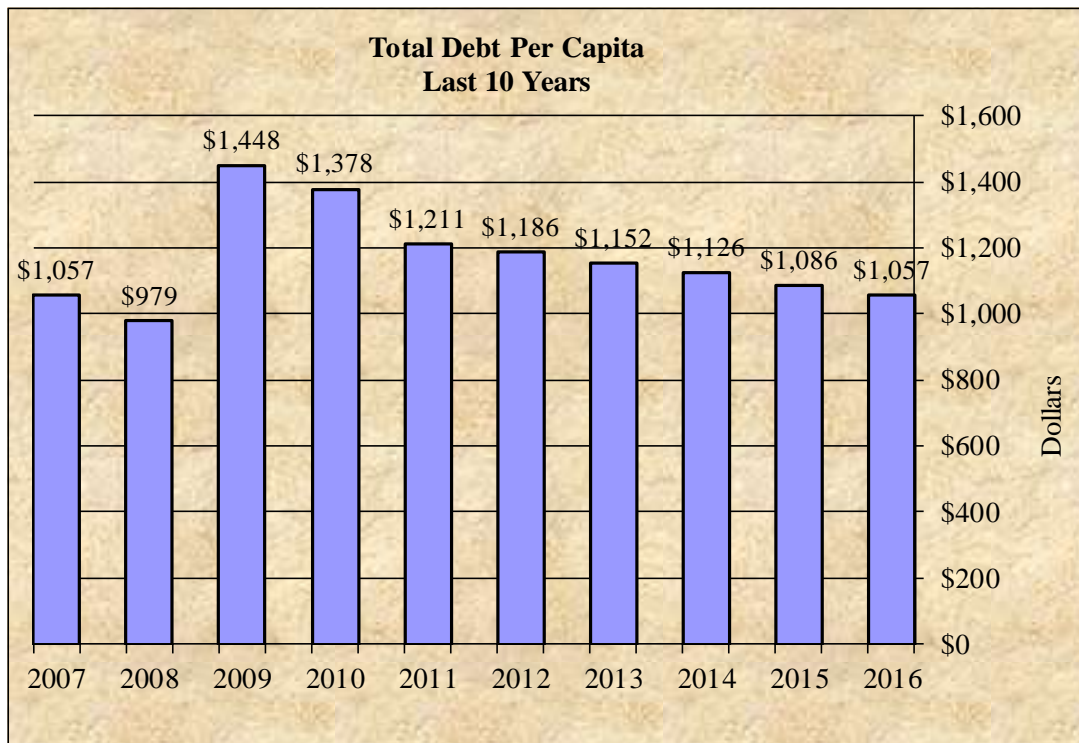
### Last Ten Years

**Table 11**

Year	Governmental Activities			Business-Type Activities			Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds (1)	Special Assessment Bonds	OPWC Loans	General Obligation Bonds	OWDA Loans	OPWC Loans			
2016	\$42,911,314	\$50,000	\$2,064,094	\$0	\$2,255,754	\$0	\$47,281,162	3.05%	\$1,057
2015	43,775,829	170,000	2,172,730	0	2,486,245	0	48,604,804	3.03	1,086
2014	45,383,015	285,000	1,996,842	0	2,707,382	0	50,372,239	3.25	1,126
2013	46,745,489	490,000	1,206,635	210,000	2,919,553	0	51,571,677	3.32	1,152
2012	48,863,378	680,000	0	415,000	3,123,128	0	53,081,506	3.42	1,186
2011	50,041,267	865,000	0	615,000	2,650,708	0	54,171,975	3.49	1,211
2010	55,780,684	1,035,000	0	805,000	2,814,500	0	60,435,184	4.64	1,378
2009	57,931,865	1,190,000	118,688	990,000	3,177,782	77,946	63,486,281	4.87	1,448
2008	36,167,026	1,340,000	138,145	1,185,000	3,996,756	92,119	42,919,046	3.29	979
2007	38,491,528	1,485,000	157,602	1,365,000	4,744,483	106,292	46,349,905	3.56	1,057

Note: Population and Personal Income data are presented on page S34.

(1) - The general obligation bonds include the unamortized premiums.



## City of Strongsville, Ohio

### *Ratio of Net General Obligation Bonded Debt to Estimated Actual Value and Net Bonded Debt Per Capita*

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

**Table 12**

Year	Population (1)		Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Accumulated Resources Restricted For Repayment	Net General Bonded Debt	Ratio of Net General Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2016	44,750	b	\$4,064,069,533	\$42,911,314	(\$3,423,821)	\$39,487,493	0.97 %	\$882.40
2015	44,750	b	3,984,790,420	43,775,829	(2,468,996)	41,306,833	1.04	923.06
2014	44,750	b	3,983,835,361	45,383,015	(2,217,961)	43,165,054	1.08	964.58
2013	44,750	b	3,953,971,938	46,955,489	(2,402,178)	44,553,311	1.13	995.60
2012	44,750	b	4,084,641,391	49,278,378	(2,383,528)	46,894,850	1.15	1,047.93
2011	44,750	b	4,078,695,735	50,656,267	(3,487,204)	47,169,063	1.16	1,054.06
2010	44,750	b	4,029,002,336	56,585,684	(4,542,450)	52,043,234	1.29	1,162.98
2009	43,858	a	4,533,949,696	58,921,865	(4,786,443)	54,135,422	1.19	1,234.33
2008	43,858	a	4,659,354,398	37,352,026	(4,384,860)	32,967,166	0.71	751.68
2007	43,858	a	4,789,506,220	39,856,528	(5,676,380)	34,180,148	0.71	779.34

#### **Sources:**

(1) U. S. Bureau of Census, Census of Population.

(a) 2000 Federal Census

(b) 2010 Federal Census

(2) Office of the County Fiscal Officer, Cuyahoga County, Ohio

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt and includes unamortized premiums.

## City of Strongsville, Ohio

### Computation of Direct and Overlapping General Obligation Bonded Debt

December 31, 2016

Table 13

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct - City of Strongsville</b>			
General Obligation Bonds (2)	\$42,911,314	100.00%	\$42,911,314
Special Assessment Bonds	50,000	100.00%	50,000
Ohio Public Works Loan	2,064,094	100.00%	2,064,094
<i>Total Direct Debt</i>	<u>45,025,408</u>		<u>45,025,408</u>
<b>Overlapping</b>			
Strongsville City School District	78,507,098	99.72%	78,283,454
Cuyahoga County	226,090,000	5.29%	11,966,290
Greater Cleveland Regional Transit Authority	3,910,000	5.29%	206,945
<i>Total Overlapping Debt</i>	<u>308,507,098</u>		<u>90,456,689</u>
<b>Total</b>	<u><u>\$353,532,506</u></u>		<u><u>\$135,482,097</u></u>

**Source:** Office of the County Fiscal Officer, Cuyahoga County, Ohio

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

(2) the general obligation bonds includes the unamortized premiums.



# City of Strongsville, Ohio

## Legal Debt Margin

### Last Ten Years

	2016	2015	2014	2013
Total Assessed Property Value	<u>\$1,442,908,710</u>	<u>\$1,414,683,340</u>	<u>\$1,413,357,650</u>	<u>\$1,401,219,540</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>151,505,415</u>	<u>148,541,751</u>	<u>148,402,553</u>	<u>147,128,052</u>
Debt Outstanding:				
General Obligation Bonds (net)-Governmental Activities	\$42,911,314	\$42,138,543	\$44,316,084	\$46,402,039
General Obligation Bonds-Business Type Activities	0	0	0	210,000
Special Assessment Bonds	50,000	170,000	285,000	490,000
Bond Anticipation Notes (net)	1,914,735	1,814,445	2,971,206	5,128,534
OPWC Loans	2,064,094	2,172,730	1,996,842	1,206,635
OWDA Loans	<u>2,255,754</u>	<u>2,486,245</u>	<u>2,707,382</u>	<u>2,919,553</u>
Total Gross Indebtedness	49,195,897	48,781,963	52,276,514	56,356,761
Less:				
General Obligation Bonds-Business Type Activities	0	0	0	(210,000)
Special Assessment Bonds	(50,000)	(170,000)	(285,000)	(490,000)
OPWC Loans	(2,064,094)	(2,172,730)	(1,996,842)	(1,206,635)
OWDA Loans	(2,255,754)	(2,486,245)	(2,707,382)	(2,919,553)
General Obligation Bond Retirement Fund Balance	<u>(2,709,095)</u>	<u>(1,717,453)</u>	<u>(891,164)</u>	<u>(316,301)</u>
Total Net Debt Applicable to Debt Limit	<u>42,116,954</u>	<u>42,235,535</u>	<u>46,396,126</u>	<u>51,214,272</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$109,388,461</u>	<u>\$106,306,216</u>	<u>\$102,006,427</u>	<u>\$95,913,780</u>
Legal Debt Margin as a Percentage of the Debt Limit	72.20%	71.57%	68.74%	65.19%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$79,359,979</u>	<u>\$77,807,584</u>	<u>\$77,734,671</u>	<u>\$77,067,075</u>
Total Gross Indebtedness	49,195,897	48,781,963	52,276,514	56,356,761
Less:				
Voted General Obligation Bonds	0	0	0	0
General Obligation Bonds-Business Type Activities	0	0	0	(210,000)
Special Assessment Bonds	(50,000)	(170,000)	(285,000)	(490,000)
OPWC Loans	(2,064,094)	(2,172,730)	(1,996,842)	(1,206,635)
OWDA Loans	(2,255,754)	(2,486,245)	(2,707,382)	(2,919,553)
General Obligation Bond Retirement Fund Balance	<u>(2,709,095)</u>	<u>(1,717,453)</u>	<u>(891,164)</u>	<u>(316,301)</u>
Net Debt Within 5 ½ % Limitations	<u>42,116,954</u>	<u>42,235,535</u>	<u>46,396,126</u>	<u>51,214,272</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$37,243,025</u>	<u>\$35,572,049</u>	<u>\$31,338,545</u>	<u>\$25,852,803</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	46.93%	45.72%	40.31%	33.55%

Source: City Financial Records



Table 14

2012	2011	2010	2009	2008	2007
<u>\$1,445,561,400</u>	<u>\$1,442,739,300</u>	<u>\$1,424,815,490</u>	<u>\$1,524,219,571</u>	<u>\$1,513,379,879</u>	<u>\$1,560,804,133</u>
<u>151,783,947</u>	<u>151,487,627</u>	<u>149,605,626</u>	<u>160,043,055</u>	<u>158,904,887</u>	<u>163,884,434</u>
\$48,476,997	\$49,524,838	\$55,780,684	\$57,931,865	\$36,167,026	\$38,491,528
415,000	615,000	805,000	990,000	1,185,000	1,365,000
680,000	865,000	1,035,000	1,190,000	1,340,000	1,485,000
5,480,914	7,716,240	5,041,458	0	16,450,000	0
0	0	0	196,634	230,264	263,894
<u>3,123,128</u>	<u>2,650,708</u>	<u>2,814,500</u>	<u>3,177,782</u>	<u>3,996,756</u>	<u>4,744,483</u>
<u>58,176,039</u>	<u>61,371,786</u>	<u>65,476,642</u>	<u>63,486,281</u>	<u>59,369,046</u>	<u>46,349,905</u>
(415,000)	(615,000)	(805,000)	(990,000)	(1,185,000)	(1,365,000)
(680,000)	(865,000)	(1,035,000)	(1,190,000)	(1,340,000)	(1,485,000)
0	0	0	(196,634)	(230,264)	(263,894)
(3,123,128)	(2,650,708)	(2,814,500)	(3,177,782)	(3,996,756)	(4,744,483)
<u>0</u>	<u>0</u>	<u>(1,568,792)</u>	<u>(1,265,353)</u>	<u>(1,805,140)</u>	<u>(1,603,836)</u>
<u>53,957,911</u>	<u>57,241,078</u>	<u>59,253,350</u>	<u>56,666,512</u>	<u>50,811,886</u>	<u>36,887,692</u>
<u>\$97,826,036</u>	<u>\$94,246,549</u>	<u>\$90,352,276</u>	<u>\$103,376,543</u>	<u>\$108,093,001</u>	<u>\$126,996,742</u>
64.45%	62.21%	60.39%	64.59%	68.02%	77.49%
<u>\$79,505,877</u>	<u>\$79,350,662</u>	<u>\$78,364,852</u>	<u>\$83,832,076</u>	<u>\$83,235,893</u>	<u>\$85,844,227</u>
58,176,039	61,371,786	65,476,642	63,486,281	59,369,046	46,349,905
0	0	(4,345,000)	(4,680,000)	(5,005,000)	(5,315,000)
(415,000)	(615,000)	(805,000)	(990,000)	(1,185,000)	(1,365,000)
(680,000)	(865,000)	(1,035,000)	(1,190,000)	(1,340,000)	(1,485,000)
0	0	0	(196,634)	(230,264)	(263,894)
(3,123,128)	(2,650,708)	(2,814,500)	(3,177,782)	(3,996,756)	(4,744,483)
<u>0</u>	<u>0</u>	<u>(1,568,792)</u>	<u>(1,265,353)</u>	<u>(1,805,140)</u>	<u>(1,603,836)</u>
<u>53,957,911</u>	<u>57,241,078</u>	<u>54,908,350</u>	<u>51,986,512</u>	<u>45,806,886</u>	<u>31,572,692</u>
<u>\$25,547,966</u>	<u>\$22,109,584</u>	<u>\$23,456,502</u>	<u>\$31,845,564</u>	<u>\$37,429,007</u>	<u>\$54,271,535</u>
32.13%	27.86%	29.93%	37.99%	44.97%	63.22%

# City of Strongsville, Ohio

## Demographic and Economic Statistics

### Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)
2016	44,750	\$1,551,393,000	\$34,668	\$78,745	44.2	40.70%
2015	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2014	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2013	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2012	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2011	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2010	44,750	1,551,393,000	34,668	78,745	44.2	40.70%
2009	43,858	1,303,547,476	29,722	68,660	39.1	37.00%
2008	43,858	1,303,547,476	29,722	68,660	39.1	37.00%
2007	43,858	1,303,547,476	29,722	68,660	39.1	37.00%

(1) **Source:** U. S. Census

(a) Years 2007 through 2009 - 2000 Federal Census

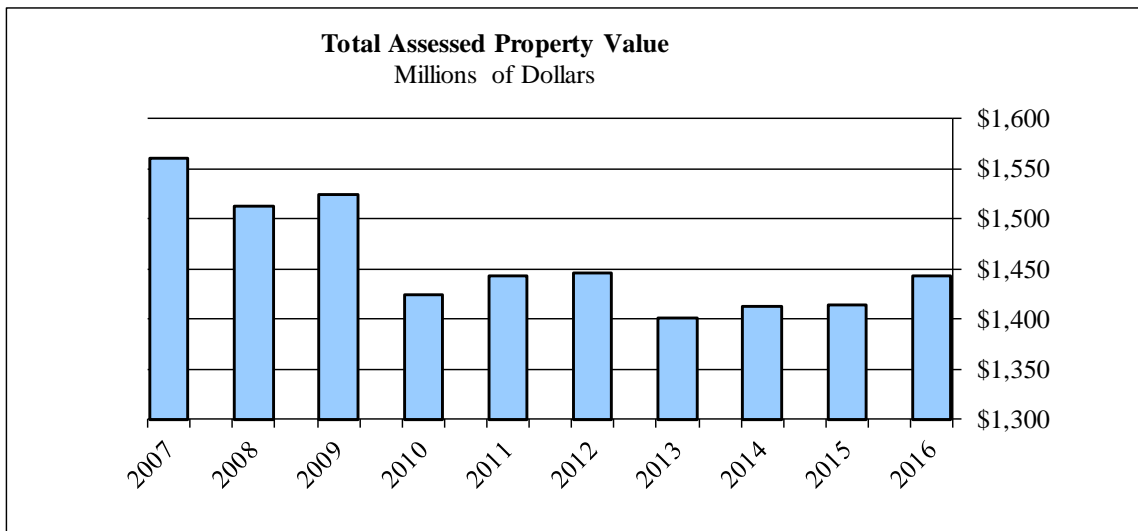
(b) Years 2010 through 2016 - 2010 Federal Census

(2) **Source:** Treasurer's Office, Strongsville City School District

(3) **Source:** U.S. Department of Labor/Bureau of Labor Statistics.

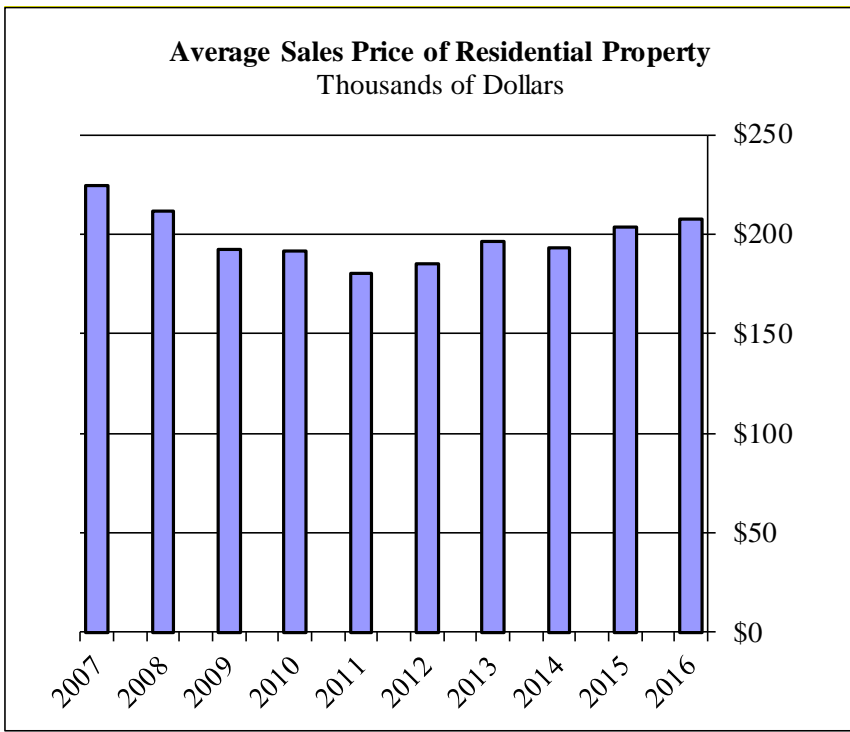
(4) **Source:** Office of the County Fiscal Officer, Cuyahoga County, Ohio

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



**Table 15**

School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
5,464	5.30%	\$207,688	\$1,442,908,710
5,415	4.00%	203,519	1,414,683,340
5,625	6.00%	192,780	1,413,357,650
5,872	7.20%	196,422	1,401,219,540
6,477	6.60%	185,487	1,445,561,400
6,784	7.10%	180,480	1,442,739,300
6,617	8.60%	191,594	1,424,815,490
7,003	9.20%	192,630	1,524,219,571
7,183	6.80%	211,289	1,513,379,879
7,241	6.10%	224,604	1,560,804,133



# City of Strongsville, Ohio

## Principal Municipal Income Tax Withholders

***Current and Nine Years Ago***

**Table 16**

<b>2016</b>		
Employer	Nature of Activity	Percentage of Total Income Tax
Strongsville Board of Education	Education	2.42%
PNC Bank (formally National City Bank)	Banking Technology Center	2.26%
Medical Mutual of Ohio	Healthcare Solutions	2.03%
Lamrite West, Inc.	Art Supplies Distributor	1.81%
The Cleveland Clinic Foundation	Outpatient Medical Facility	1.56%
City of Strongsville	Municipal Government	1.41%
CCL Label, Inc.	Pressure Sensitive Adhesive Products	0.95%
Momentive Performance Material	Producer of Advanced Ceramics	0.93%
PPG Industries, Inc.	Powder & Paint Products	0.76%
Clark Reliance Corporation	Precision Boiler Parts	0.74%
Total		14.87%

<b>2007</b>		
Employer	Nature of Activity	Percentage of Total Income Tax
Akzo Nobel Paints, LLC	U.S. Corporate Headquarters - Paint	4.58%
Strongsville Board of Education	Education	3.38%
National City Bank (now PNC Bank)	Banking Technology Center	1.97%
City of Strongsville	Municipal Government	1.49%
Lamrite West, Inc.	Corporate Headquarters - Art Supplies	1.40%
The Cleveland Clinic Foundation	Outpatient Medical Facility	1.11%
Avery Dennison Corporation	Pressure Sensitive Adhesive Products	0.96%
PPG Industries, Inc.	Powder & Paint Products	0.95%
Momentive Performance Material	Producer of Advanced Ceramics	0.94%
Eberhard Manufacturing	Vehicle & Industrial Hardware	0.81%
Total		17.59%

**Source:** Regional Income Tax Agency (RITA)

# City of Strongsville, Ohio

## Full-Time City Employees by Function/Program

***Last Ten Years***

**Table 17**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government										
Council	2	2	2	2	2	2	2	2	2	2
Mayor's Office	3	3	3	3	3	4	4	4	2	2
Human Resources	2	2	2	2	1	1	1	1	1	1
Finance	4	4	4	4	4	5	5	5	7	7
Law	4	4	4	4	4	4	4	4	5	5
Communication & Technology	4	5	5	4	4	4	4	4	4	4
Mayor's Court	1	1	1	0	1	1	1	1	1	1
Security of Persons and Property										
Police										
Officers and Administration	79	79	78	78	76	80	86	85	86	88
Corrections Officers	9	9	8	6	7	7	7	1	1	1
Dispatchers	30	26	19	13	13	13	13	12	12	12
Fire	62	62	59	60	60	65	66	70	72	73
Public Safety	1	1	1	1	1	0	0	0	0	0
Public Health Services										
Cemetery	1	1	1	1	1	1	1	1	1	1
Leisure Time Activities										
Parks	1	1	1	1	1	1	1	1	1	1
Recreation	17	17	16	16	17	17	19	20	21	21
Senior Services	5	5	5	5	5	6	6	7	8	9
Community Environment										
Building	12	11	11	10	10	10	10	10	11	12
Planning	1	1	1	1	1	1	1	1	1	1
Economic Development	1	1	1	1	1	1	1	2	2	2
Public Service										
Administration	7	8	8	8	5	6	6	8	9	9
Street Maintenance	34	33	31	36	36	39	40	39	42	44
Traffic Control	1	1	2	2	2	2	3	3	3	3
Vehicle Maintenance	5	6	6	5	6	6	6	6	6	6
Basic Utility Services										
Engineering	5	5	5	5	5	6	6	6	7	8
Sanitary Sewer Maintenance	6	6	6	6	7	6	6	7	7	7
Totals:	<u>297</u>	<u>294</u>	<u>280</u>	<u>274</u>	<u>273</u>	<u>288</u>	<u>299</u>	<u>300</u>	<u>312</u>	<u>320</u>

**Source:** City of Strongsville Finance Department

# City of Strongsville, Ohio

## Operating Indicators by Function/Program

### Last Ten Years

Function/Program	2016	2015	2014	2013
<b>General Government</b>				
<i><b>Council and Clerk</b></i>				
Number of Ordinances Passed	182	197	191	228
Number of Resolutions Passed	62	74	60	62
Number of Planning Commission docket items	74	84	70	76
<i><b>Finance Department</b></i>				
Agency Ratings - Moody's Financial Services	Aaa	Aaa	Aaa	Aaa
Number of AP checks/ EFT's issued	7,191	7,243	7,170	7,275
Number of W2 Forms	640	639	594	618
Amount of checks written	\$36,826,540	\$38,147,475	\$40,385,721	\$30,598,160
Interest earnings for fiscal year (cash basis)	\$336,541	\$142,766	\$83,661	\$72,810
Medical Mutual Premiums: (Medical, Dental, Vision & Rx)				
Over-age Dependents	\$0	\$1,950	\$1,859	\$1,715
Family	\$1,713	\$1,681	\$1,602	\$1,478
Single Employees	\$686	\$673	\$641	\$592
Gross Wages	\$25,106,603	\$25,012,798	\$23,177,955	\$22,700,012
Employer Paid:				
Medicare	\$346,185	\$343,729	\$317,292	\$305,050
Ohio Public Employees Retirement System	\$1,744,627	\$1,729,856	\$1,554,453	\$1,492,086
Police Pension	\$1,239,060	\$1,237,406	\$1,185,446	\$1,165,296
Fire Pension	\$1,355,723	\$1,375,160	\$1,286,195	\$1,239,628
Hospitalization	\$4,688,524	\$4,552,840	\$3,797,061	\$3,879,546
Worker's Compensation	\$343,500	\$338,600	\$280,100	\$243,545
Unemployment	\$1,635	\$340	\$9,112	\$249
Group Life Insurance	\$91,640	\$88,576	\$77,898	\$72,981
Total Salaries and Fringes (cash basis)	<u>\$34,917,497</u>	<u>\$34,679,305</u> *	<u>\$31,685,512</u>	<u>\$31,098,393</u>
General Fund Receipts (cash basis)	\$37,261,231	\$38,685,905	\$36,301,017	\$34,146,487
General Fund Expenditures (cash basis)	\$37,171,921	\$38,493,997	\$36,235,360	\$33,850,798
General Fund Cash Balances	\$8,074,730	\$7,985,420	\$7,793,512	\$7,727,855
Income Taxes collected by the Regional Income Tax				
Agency (RITA) for the calendar year - cash basis	\$35,005,722	\$34,119,630	\$33,135,341	\$31,191,054
RITA's Collection Fee - NET of Retainer Refund	\$562,569 **	\$524,680	\$542,729	\$508,552
RITA's Collection Fee - Expressed as a percent	1.61%	1.54%	1.64%	1.63%
Annual Utility Payments (Cash Basis)				
Electric	\$1,048,147	\$1,031,683	\$975,722	\$928,925
Natural Gas	\$110,252	\$130,897	\$170,849	\$142,131
Phone	\$85,800	\$90,691	\$83,799	\$96,224
Cell Phones	\$71,654	\$80,902	\$106,833	\$93,430
Water	\$182,410	\$203,485	\$119,394	\$161,720
Total Utility Payments	<u>\$1,498,263</u>	<u>\$1,537,658</u>	<u>\$1,456,597</u>	<u>\$1,422,430</u>

\* 27 pays occurred in 2015

\*\* Estimate in 2016 only

Table 18

2012	2011	2010	2009	2008	2007
152	166	159	185	194	212
57	49	50	77	76	47
45	38	52	50	84	95
Aaa	Aaa	Aaa	Aa1	Aa1	Aa1
7,343	7,433	7,325	7,481	7,839	7,772
587	594	611	649	687	690
\$29,252,993	\$40,018,865	\$47,302,771	\$48,322,101	\$45,493,374	\$47,032,104
\$121,284	\$83,575	\$107,520	\$452,252	\$623,179	\$1,609,407
\$1,837	\$0	\$0	\$0	\$0	\$0
\$1,401	\$1,308	\$1,308	\$1,187	\$1,094	\$1,094
\$561	\$524	\$476	\$475	\$438	\$438
\$22,306,968	\$22,210,142	\$21,742,901	\$21,939,433	\$21,807,176	\$20,581,700
\$292,415	\$282,545	\$276,169	\$271,242	\$263,184	\$245,987
\$1,479,969	\$1,467,952	\$1,448,436	\$1,486,056	\$1,527,429	\$1,413,161
\$1,115,057	\$1,110,376	\$1,110,118	\$1,118,162	\$1,062,918	\$1,034,036
\$1,246,260	\$1,243,296	\$1,201,510	\$1,244,986	\$1,142,359	\$1,108,107
\$3,899,236	\$3,877,306	\$3,624,183	\$3,972,622	\$3,398,669	\$3,346,390
\$555,400	\$526,800	\$486,400	\$513,064	\$462,445	\$448,993
\$9,865	\$655	\$21,444	\$17,941	\$3,821	\$13,681
\$79,041	\$81,960	\$37,075	\$37,483	\$34,696	\$32,246
<u>\$30,984,211</u>	<u>\$30,801,032</u>	<u>\$29,948,236</u>	<u>\$30,600,989</u>	<u>\$29,702,697</u>	<u>\$28,224,301</u>
\$31,973,112	\$30,891,892	\$30,278,694	\$31,976,357	\$33,220,023	\$32,046,240
\$32,137,577	\$30,866,872	\$30,605,487	\$32,185,566	\$32,128,179	\$30,987,044
\$7,432,166	\$7,596,631	\$7,571,611	\$7,898,404	\$8,107,613	\$7,015,769
\$29,074,716	\$27,896,316	\$26,020,812	\$26,215,912	\$27,584,664	\$27,516,760
\$483,085	\$484,766	\$531,262	\$555,042	\$524,637	\$506,680
1.66%	1.74%	2.04%	2.12%	1.90%	1.84%
\$931,944	\$980,121	\$1,173,240	\$1,064,984	\$1,045,186	\$939,512
\$122,457	\$177,567	\$235,524	\$266,348	\$351,009	\$404,672
\$89,542	\$113,203	\$110,091	\$129,890	\$151,098	\$145,226
\$96,731	\$92,603	\$82,340	\$67,048	\$78,538	\$58,000
\$150,852	\$152,139	\$153,992	\$134,435	\$132,006	\$178,085
<u>\$1,391,526</u>	<u>\$1,515,633</u>	<u>\$1,755,187</u>	<u>\$1,662,705</u>	<u>\$1,757,837</u>	<u>\$1,725,495</u>

# City of Strongsville, Ohio

## Operating Indicators by Function/Program (continued)

### Last Ten Years

Function/Program	2016	2015	2014	2013
<b><i>Civil Service</i></b>				
Number of police entry tests administered	1	1	0	1
Number of fire entry tests administered	1	0	0	1
Number of police promotional tests administered	3	0	0	0
Number of fire promotional tests administered	0	3	1	0
Number of hires of Police Officers from certified lists	1	0	0	4
Number of hires of Fire/Medics from certified lists	3	5	0	3
Number of promotions from police certified lists	7	0	0	0
Number of promotions from fire certified lists	0	7	0	2
<b><i>Engineer Contracted Services</i></b>				
Dollar amount of Construction overseen by Engineer	\$5,125,000	\$5,027,000	\$11,395,000	\$5,575,000
<b>Community Environment</b>				
<b><i>Building Department Indicators</i></b>				
Construction Permits Issued	235	211	187	178
Estimated Value of Construction	\$88,779,194	\$64,879,265	\$103,654,033	\$33,262,698
Number of permits issued	3,310	3,313	3,116	2,813
Amount of Revenue generated from permits	\$2,117,785	\$1,780,629	\$1,674,506	\$1,155,719
Number of contract registrations issued	1,551	1,517	1,367	1,460
<b>Leisure Time Activities</b>				
<b><i>Recreation</i></b>				
Number of Memberships	14,713	14,492	13,099	13,162
Number of Adult Sport League Teams	283	274	253	243
Youth Baseball/Softball Participants	932	983	1,125	1,207
Youth Basketball Participants	1,697	1,613	1,579	1,447
Group Exercise/Spinning Participants	25,725	26,035	29,782	19,735
Youth Day Camp Participants	1,395	1,214	1,094	1,016
Youth Tennis Lessons	54	104	114	106
Youth Learn to Swim Participants	2,066	2,337	2,114	1,985
Youth Volleyball Participants	152	166	52	0
<b>Public Health and Welfare</b>				
Cemetery burials	54	39	41	54
Cemetery sale of lots	62	70	76	74
Cemetery receipts	\$59,325	\$49,700	\$57,325	\$57,869
Annual County Board of Health Deduction	\$175,420	\$175,420	\$175,420	\$171,840
Population for County Board of Health (US Census)	44,750	44,750	44,750	44,750
County Board of Health Fee Per Resident	\$3.92	\$3.92	\$3.92	\$3.84



**Table 18**

2012	2011	2010	2009	2008	2007
0	1	0	0	1	0
0	1	0	0	1	0
2	0	0	0	1	0
2	3	0	0	1	0
0	0	0	0	4	0
0	0	0	0	3	0
5	0	0	0	6	0
4	2	0	0	5	0
\$3,700,000	\$10,400,000	\$8,000,000	\$1,600,000	\$1,700,000	\$1,600,000
238	227	210	292	163	330
\$23,976,814	\$51,675,210	\$45,196,478	\$63,072,070	\$86,170,445	\$77,477,796
3,276	3,057	3,026	3,192	3,180	2,865
\$1,156,307	\$1,077,020	\$1,034,435	\$1,115,596	\$1,097,810	\$1,216,094
1,294	1,407	1,438	1,761	1,335	1,694
13,268	13,823	13,826	13,814	13,798	13,665
229	239	241	228	190	180
1,329	1,357	1,530	1,715	1,745	1,766
1,568	1,343	1,391	1,368	1,234	1,149
19,551	18,781	20,161	23,527	22,498	20,953
940	969	985	722	867	842
131	139	147	149	130	77
1,980	2,014	2,157	1,812	2,195	2,078
0	0	0	0	0	0
51	51	54	29	53	39
73	35	33	41	29	43
\$56,200	\$44,925	\$49,825	\$46,300	\$43,350	\$51,575
\$171,840	\$162,275	\$162,275	\$162,275	\$157,889	\$157,889
44,750	43,858	43,858	43,858	43,858	43,858
\$3.84	\$3.70	\$3.70	\$3.70	\$3.60	\$3.60

# City of Strongsville, Ohio

## Operating Indicators by Function/Program (continued)

### Last Ten Years

Function/Program	2016	2015	2014	2013
<b>Basic Utility Services</b>				
Solid Waste Disposal (tonnage)	22,542	22,720	23,618	22,803
Solid Waste Disposal Costs	\$2,240,573	\$2,123,246	\$2,072,706	\$1,991,876
Recycled Materials (tonnage)	9,525	9,949	9,645	8,283
Recycled Materials as a percentage of Total Waste	30.0%	31.0%	29.0%	27.0%
Number of Residential Units	15,680	15,680	15,680	15,680
Cost per Residential Unit	\$7.36	\$6.67	\$6.48	\$6.29
Landfill Tipping Fee (Per Ton)	\$36.61	\$36.61	\$35.54	\$34.50
<b>Security of Persons &amp; Property</b>				
<i><b>Police</b></i>				
Number of traffic citations issued	4,310	4,326	4,236	3,793
Number of parking citations issued	490	362	562	377
Number of criminal arrests	1,746	2,147	2,449	2,466
Number of accident reports completed	994	939	940	937
Part 1 Offenses (major offenses)	942	972	848	806
Animal Warden service calls	459	373	354	384
DUI Arrests	165	144	218	239
Prisoners	1,795	1,676	1,441	1,420
Prisoner meal costs	\$17,441	\$17,737	\$18,761	\$13,706
Motor Vehicle Accidents	1,418	1,391	1,439	1,637
Fatalities from Motor Vehicle Accidents	3	1	1	1
Community Diversion Program Youths	106	77	76	48
Community Diversion Program - community service hours	1,609	889	988	762
<i><b>Fire</b></i>				
EMS Calls	3,923	3,837	3,473	3,664
EMS Transports	3,204	3,172	2,785	2,845
Utilization Charges				
Resident or Real Property Owner				
BLS with Transport	\$550	\$450	\$450	\$450
ALS I with Transport	\$650	\$600	\$600	\$600
ALS II with Transport	\$900	\$750	\$750	\$750
Per Mile Charge	\$12	\$10	\$10	\$10
Non-Resident				
BLS with Transport	\$550	\$450	\$450	\$450
ALS I with Transport	\$650	\$600	\$600	\$600
ALS II with Transport	\$900	\$750	\$750	\$750
Per Mile Charge	\$12	\$10	\$10	\$10
Ambulance Billing Collections	\$1,003,354	\$1,040,233	\$789,143	\$940,023
Fire Calls	1,489	1,396	1,363	1,424
Fires with Loss	20	26	34	69
Fires with Losses exceeding \$10K	5	7	5	11
Fire Losses \$	\$329,836	\$505,326	\$580,996	\$1,100,476
Fire Safety Inspections	1,419	931	1,272	1,076
Number of times Mutual Aid given to Fire and EMS	98	133	89	40
Number of times Mutual Aid received for Fire and EMS	40	38	21	22

**Table 18**

2012	2011	2010	2009	2008	2007
22,681	21,768	21,692	21,902	22,594	24,790
\$1,940,969	\$1,791,233	\$2,500,121	\$2,496,002	\$2,468,202	\$2,483,161
8,553	9,105	9,720	10,132	5,951	9,462
27.0%	29.0%	31.0%	32.0%	21.0%	28.0%
15,680	15,680	15,146	15,146	15,146	15,146
\$6.13	\$6.01	\$7.55	\$7.55	\$7.33 - \$7.55	\$7.3336
\$33.66	\$33.00	\$43.62 - \$45.24	\$43.62 - \$45.24	\$42.71 - \$43.99	\$42.71 - \$42.35
3,304	3,450	3,952	4,745	4,631	5,284
419	302	261	472	235	333
1,916	1,601	1,226	1,319	1,287	1,351
1,134	1,374	1,398	1,399	1,413	1,406
1,040	1,080	963	985	844	934
402	441	366	457	376	353
242	354	284	273	279	295
1,521	1,219	822	734	879	886
\$18,294	\$17,922	\$20,977	\$24,491	\$29,317	\$35,970
1,751	1,865	1,810	1,758	1,815	1,802
1	0	2	2	1	1
63	98	99	98	N/A	N/A
700	1,435	1,819	1,209	N/A	N/A
3,560	3,246	3,410	3,058	3,055	3,127
2,795	2,683	2,717	2,398	2,432	2,465
\$450	\$300	\$300	\$300	\$300	\$300
\$600	\$400	\$400	\$400	\$400	\$400
\$750	n/a	n/a	n/a	n/a	n/a
\$10	\$6	\$6	\$6	\$6	\$6
\$450	\$400	\$400	\$400	\$400	\$400
\$600	\$450	\$450	\$450	\$450	\$450
\$750	n/a	n/a	n/a	n/a	n/a
\$10	\$6	\$6	\$6	\$6	\$6
\$993,234	\$937,404	\$916,097	\$752,969	\$813,840	\$768,772
1,213	630	471	596	540	576
35	79	92	114	89	147
15	6	5	7	6	9
\$1,414,850	\$301,000	\$767,000	\$3,795,000	\$756,000	\$1,772,777
940	652	727	622	573	389
34	61	57	53	66	55
38	20	17	19	14	5

# City of Strongsville, Ohio

## Operating Indicators by Function/Program (continued)

### Last Ten Years

Function/Program	2016	2015	2014	2013
<b>Transportation</b>				
Street Improvements - asphalt overlay (cubic yds)	2,736	2,877	2,372	2,147
Street Repair (Curbs, aprons, berms, asphalt) (hours)	22,680	20,352	20,212	23,592
Guardrail Repair (hours)	32	328	24	296
Cold Patch (hours)	1,704	1,968	2,440	2,336
Snow & Ice Removal (hours)	3,240	6,296	7,392	4,312
Sewer Crew Calls (hours)	5,112	5,408	4,156	3,968
Sewer Crew Preventive Maintenance (hours)	5,622	6,528	7,324	7,744
Sewer Jet & Vactor (hours)	3,008	1,976	3,168	2,088
Landscaping Stump-Chipper service (hours)	6,504	6,872	8,556	7,352
Leaf collection (hours)	5,784	4,408	4,728	4,184
Holiday Lighting & Special Events setup (hours)	728	528	440	416
Square Repair after Special Events (hours)	6,072	4,656	4,428	4,624
Equipment & Vehicle Repair (hours)	9,600	11,504	11,344	10,480
Sign Department (hours)	1,912	2,288	3,056	3,360
Park Maintenance (hours)	7,840	5,632	5,144	5,584
Utility Repair (hours)	3,824	3,376	4,056	5,040
Senior Bus Trips (hours)	902	762	576	528
Animal Control (hours)	2,963	2,921	2,893	2,779
Cemetery (hours)	5,320	3,728	3,824	3,584
Miscellaneous Repairs & Maintenance (hours)	2,928	2,400	4,288	2,816
Number of Trees Planted per year	283	219	334	434
Tons of snow melting salt purchased	8,800	10,500	12,500	6,386
Cost of salt purchased	\$465,112	\$561,946	\$586,080	\$217,242
Gallons of snow & ice road pretreatment purchased	9,500	4,500	13,101	18,449
Cost of snow & ice road pretreatment	\$7,353	\$3,235	\$9,302	\$19,925
Unleaded Fuel Average Price per Gallon	\$2.26	\$2.31	\$3.34	\$3.37
Unleaded Fuel Gallons Used	88,904	95,223	86,511	84,355
Cost of Unleaded Fuel Used	\$200,923	\$219,965	\$288,947	\$284,276
Diesel Fuel Average Price per Gallon	\$1.76	\$1.93	\$3.42	\$3.46
Diesel Fuel Gallons Used	67,213	79,838	83,003	73,433
Cost of Diesel Fuel Used	\$118,295	\$154,087	\$283,870	\$254,078

**Table 18**

2012	2011	2010	2009	2008	2007
2,201	4,183	7,139	6,490	549	0
25,664	22,881	38,226	53,572	29,954	26,722
16	16	184	352	56	504
1,616	4,948	7,324	9,700	4,544	3,520
3,568	5,416	7,072	8,728	5,248	5,280
3,544	4,088	5,815	7,542	7,152	6,896
14,144	9,152	9,934	10,716	6,330	6,386
1,832	632	2,812	4,992	2,256	2,776
5,944	3,776	8,288	12,800	9,290	15,544
4,048	3,172	5,812	8,452	4,040	4,504
444	564	883	1,202	496	2,288
4,648	4,580	5,090	5,600	2,208	2,808
14,403	13,280	19,112	24,944	13,894	11,902
4,439	4,040	6,482	8,924	5,816	5,736
6,560	8,658	12,262	15,866	8,118	10,352
5,344	5,058	7,713	10,368	6,248	4,528
703	526	800	1,074	596	625
2,869	2,389	3,646	4,903	2,362	1,696
3,272	2,679	4,490	6,302	3,192	3,344
2,376	2,760	3,732	4,704	2,560	4,008
269	225	340	324	278	665
10,622	14,200	13,400	12,000	19,900	16,100
\$476,321	\$641,228	\$583,302	\$474,840	\$656,302	\$525,182
4,708	23,561	7,870	5,080	4,000	8,000
\$4,849	\$22,854	\$10,791	\$9,499	\$7,480	\$14,986
\$3.50	\$3.38	\$2.65	\$2.26	\$2.78	\$2.64
93,470	94,605	104,053	107,151	114,035	102,797
\$327,145	\$319,765	\$275,740	\$242,161	\$317,017	\$271,384
\$3.55	\$3.39	\$2.60	\$2.13	\$3.38	\$2.56
74,380	78,118	88,742	82,246	85,102	76,749
\$264,049	\$264,820	\$230,729	\$175,184	\$287,645	\$196,477

## City of Strongsville, Ohio

### Operating Indicators by Function/Program (continued)

#### Last Ten Years

Function/Program	2016	2015	2014	2013
<b>Wastewater Department</b>				
Wastewater Treatment Plants Annual Costs	\$2,061,133	\$2,186,786	\$1,968,161	\$1,870,785
Total flow of wastewater treatment plants (Billions of Gallons)	0.651	0.633	0.661	0.637
Average daily flow (Millions of gallons per day)	1.777	1.734	1.810	1.746
Tons of dry sludge removed	308.61	325.81	309.24	344.74
<b>Wastewater Rates (billed Quarterly based on Water Consumption)</b>				
<b>Regular rates per MCF (7,480 gallons)</b>				
Wastewater Treatment Rate - NEORSD/City of Strongsville	\$79.85	\$71.75	\$64.55	\$58.15
Wastewater Local Rate - City of Strongsville	\$13.39	\$13.39	\$13.39	\$13.39
Wastewater Combined Rate	\$93.24	\$85.14	\$77.94	\$71.54
City of Strongsville Quarterly Fee	\$10.00	\$10.00	\$10.00	\$10.00
<b>Homestead rates per MCF (7,480 gallons)</b>				
Wastewater Treatment Rate - NEORSD/City of Strongsville	\$48.05	\$43.25	\$38.95	\$35.15
Wastewater Local Rate - City of Strongsville	\$6.89	\$6.89	\$6.89	\$6.89
Wastewater Combined Rate	\$54.94	\$50.14	\$45.84	\$42.04
City of Strongsville Quarterly Fee	\$5.00	\$5.00	\$5.00	\$5.00
Minimum quarterly consumption charge - treated by NEORSD	Actual	Actual	Actual	Actual
Quarterly Fixed Charge - treated by NEORSD	\$7.20	\$6.90	\$6.60	\$6.30
Minimum quarterly consumption charge - treated by Strongville	Actual	Actual	Actual	Actual
City of Cleveland Water's billing agent fee (per bill)	\$4.65	\$4.65	\$4.58	\$4.52

**Table 18**

2012	2011	2010	2009	2008	2007
\$1,501,078	\$1,594,819	\$1,444,869	\$1,424,765	\$1,363,202	\$1,477,898
0.625	0.787	0.748	0.636	0.627	0.760
1.714	2.156	2.031	1.741	1.718	2.081
305.63	317.81	303.03	290.39	292.33	316.59
\$52.55	\$48.00	\$44.25	\$40.90	\$37.85	\$35.10
\$13.39	\$13.39	\$13.39	\$13.39	\$13.39	\$13.39
\$65.94	\$61.39	\$57.64	\$54.29	\$51.24	\$48.49
\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
\$31.75	\$32.25	\$29.70	\$27.45	\$25.40	\$23.55
\$6.89	\$6.89	\$6.89	\$6.89	\$6.89	\$6.89
\$38.64	\$39.14	\$36.59	\$34.34	\$32.29	\$30.44
\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Actual	1 MCF	1 MCF	1 MCF	1 MCF	1 MCF
\$5.85	n/a	n/a	n/a	n/a	n/a
Actual	Actual	Actual	Actual	Actual	Actual
\$4.44	\$4.30	\$4.21	\$4.26	\$4.11	\$4.00

# City of Strongsville, Ohio

## Capital Assets Statistics by Function/Program

### Last Ten Years

**Table 19**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Government</b>										
Square Footage Occupied	9,334	9,334	9,334	9,334	9,334	9,334	9,334	9,334	9,334	9,334
Administrative Vehicles	3	4	4	4	3	3	3	2	1	1
Buildings & Inspection Vehicles	11	9	9	9	9	9	9	9	9	9
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	60,116	60,116	60,116	60,116	60,116	60,116	60,116	17,370	17,370	17,370
Vehicles	67	61	59	61	61	61	60	60	59	60
<b>Fire</b>										
Stations	4	4	4	4	4	4	4	4	4	4
Square Footage of Station # 1	10,651	10,651	10,651	10,651	10,651	10,651	10,651	10,651	10,651	10,651
Square Footage of Station # 2	5,745	5,745	5,745	5,745	5,745	5,745	5,745	5,745	5,745	5,745
Square Footage of Station # 3	8,360	8,360	8,360	8,360	8,360	8,360	8,360	8,360	8,360	8,360
Square Footage of Headquarters	36,194	36,194	36,194	36,194	36,194	36,194	36,194	36,194	36,194	5,750
Vehicles	23	27	26	24	21	20	20	20	20	20
<b>Recreation</b>										
Number of Parks	8	8	8	8	8	8	8	7	7	7
Number of Pools	3	3	3	3	3	3	3	3	3	3
Number of Tennis Courts	6	6	6	6	6	6	6	6	6	6
Number of Baseball Diamonds	18	18	18	18	18	18	18	15	15	13
Number of Soccer Fields	18	18	18	18	18	18	17	17	17	17
Number of Football Fields	1	1	1	1	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Recreation Centers Square Footage	149,721	149,721	149,721	149,721	149,721	149,721	149,721	149,721	149,721	149,721
Vehicles	11	8	9	9	10	10	10	10	10	10
<b>Other Public Works</b>										
Streets (Center Line Miles)	211	210	204	203	202	202	202	202	202	201
Bridges	1	1	1	1	1	1	1	1	1	1
Culverts	189	189	189	188	187	187	187	187	187	187
Water Lines (Miles)	195	197	196	195	195	194	194	194	193	193
Service Vehicles	73	67	65	62	68	67	64	62	62	59
<b>Wastewater</b>										
Wastewater Treatment Plants	2	2	2	2	2	2	2	2	2	2
Wastewater Collection Systems	18	18	18	18	18	16	15	15	15	15
Wastewater Sewers (Miles)	191	190	188	188	188	186	186	186	184	184
Storm Sewers (Miles)	206	204	195	195	195	194	190	190	189	189
Vehicles	27	23	22	21	21	21	21	21	21	21

**Source:** City of Strongsville Finance and Engineering Departments





# Dave Yost • Auditor of State

**CITY OF STRONGSVILLE**

**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  
JUNE 20, 2017**