SHAKER HEIGHTS

Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2015
City of Shaker Heights, Ohio

Dave Yost • Auditor of State

City Council
City of Shaker Heights
3400 Lee Rd
Shaker Heights, OH 44120

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

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

Dave Yost
Auditor of State

August 19, 2016

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City of Shaker Heights
Cuyahoga County, Ohio

Comprehensive Annual Financial Report
For the Year Ended December 31, 2015

Prepared by: The Department of Finance
Robert Baker, Interim Director of Finance

INTRODUCTORY SECTION

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City of Shaker Heights
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2015

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SHAKERHEIGHTS

June 29, 2016

Mayor Earl M. Leiken,
Members of City Council and
Citizens of the City of Shaker Heights, Ohio
Shaker Heights City Hall
3400 Lee Road
Shaker Heights, Ohio 44120

Re: **Submission of 2015 Comprehensive Annual Financial Report**

Dear Mayor Leiken, Members of Council, and Citizens of Shaker Heights:

We are pleased to submit for your review the City of Shaker Heights' (the City) 2015 Comprehensive Annual Financial Report, commonly referred to as a "CAFR". This report is the City's official annual report for the fiscal year ended December 31, 2015. This CAFR is a more extensive report than the basic financial statements, and we believe that it demonstrates the City's ongoing commitment to be accountable not only to its citizenry but also to excellence in financial reporting. Ohio law requires that the City of Shaker Heights annually publish a complete set of financial statements for the results of its fiscal operations, presented in conformity with generally accepted accounting principles (GAAP). The Finance Department is responsible for the accuracy of the data and the completeness and fairness of its presentation, including disclosures. We believe that the information presented is accurate in all material respects and reported in a manner designed to show the financial position and operating results of the City.

This CAFR consists of management's representations concerning the finances of the City of Shaker Heights. Consequently, the management of the City assumes full responsibility for the completeness and reliability of all of the information presented in this report. In order to provide a reasonable basis for making these representations, the management of the City has established a comprehensive internal control framework. This internal control system has been designed to both protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As the management of the City of Shaker Heights, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Shaker Heights' financial statements have been audited by Ciuni & Panichi, Inc., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Shaker Heights for the year ended December 31, 2015, are free of material misstatement. An independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the results of the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended December 31, 2015 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Shaker Heights was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal grant awards. These reports are available in the City's separately issued Single Audit Report.

Provisions of GAAP require that city management provide an introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

Profile of the City of Shaker Heights, Ohio

The City of Shaker Heights, covering approximately 6.3 square miles and a population of 28,488, (2010 Census) is located approximately ten miles southeast of downtown Cleveland in Cuyahoga County in northeastern Ohio. Incorporated under Ohio law as a village in 1912, Shaker Heights became a city in 1931. As provided by Ohio law, the City operates under the auspices of its own charter, which was adopted by the voters in 1931. The Charter provides for the City to operate under the Mayor-Council form of government with the Mayor serving as the President of Council. The Mayor serves as the City's Chief Executive Officer and appoints, subject to confirmation by City Council, and removes the City's Chief Administrative Officer and appoints and removes all department heads. The City is empowered by State statute to levy a property tax on real properties and public utility personal property located within its boundaries. It is also empowered to levy a tax on the income and net profits of all individuals and businesses earned within the boundaries of the City as well as the income of City residents, regardless of where the income was earned.

Legislative authority is vested in a seven-member Council. All council members are elected at-large and serve for four-year terms. Council terms are staggered with four members being elected in one election and three members being elected in the next election two years following. City Council holds its regular monthly council meeting on the fourth Monday of the month. In addition, the Council holds a work session meeting on the second Monday of the month. The various committees of Council meet on a monthly basis at various times throughout the month. The Mayor appoints all Council committees. The Chief Administrative Officer serves as the Clerk of Council with the Director of Law serving as the Clerk of Council Pro-Tem. The City department heads attend regular council meetings and council work sessions whenever required.

Primarily considered to be a residential community, Shaker Heights is the nation's oldest completely planned community and is recognized in the National Register as the Shaker Village Historical District. Combining the "Garden City" movement with comprehensive planning, the City was initially planned and developed to include housing that was diverse in style and in price, large parcels of land for public and private schools and churches, lakes, parks and a golf course. The City is served by a rail transit system to downtown Cleveland. Originally City-owned and operated, the rail system is now owned and operated by the Greater Cleveland Regional Transit Authority (GCRTA).

The City provides a variety of City services to its citizens, including: Police and Fire Protection, Emergency Medical Service, Refuse Collection, Street Maintenance, Recreation, Municipal Court, Public Health, Planning, Economic Development, Inspectional Services, Public Improvements and General Administrative Services. First Energy and the Dominion East Ohio Gas Company, both of which are independent, investor owned utilities regulated by the State of Ohio, provide the City's residents with electricity and natural gas, respectively. The City also provides a natural gas aggregation program for its residents with Interstate Gas Supply, Inc. which is used by about 5,000 households in the City. The City of Cleveland and the Northeast Ohio Regional Sewer District provide water and sewage service to the City's

residents. In addition to fees paid to the Northeast Ohio Regional Sewer District, City residents also pay a local surcharge based upon water consumption that is used by the City for the maintenance and replacement of the sewer lines within the City.

The City's Police Department is accredited by the Commission on Accreditation of Law Enforcement Agencies (CALEA). The department annually offers a Citizens Police Academy for City residents and is a member of the Eastside Department's Group Enforcement Agency (EDGE) to share police services, including a SWAT Team. The Shaker Heights Fire Department has a joint dispatch center with the neighboring cities of Cleveland Heights and University Heights. The Public Works Department offers backyard collection of refuse, and as such unsightly garbage cans are not placed on residential tree lawns. The City's recycling program allows the comingling of paper, glass, plastic and cans. In addition, the City offers large item drop off and recycling of corrugated cardboard, magazines and other materials at its service center, as well as recycling of discarded computers and electronic equipment.

Within Cuyahoga County, Shaker Heights is the only City other than Cleveland which has its own health department. The Health Department provides immunizations, works closely with the Shaker public and private schools, conducts screenings, population health surveillance, and community health assessments, supports the development of health policies that benefit Shaker residents and employees, performs health promotion and education activities, supervises jail health, conducts sanitation inspections, supervises environmental health issues including West Nile Virus and raccoon rabies, and receives emergency preparedness grants to fund Shaker preparedness. The department provides employee health services, including pre-employment and random drug testing, pre-employment nicotine testing, health consultations, and return-to-work evaluations.

The City continues to make available superior recreational facilities and programs to its residents. The Thornton Park recreation center is situated on a 13-acre campus and its facilities include an indoor ice arena that provides year-round service, an Olympic size outdoor pool, tot pool, spray pad, sand volleyball court, outdoor tennis courts, skate-park, basketball court, walking trail and sledding hill. Horseshoe Lake Park has trails, picnic pavilions, ADA accessible parking, and a children's playground. There is a multipurpose trail in the Shaker Boulevard median from Warrensville Center Road to the City of Beachwood border, connecting with Beachwood's own multipurpose trail, and sports fields on the Shaker Boulevard median near Warrensville Center Road and on Chagrin in the Shaker Towne Center area, among others. In addition to these facilities, a comprehensive range of recreational programs is offered for children and adults. The City also maintains the Shaker Lakes, a 190-acre area that includes four lakes.

The annual operating and capital budgets serve as the basis for the City's financial planning and control. The City's Charter requires the Mayor, with the assistance of the Director of Finance, to submit a draft of the following year's proposed budget not less than forty-five days (usually November 16th) prior to the end of each fiscal year. Council is required to adopt either an annual budget for the ensuing year or a temporary budget covering the first ninety days of the ensuing year, by no later than December 31st of the current year. If a temporary budget is adopted, a permanent budget must be adopted by no later than the ninetieth day of the budget year, normally March 31st. In recent years Council has adopted an annual operating and capital budget prior to December 31 of the preceding year.

The appropriated budget is prepared by fund, department, and expenditure category (personal services and all other expenditures). Council must authorize appropriation transfers between departments and between categories within departments and transfers or advances of moneys between funds. Operating budgets expire on December 31st. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds. For

governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report.

Local Economy and Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Shaker Heights operates.

The City of Shaker Heights is an inner-ring suburb of the City of Cleveland, Ohio. Primarily residential in nature, the City of Shaker Heights has a diverse base of residents working in many professions and industries. The City's economic strength is directly linked to this diversity and the strength of northeast Ohio's economy.

While downtown Cleveland is only twenty minutes by car from the heart of the City, the rapid transit, a light rail public transit system, provides even more accessibility to downtown Cleveland's business community and attractions, including a casino, the Global Innovation Center and the Cleveland Convention Center. The Greater Cleveland Regional Transit Authority's (GCRTA) rapid transit rail line serves not only downtown Cleveland and Cleveland Hopkins International Airport but also the Cleveland waterfront area including the recreational/entertainment area known as the "Flats", the Rock & Roll Hall of Fame and Museum, the Great Lakes Science Museum, Quicken Loans Arena (home of the NBA Cleveland Cavaliers), Progressive Field (home of the MLB Cleveland Indians) and First Energy Stadium (home of the NFL Cleveland Browns). Another contributor to the City's economic strength is its proximity to the University Circle area of Cleveland. University Circle is home to major cultural, educational and medical facilities including Severance Hall, the home of the world-renown Cleveland Orchestra, the Cleveland Museum of Art, and Case Western Reserve University. University Hospitals of Cleveland and the Cleveland Clinic are located in University Circle and are both world-renowned for medical research, teaching and treatment facilities. They are the two largest employers in Cuyahoga County.

Educational institutions contribute significantly to the fabric of the community. Of the principal employers in 2015, four of the top eight are schools: the Shaker Heights City School District; Hathaway Brown School; Laurel School; and University School (Shaker Heights Campus). The City of Shaker Heights residents place a noteworthy value on public education. Of the total millage in the City of Shaker Heights for all entities, approximately 73.2% of residential property taxes support the Shaker Heights City School District. In March of 2014, voters approved an additional levy of 6.9 mills for operating expenses of the Shaker Heights City School District. All of these factors have contributed to the continuing economic strength of the community.

According to the Cuyahoga County Fiscal Officer, the total real property assessed valuation for the 2015 tax year was $777,985,760. For the 2006 tax-year the total real property assessed valuation was $904,812,492. Most of the decrease during the ten-year period from 2006 to 2015 came as a revaluation of real property in 2009 and a full reappraisal of real property completed in 2012. This revaluation and the latest full reappraisal reflected the reduction in real estate values that had occurred as a result of the recent economic downturn and related decline in the housing market. Revenue derived from the current property collections decreased by 12.4% from 2012 to 2013 as a result of the lower assessed valuations. The ongoing collections of current property taxes increased in 2013, 2014 and 2015 and are expected to incrementally improve as property values recover in subsequent years.

On a cash basis, City income tax revenue grew 57.5% during the ten-year period from 2006 to 2015. The significant growth over the period was mostly attributable to the 0.5% increase in the income tax rate that became effective in October of 2012. In 2011, the Ohio General Assembly adopted a biennial

State budget that cut State aid to the City by 50% in the second year of the biennium, terminated certain other payments to the City to reimburse it for prior State tax cuts and eliminated the estate tax for all deaths occurring on and after January 1, 2013. These State actions were expected to have a significant impact on the City's financial outlook resulting in a 60% reduction in the City's state aid (excluding estate tax). In response to these actions by the State of Ohio, the City submitted a ballot measure to voters at a special election held in August of 2012 asking for an increase to the municipal income tax rate of 0.5% to a rate of 2.25%. Shaker voters approved the income tax increase by a 64% to 36% plurality.

Prior to the income tax rate increase, the annual rate of growth averaged approximately 1.0% per year from 2006-2011. While there was a 5.7% decline in income tax revenue in 2009 compared to 2008 as a result of the last recession, income tax revenue increased 4.0% in 2011 compared to 2010 and 2.2% in 2012 compared to 2011. It is important to note that income tax collection results since 2013 include collection of income tax at the increased rate. Income tax revenue grew by 30.6% in 2013 as the new rate was in effect for the full year and increased by 8.3% and 5.6% in 2014 and 2015, respectively, on strong collections. The majority of income tax collections, 66.6% are from individual tax payers, 30.3% are from withholding from employers and the remaining 3.1% is from taxes on net profits.

The 2014 and 2015 revenue results included the final distributions of estate tax revenue of $844,300 and $4,683, respectively. Future budgets will not include any revenue from this now phased out funding source. The City expects that the revenue from the income tax rate increase will make up for a significant portion of the losses in revenue related to the reductions in State aid and phase out of the estate tax.

Economic Development

The City has historically permitted development only pursuant to carefully developed and implemented general plans. In 2001, the City adopted a Strategic Investment Plan (SIP) which identified areas of the City for commercial and residential development and redevelopment.

In November 2010, the City adopted an Economic Development Strategy to generate income tax to support the City's long term economic strength. The plan focuses on business attraction in specific industry segments (ambulatory care, professional services, technology and information service, and design and engineering); business retention/expansion, such as retail businesses, home-based businesses; financial incentives to commercial property owners and businesses seeking to expand or locate in the City; and an aggressive marketing, branding, and business recruitment effort.

In 2015 the City continued its Vision Fund forgivable loan program to incentive property owners to make building improvements. It partnered with the Cuyahoga County/US Small Business Administration Municipal Loan Program, making funds available to companies who want to relocate to or expand in Shaker Heights. Four loans were awarded.

A "win-win" business challenge resulted in financial awards to businesses to fill underutilized or vacant space in the Chagrin/Lee commercial area. Equity Engineering, a company which provides engineering consultant, support and training for oil, gas and petro chemical companies and a major employer in the City, purchased the City largest commercial office building, Tower East, and heavily invested in building upgrades.

The Shaker Heights Development Corporation hired its first Executive Director and adopted a strategic plan, focusing on the business corridor along Lee Road.

Construction was completed on the $18 million reconfiguration of the Warrensville/Van Aken/Chagrin intersection where four major highways intersected at various angles. This project set the stage for a 50-acre transit-oriented mixed use district and has improved safety at the intersection for motorists and pedestrians. The City contributed $2.3 million of the $18 million project total. Other partners include the State of Ohio, Cuyahoga County, the Greater Cleveland Regional Transit Authority, and the Northeast Ohio Areawide Coordinating Agency. Grants totaling $1 million were received for additional streetscape improvements in the area.

During 2015 the City saw the addition of Dawn Look Design, Compass Storage, Leopold & Associates and Second Story Productions into storefront and office space in Shaker Heights.

Housing and the Neighborhoods

The City of Shaker Heights is known for the excellent quality of its housing, its attractive, Garden City landscape and its vibrant, diverse neighborhoods. These are the characteristics which draw people to the community and which cause them to stay. While all cities seek to be regarded as desirable places to live, for cities like Shaker Heights where 90.5% of the property tax base is residential, and only 9.5% is commercial, maintaining strong property values is an imperative, not a choice. Housing is Product #1 in this City. Throughout the decades, Shaker Heights has been the choice for home seekers looking to move into a community that acknowledges and recognizes the benefits – social, economic, and long-term – of an integrated, diverse suburb.

Shaker Heights Housing Preservation Plan adopted in 2001 was updated with the Housing and Neighborhood Plan approved by Council in March 2015.

Shaker's City Council has adopted the 2015 Housing and Neighborhood Plan which serves as an update to the 2001 Housing Preservation Plan. The goals of the 2015 Plan are:

- Attract New Residents to Shaker Heights, Increase Demand for Houses, and Increase Property Values
- Preserve Existing High Quality Housing, and
- Increase Cohesiveness, Desirability, Attractiveness, and Stability in the Neighborhoods

In 2015, the Housing Inspection Department conducted 599 point-of-sale inspections, a 3.1% increase over the prior year. 146 escrow accounts totaling $1,998,244 were established to correct code violations. The Housing Inspection Department also works to improve the quality of rental housing for safety and habitability by requiring an annual Certificate of Occupancy for each rental property as well as a complete interior and exterior inspection every three years. Owner-occupied single-family homes receive an exterior inspection every five years, which assists in maintaining and improving the quality of housing in the City.

Foreclosures and properties sold at Sheriff's sales are monitored regularly, and instances of suspected fraud are referred to the City's Police Department for investigation. The City's Vacant Property Ordinance mandates that vacant homes be secured and maintained, and each vacant property is checked monthly by a dedicated Housing Inspector to ensure that it is kept secure and maintained to community standards. Nuisance abatement orders were issued on 29 properties in 2015 for items such as removal of boarded windows, replacement of broken windows, mold, holes in roofs, and demolition of 16 dwelling structures.

In 2015, four Shaker Renovator homes were rehabbed and sold, and 154 vacant lots were maintained. In addition, 166 residential foreclosures were filed, an increase of 6.4% compared to 2014.

New housing that meets the needs of Millennials and empty nesters is also being planned. A development and use agreement has been approved for Avalon Station Phase 2 which includes market rate, for sale townhomes in the Shaker Town Center area. Another market rate for sale townhome project in the Moreland neighborhood, dubbed "Transit Village", features a blend of new housing and upgraded energy efficient housing to capitalize on the location's proximity to transit. The City has established the Moreland Innovation Zone in the one-quarter-mile radius around the Chagrin-Lee intersection where residents and businesses leverage the opportunities created by high-speed fiber. This project builds off the City's earlier Entrepreneurial Housing Project, where the City redeveloped two vacant foreclosed properties as nine units of affordable rental housing for entrepreneurs.

Construction was underway in 2015 for the Lake to Lakes multipurpose trail to connect the Shaker Lakes to Lake Erie, with our partners the City of Cleveland and Cleveland Heights. The Lee/Lomond intersection streetscape improvements funded with $150,000 in grant dollars were completed.

Attract and Retain Strategy

The City's Communications and Marketing Department leads the City's efforts to market the City locally, regionally, and nationally through advertising and public relations. A marketing plan that distinguishes Shaker Heights as a desirable destination for retention of and relocation by a population capable of and willing to commit to its preservation and future includes:

- An annual advertising campaign in print, electronic and other media;
- Maintaining an active website shakeronline.com and Facebook page which has over 10,235 followers;
- Marketing to prospective residents and area employers;
- Publishing *Shaker Life* magazine;
- Emailing messages and "e-news" to a list of 9,357 subscribers; and
- Maintaining an active social media presence.

Awards and Acknowledgements

GFOA Certificate of Achievement Award and Auditor of State Award: The City of Shaker Heights was awarded the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the fiscal years ended December 31, 1996 through 2004. Due to a significant transition of Finance Department personnel in 2006, application for the CAFR for the fiscal year ending December 31, 2005 was waived. For the fiscal years ended December 31, 2006 through 2014, the City was again awarded the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report.

A Certificate of Achievement is valid for a period of only one-year. We believe that the City's submission for the fiscal year ended December 31, 2015 continues to conform to the Certificate of Achievement program's requirements and, as such, it will be submitted to the GFOA for review, evaluation and consideration.

For the third consecutive year, the City was awarded the Auditor of State Award with Distinction by the Ohio Auditor for 2014 Audit report.

Acknowledgements: 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 Finance Department, particularly former Finance Director Matthew Rubino, Assistant Director of Finance Cheryl Arslanian, CPA, Accountants Paul Beckwith, CPA (inactive), and Lorraine Miller, CPA, Accounting Specialist Beverly Brown, Accounting Technician Rita Brown, Senior Administrative Assistant Gail Little and Accounting Technician Janet Jones. Without the dedicated assistance of the Finance Department employees, this report would not have been possible. Finally, the Staff wishes to extend its appreciation to the Mayor, City Council, and the Finance Committee for their support and commitment to responsible and transparent financial reporting.

Respectfully submitted,

Jeri E. Chaikin
Chief Administrative Officer

Robert H. Baker
Interim Director of Finance

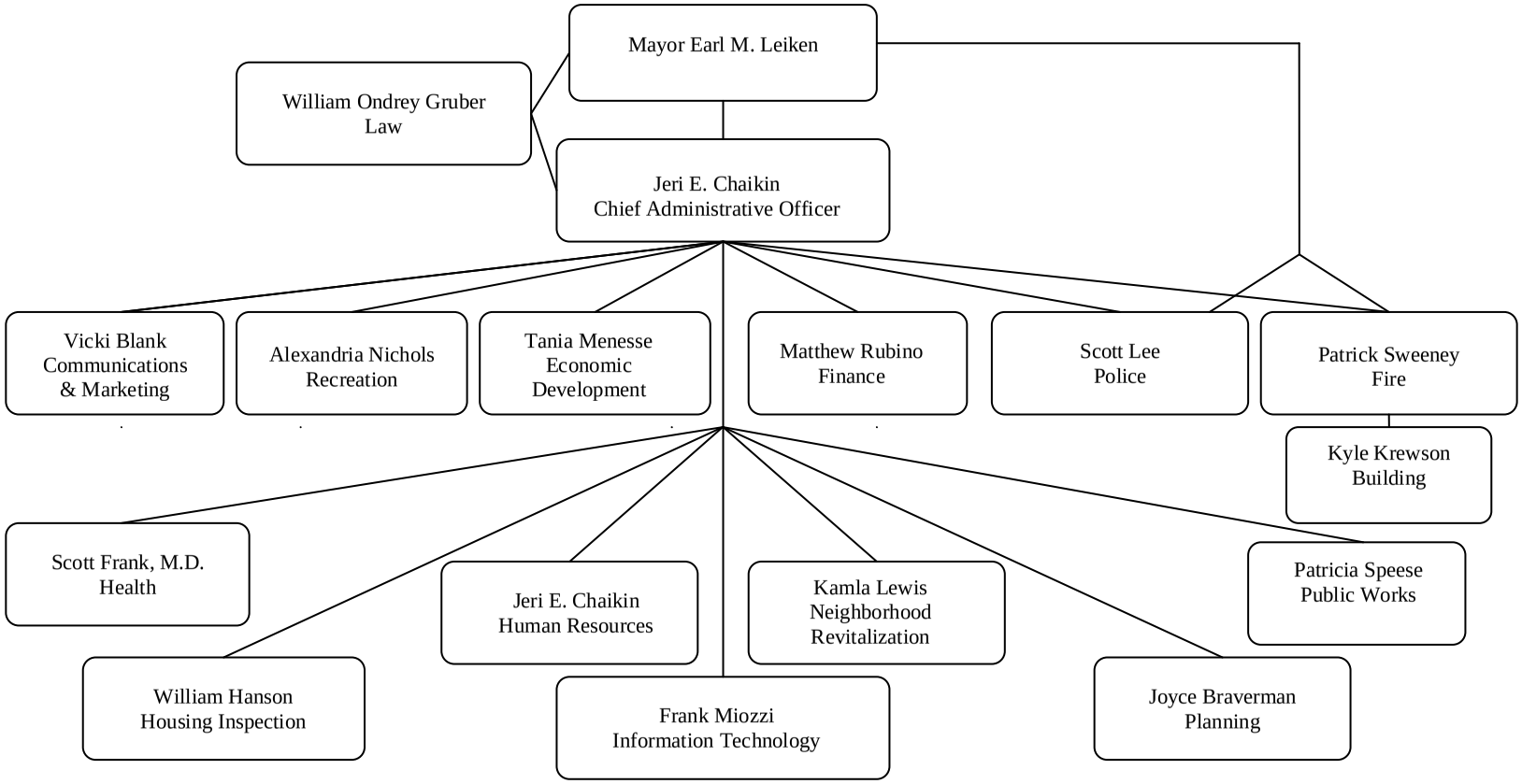
City of Shaker Heights
Cuyahoga County, Ohio
Listing of Principal City Officials
December 31, 2015

Mayor	Earl M. Leiken
Council Member/Vice Mayor	Rob Zimmerman
Council Member	James Brady
Council Member	Tres Roeder
Council Member	Nancy R. Moore
Council Member	Julianna Johnston Senturia
Council Member	Earl Williams, Jr.
Council Member	Anne E. Williams

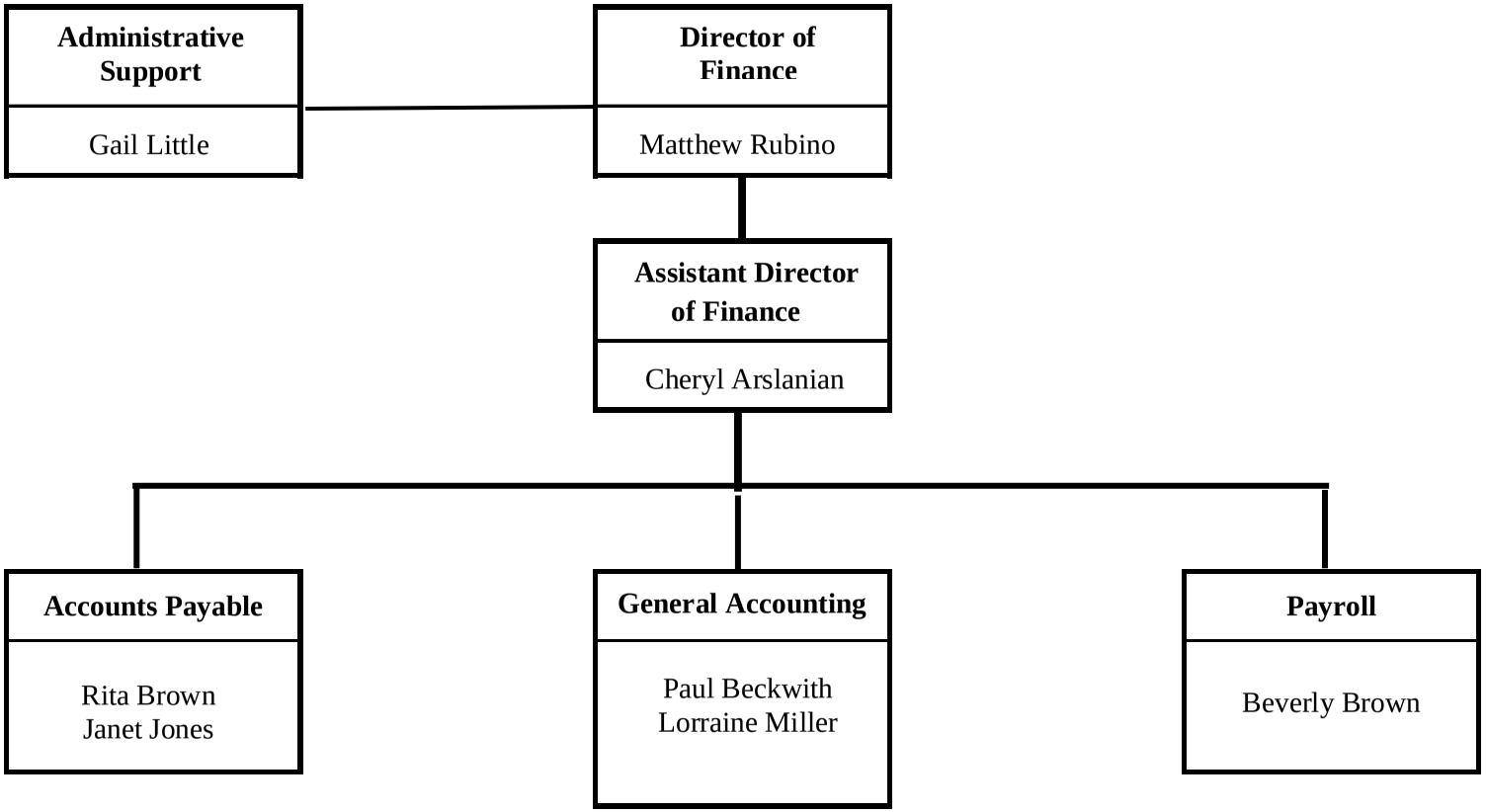
APPOINTED OFFICIALS

Chief Administrative Officer	Jeri E. Chaikin
Director of Finance	Matthew Rubino
Building Commissioner	Kyle Krewson
Director of Recreation	Alexandria Nichols
Director of Economic Development	Tania Menesse
Chief of Fire/Director of Building	Patrick Sweeney
Director of Health	Dr. Scott H. Frank
Director of Housing Inspection	William E. Hanson
Director of Human Resources	Jeri E. Chaikin
Director of Law	William Ondrey Gruber
Director of Planning and Development	Joyce G. Braverman
Chief of Police	Scott Lee
Director of Public Works	Patricia Speese
Director of Neighborhood Revitalization	Kamla Lewis
Director of Communications and Marketing	Vicki Blank
Director of Information Technology	Frank Miozzi

City of Shaker Heights, Ohio
Administrative Organizational Chart
December 31, 2015



City of Shaker Heights, Ohio
Finance Department Organizational Chart
December 31, 2015



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Shaker Heights
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

FINANCIAL SECTION

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Ciuni & Panichi
CPAs and Business Advisors
Expect More®

Independent Auditor's Report

Members of the City Council
City of Shaker Heights, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Shaker Heights, Ohio (the "City"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Members of the City Council
Shaker Heights, Ohio

Opinions

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

Emphasis of Matter

As described in Note 2 to the basic financial statements, during 2015, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, and as a result restated their December 31, 2014 net position. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 to 14 and the schedules of the City's proportionate share of the net pension liability and schedules of the City's contributions on pages 69 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in

accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Cianni + Panietti, Inc.

Cleveland, Ohio
June 29, 2016

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The discussion and analysis of the City of Shaker Heights's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2015. The intent of this discussion and analysis is to look at the City's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- Net position increased $5.1 million, which represents an increase of 6 percent from 2014.
- Total capital assets increased $2.4 million during 2015. The City purchased equipment and completed community improvement and street resurfacing and improvement projects in 2015.
- Outstanding debt decreased from $21.9 million to $20.6 million. The City rolled over $1.0 million bond anticipation note and made $2.4 million in principal payments, including the rollover in 2015.
- The City implemented GASB 68, which reduced beginning net position as previously reported by $32.7 million.

Using this Comprehensive Annual Financial Report

This report is designed to allow the reader to look at the financial activities of the City of Shaker Heights as a whole and is intended to allow the reader to obtain a summary view or a more detailed view of the City's operations, as they prefer.

The Statement of Net Position and the Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2015 and how they affected the operations of the City as a whole.

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

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 finances. 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 remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column. In the case of the City of Shaker Heights, the general fund is by far the most significant fund.

A question typically asked about the City's finances is "How did we do financially during 2015?" The Statement of Net Position and the Statement of Activities answer this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's *net position* and *changes in net position*. This change in net position is important because it tells the reader that, for the City as a whole, the *financial position* of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio which restrict revenue growth, facility conditions, and other factors.

In the Statement of Net Position and the Statement of Activities, Governmental Activities include general government, security of persons and property, public health, leisure time services, housing and community development, sanitation and sewer services, street maintenance and repair, public works and interest and fiscal charges.

Reporting the City's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been safeguarded for specific activities or objectives. The City uses many funds to account for financial transactions. However, these fund financial statements focus on the City's most significant funds. The City's major governmental funds are the general fund and capital projects fund.

Governmental Funds Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance future services. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources are not available to support the City's own programs. The City of Shaker Heights has only agency funds to report within the fiduciary fund category. Agency funds are reported on a full accrual basis and only present a statement of fiduciary assets and liabilities.

Proprietary Funds There are two types of proprietary funds; enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City has no activity that fits this category. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains four individual internal service funds. Because these activities benefit governmental rather than business functions, they have been included within governmental activities in the government-wide financial statements.

The City as a Whole

Recall that the Statement of Net Position provides the perspective of the City as a whole. Table 1 provides a summary of the City's net position for 2015 compared to 2014:

Table 1
Net Position

	Governmental Activities	
	2015	Restated 2014
Assets		
Current and Other Assets	$ 71,813,089	$ 68,164,693
Net Pension Asset	41,794	11,390
Capital Assets	89,898,921	87,524,889
Total Assets	161,753,804	155,700,972
Deferred Outflows of Resources		
Deferred Charges on Refunding	923,802	981,540
Pension	5,399,406	3,645,278
Total Deferred Outflows of Resources	6,323,208	4,626,818
Liabilities		
Current and Other Liabilities	5,641,120	4,689,708
Long-Term Liabilities:		
Due Within One Year	3,769,814	4,297,717
Due in More Than One Year		
Net Pension Liability	38,230,794	36,402,997
Other Amounts	26,065,324	26,486,276
Total Liabilities	73,707,052	71,876,698
Deferred Inflows of Resources		
Property Taxes Levied for the Next Year	6,225,515	5,903,227
Payment in Lieu of Taxes	981,524	764,540
Pension	229,902	0
Total Deferred Inflows of Resources	7,436,941	6,667,767
Net Position		
Net Investment in Capital Assets	69,897,453	67,676,056
Restricted	17,995,134	18,471,552
Unrestricted	(959,568)	(4,364,283)
Total Net Position	$ 86,933,019	$ 81,783,325

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

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

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

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

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

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

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

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, from $114.5 million to $81.8 million.

At year end, capital assets represented 56 percent of total assets. Capital assets include, land, construction in progress, buildings and improvements, land improvements, machinery and equipment and infrastructure. Net investment in capital assets was $69.9 million at December 31, 2015. These capital assets are used to provide services to citizens and 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 to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, $18.0 million represents resources that are subject to external restrictions on how they may be used. The deficit balance of unrestricted net position of $1.0 million is due to GASB 68 and 71.

Intergovernmental receivables showed an increase of $1.5 million over 2014. Increases in grants receivable for City programs and capital improvement projects contributed to this increase. Lease receivable and the associated unearned revenue increased $1.1 million over 2014 due to the extension of the cell tower lease. Deferred outflows for pension increased $1.8 million over 2014.

Table 2 shows the changes in net position for fiscal year 2015 and 2014.

Table 2
Changes in Net Position

	2015	2014
Revenues		
Program Revenues:		
Charges for Services	$ 9,840,331	$ 10,852,272
Operating Grants	5,421,645	5,103,582
Capital Grants	856,315	0
General Revenues:		
Property Taxes	6,312,482	6,212,760
Income Taxes	31,644,401	29,175,855
Other Taxes	63,322	60,949
Grants and Entitlements	3,289,349	3,083,040
Investment Earnings	6,863	58,812
Miscellaneous	368,730	219,399
Total Revenues	57,803,438	54,766,669

(continued)

	Governmental Activities	
	2015	2014
Program Expenses		
General Government		
Legislative and Executive	5,381,061	5,079,446
Judicial System	2,173,437	2,230,377
Security of Persons and Property		
Police	14,292,317	14,761,397
Fire	7,858,045	7,740,171
Other	1,041,819	840,366
Public Health	418,461	420,084
Leisure Time Services		
Culture and Recreation	3,019,202	2,932,804
Parks and Public Land Maintenance	894,071	1,060,763
Housing and Community Development	6,149,090	5,658,971
Sanitation and Sewer Services	4,097,422	5,314,960
Street Maintenance and Repair	4,341,647	3,462,608
Public Works	2,343,649	2,474,210
Interest and Fiscal Charges	643,523	658,444
Total Program Expenses	52,653,744	52,634,601
Change in Net Position	$ 5,149,694	$ 2,132,068

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of $3,645,278 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of $3,895,518. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities
Total 2015 program expenses under GASB 68	$ 52,653,744
Pension expense under GASB 68	(3,837,615)
2015 contractually required contribution	3,556,368
Adjusted 2015 program expenses	52,372,497
Total 2014 program expenses under GASB 27	52,634,601
Decrease in program expenses not related pension	$ (262,104)

Governmental Activities

The funding for the governmental activities comes from several different sources, the most significant being the municipal income tax. Other prominent sources are charges for services, property taxes, operating grants and grants and entitlements.

The City's income tax rate was 2.25% in 2015 after voters approved an increase in the income tax rate at a special election in August 2012. The rate became effective on October 1, 2012. The City submitted to voters a request to increase its municipal income tax rate as a result of the state legislature reducing state local government fund support of cities by 50% and the elimination of the tax on estates of descendants that had died on or after January 1, 2013. Prior to this approval, the tax rate was unchanged at 1.75% since the last voter approved increase in 1981. Both residents of the City and nonresidents who work inside the City are subject to the income tax. The City grants an income tax credit to residents who work in a locality that has a municipal income tax. The City provides a credit of 50% of the resident's workplace community's income tax rate up to a tax rate of 1.0%.

Income and other tax revenue for 2015 was $31.7 million, accounting for 55 percent of the City's total 2015 revenue of $57.8 million. Charges for services of $9.8 million account for 17 percent of total revenues. Property taxes of $6.3 million account for 11 percent of total revenues. Unrestricted grants, entitlements, and estate taxes of $3.3 account for 6 percent of total revenue and all other revenue of $6.7 million accounts for the remaining 11 percent of the City's 2015 revenue. The City monitors its sources of revenue very closely for fluctuations throughout the year, especially income tax.

Charges for services decreased $1.0 million from 2014 while operating grants increased $0.3 million due to additional grants for City programs. The City received capital grants of $0.9 million in 2015 for various improvement projects.

Security of persons and property, consisting of police and fire, represent the largest expense of the governmental activities. This expense of $23.2 million represents 44 percent of the total governmental activities expenses.

General government expenses total $7.6 million or 14 percent of total governmental expenses. General government expenses include legislative, executive and financial management departments of the City.

Housing and community development expense of $6.1 million accounts for 12 percent of total governmental activities expense. These expenses primarily consist economic development and neighborhood revitalization projects.

The City's Funds

Governmental Funds

Information about the City's governmental funds begins on page 18. These funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of $57.0 million and expenditures of $56.5 million. The funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

The general fund's net change in fund balance for 2015 was an increase of $2.1 million. Income tax revenue increased $1.0 million (from improved economic conditions) in addition to a decrease in expenditures of $1.3 million from 2014. Expenditures in general government decreased, with housing and community development decreasing $0.3 million and security expenditures decreasing $0.1 million from 2014.

The fund balance of the capital improvement fund decreased by $1.4 million. Grant revenues for community and improvement projects increased $0.8 million over 2014 while expenditures for housing and community development and street maintenance and repair increased $1.0 million and $1.4 million, respectively from 2014. The majority of these expenditure increases were associated with the grant proceeds received and a reduction of the capital improvement fund balance.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. An annual appropriation budget is legally required to be prepared for all funds of the City other than the capital projects and agency funds. The City appropriates for capital projects on a project-by-project basis. Council is provided with a detailed line item budget for all departments and has discussions at several regularly held council meetings and work sessions, which are open to the public. The budget is adopted by City Council at the fund level by department and within each department, broken out between personal services, other expenses and transfers. Appropriations by department may be transferred between departments and between personal services and other expenses within a department with the approval of Council. Council must also approve any revisions to the budget that alter total fund appropriations or that require the transfer of monies between funds. Recommendations for budget revisions are reviewed by the Finance Committee of City Council before being presented to the Council for consideration for enactment by ordinance. During the course of 2015, the City used this process to amend its general fund budget on several occasions.

The most significant budgeted fund is the general fund, which includes the recreation fund and economic development and housing fund. The Chief Administrative Officer and the Finance Department monitor all departmental budgets closely to monitor compliance with allocated budgets and provide quarterly reports to City Council and its Finance Committee depicting monthly and year-to-date activity.

For the general fund, the actual budget basis revenue was $46.9 million, representing $1.4 million over the final budget estimate of $45.5 million. Municipal Income tax revenue exceeded projected amounts.

Final expenditure appropriations of $39.1 million were $3.4 million higher than the actual expenditures of $35.6 million, as cost savings were recognized throughout the year.

Original budgeted revenues were $30,000 less than final budget. Original expenditure appropriations were $0.2 million under final expenditure appropriations. Housing and community development and street maintenance and repair were originally estimated lower.

Original transfers out were $2.3 million under final estimates and actual transfers as more general fund resources were needed to fund various other services and capital projects of the City.

Capital Assets and Debt Administration

Capital Assets

At the end of year 2015, the City had $89.9 million in capital assets. Table 3 shows fiscal year 2015 balances compared with 2014.

Table 3
Capital Assets at December 31
(Net of Depreciation)

	Governmental Activities	
	2015	2014
Land	$ 19,799,204	$ 19,623,512
Construction in Progress	3,578,073	3,593,961
Buildings and Improvements	9,726,270	9,731,303
Land Improvements	5,747,999	5,823,848
Machinery and Equipment	7,450,218	6,258,408
Infrastructure:		
Streets	22,923,486	21,319,102
Storm and Sanitary Sewers	10,841,953	11,007,005
Bridges	53,813	59,749
Culverts	47,724	48,471
Traffic signals	9,730,181	10,059,530
Total	$ 89,898,921	$ 87,524,889

The $2.4 million increase in capital assets of governmental activities was attributable to current year additional purchases exceeding depreciation and disposals which included predominantly an increase in machinery and equipment and street improvements. See Note 8 for additional information about the capital assets of the City.

Debt

The outstanding debt for the City as of December 31, 2015 was $29.8 million. See Note 11 for additional details. Table 4 summarizes outstanding debt.

Table 4
Outstanding Debt, at December 31

	Governmental Activities	
	2015	2014
General Obligation Bonds	$ 16,394,866	$ 17,206,108
OPWC Loans	3,648,133	3,990,015
Bond Anticipation Notes	1,025,000	1,230,000
Capital Leases	659,179	883,470
Compensated Absences	6,173,988	6,045,003
Claims Payable	1,933,972	1,429,397
Total	$ 29,835,138	$ 30,783,993

Current Financial Related Activities

In 2011, the Ohio General Assembly repealed effective January 1, 2013, the estate tax which had been an important revenue source for the City. It also significantly cut state aid (Local Government Fund) to the City. To contend with the loss in State revenue, City Council approved submitting a 0.5% income tax increase to the voters at an August 2012 special election. This tax increase was approved by the voters by a 64% to 36% plurality and the increased income rate became effective on October 1, 2012.

The City of Shaker Heights is strong financially and well managed, as evidenced by the AA+ bond rating awarded the City by Standard & Poor's in March 2012. The City's AAA rating awarded from Fitch Rating Services was reaffirmed in February 2016. These favorable credit ratings are the result of the City's history of creative planning and the combined cooperation of the elected officials, professional administration and employees and, most importantly, its residents. The City is well prepared to meet the challenges of the future. City management continues to be committed to providing the residents of the City of Shaker Heights with full and timely disclosures of the financial position of the City.

The City of Shaker Heights has committed itself to financial excellence. The City has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting every year since 1996, with the exception of the 2005 audit period due to the transition of Finance Directors. The City was awarded the Auditor of State Award with Distinction by the Ohio Auditor of State for the 2012, 2013 and 2014 audit reports.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Interim Director of Finance Robert Baker, at the City of Shaker Heights, 3400 Lee Road, Shaker Heights, Ohio 44120, (216) 491-1420 and by email: robert.baker@shakeronline.com. Additional financial and budgetary reporting for the City of Shaker Heights can be found online at the City's website: http://shakeronline.com/departments/finance.

Basic Financial Statements

City of Shaker Heights
Cuyahoga County, Ohio
Statement of Net Position
December 31, 2015

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$ 40,805,070
Accounts Receivable	2,656,699
Accrued Interest Receivable	8,838
Intergovernmental Receivable	4,198,392
Taxes Receivable	19,501,311
Special Assessments Receivable	2,446,820
Loans Receivable	27,200
Prepaid Items	50,240
Materials and Supplies Inventory	382,703
Lease Receivable	1,735,816
Net Pension Asset (see Note 9)	41,794
Non-Depreciable Capital Assets	23,377,277
Depreciable Capital Assets, Net	66,521,644
Total Assets	161,753,804
Deferred Outflow of Resources	
Deferred Charges on Refunding	923,802
Pension	5,399,406
Total Deferred Outflow of Resources	6,323,208
Liabilities	
Accounts Payable	2,147,038
Accrued Wages and Benefits	1,525,693
Retainage Payable	147,216
Accrued Interest Payable	55,676
Matured Compensated Absences Payable	29,681
Unearned Revenue	1,735,816
Long-Term Liabilities:	
Due Within One Year	3,769,814
Due In More Than One Year:	
Net Pension Liability (See Note 9)	38,230,794
Other Amonts Due in More Than One Year	26,065,324
Total Liabilities	73,707,052
Deferred Inflows of Resources	
Property Taxes Levied for the Next Year	6,225,515
Payment in Lieu of Taxes	981,524
Pension	229,902
Total Deferred Inflows of Resources	7,436,941
Net Position	
Net Investment in Capital Assets	69,897,453
Restricted For:	
Debt Service	1,269,277
Capital Projects	11,284,974
Streets	719,628
Public Safety	2,990,023
Judicial Services	805,341
Tree Maintenance	774,319
Other Purposes	151,572
Unrestricted	(959,568)
Total Net Position	$ 86,933,019

See accompanying notes to the basic financial statements.

City of Shaker Heights
Cuyahoga County, Ohio
Statement of Activities
For the Year Ended December 31, 2015

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest	Governmental Activities
Governmental Activities					
General Government					
Legislative and Executive	$ 5,381,061	$ 152,717	$ 71,846	$ 0	$ (5,156,498)
Judicial System	2,173,437	1,939,200	751	0	(233,486)
Security of Persons and Property					
Police	14,292,317	96,971	4,107,478	0	(10,087,868)
Fire	7,858,045	728,246	25,451	0	(7,104,348)
Other	1,041,819	564,791	0	0	(477,028)
Public Health	418,461	64,469	33,119	0	(320,873)
Culture and Recreation	3,019,202	1,784,639	15,807	0	(1,218,756)
Parks and Public Land Maintenance	894,071	0	0	0	(894,071)
Housing and Community Development	6,149,090	2,730,614	52,615	0	(3,365,861)
Sanitation and Sewer Services	4,097,422	1,051,180	308	0	(3,045,934)
Street Maintenance and Repair	4,341,647	113	1,114,270	856,315	(2,370,949)
Public Works	2,343,649	727,391	0	0	(1,616,258)
Interest and Fiscal Charges	643,523	0	0	0	(643,523)
Total Governmental Activities	$ 52,653,744	$ 9,840,331	$ 5,421,645	$ 856,315	(36,535,453)

General Revenues:	
Property Taxes Levied for:	
General Purposes	5,929,940
Police and Fire Pension	382,542
Municipal Income Taxes Levied for:	
General Purposes	31,644,401
Other Taxes Levied for:	
General Purposes	63,322
Grants and Entitlements not Restricted to Specific Programs	3,289,349
Investment Earnings	6,863
Miscellaneous	368,730
Total General Revenues	41,685,147
Change in Net Position	5,149,694
Net Position Beginning of Year Restated, See Note 2	81,783,325
Net Position End of Year	$ 86,933,019

See accompanying notes to the basic financial statements.

City of Shaker Heights
Cuyahoga County, Ohio
Balance Sheet
Governmental Funds
December 31, 2015

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 20,176,767	$ 11,814,864	$ 6,586,116	$ 38,577,747
Accounts Receivable	2,168,821	0	432,267	2,601,088
Accrued Interest Receivable	8,838	0	0	8,838
Intergovernmental Receivable	1,563,822	269,131	2,365,439	4,198,392
Taxes Receivable	19,091,015	0	410,296	19,501,311
Special Assessments Receivable	384,905	0	2,061,915	2,446,820
Loans Receivable	27,200	0	0	27,200
Interfund Receivable	50,000	0	109,986	159,986
Materials and Supplies Inventory	162,467	0	0	162,467
Leases Receivable	1,585,815	150,001	0	1,735,816
Total Assets	$ 45,219,650	$ 12,233,996	$ 11,966,019	$ 69,419,665
Liabilities				
Accounts Payable	$ 509,391	$ 1,011,199	$ 474,651	$ 1,995,241
Accrued Wages and Benefits	1,059,248	0	437,949	1,497,197
Retainage Payable	0	147,216	0	147,216
Interfund Payable	0	0	109,986	109,986
Matured Compensated Absences Payable	29,372	0	0	29,372
Unearned Revenue	1,585,815	150,001	0	1,735,816
Total Liabilities	3,183,826	1,308,416	1,022,586	5,514,828
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	5,848,179	0	377,336	6,225,515
Payment in Lieu of Taxes	0	0	981,524	981,524
Unavailable Revenue	10,680,908	59,339	3,641,344	14,381,591
Total Deferred Inflows of Resources	16,529,087	59,339	5,000,204	21,588,630
Fund Balances				
Nonspendable	162,467	0	0	162,467
Restricted	0	1,192,818	3,591,718	4,784,536
Committed	61,746	9,673,423	2,754,017	12,489,186
Assigned	7,797,286	0	0	7,797,286
Unassigned	17,485,238	0	(402,506)	17,082,732
Total Fund Balances	25,506,737	10,866,241	5,943,229	42,316,207
Total Liabilities, Deferred Inflows of of Resources and Fund Balances	$ 45,219,650	$ 12,233,996	$ 11,966,019	$ 69,419,665

See accompanying notes to the basic financial statements.

City of Shaker Heights
Cuyahoga County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2015

Total Governmental Fund Balances		$ 42,316,207
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		89,898,921
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	$ 543,782	
Income Taxes	7,737,401	
Intergovernmental	1,982,164	
Special Assessments	2,446,820	
Charges for Services	1,616,348	
Other	55,076	14,381,591
Internal service funds are used by management to charge the costs of certain activities, such as insurance, worker's compensation, printing supplies, and maintenance and repair of the City's fleet of vehicles to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the statement of net position.		(146,162)
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(55,676)
Unamortized gain/loss on refunding represents deferred outflows, which do not provide current financial resources and, therefore, are not reported in the funds.		923,802
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 (net of internal service funds).		
Net Pension Asset	40,031	
Deferred Outflows - Pension	5,305,482	
Deferred Inflows - Pension	(220,199)	
Net Pension Liability	(37,709,146)	(32,583,832)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(15,895,000)	
Loans Payable	(3,648,133)	
Bond Anticipation Notes	(1,025,000)	
Unamortized Bond Premium	(499,866)	
Capital Leases	(659,179)	
Compensated Absences (net of internal service funds)	(6,074,654)	(27,801,832)
Net Position of Governmental Activities		$ 86,933,019

See accompanying notes to the basic financial statements.

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

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	$ 5,936,009	$ 0	$ 382,898	$ 6,318,907
Municipal Income Taxes	32,322,789	0	0	32,322,789
Other Local Taxes	47,244	0	0	47,244
Special Assessments	116,559	0	1,375,662	1,492,221
Charges for Services	5,764,646	0	1,085,917	6,850,563
Fines, Licenses and Permits	1,012,467	0	259,790	1,272,257
Fines and Forfeitures	570,441	0	0	570,441
Intergovernmental	1,792,832	796,975	5,220,798	7,810,605
Investment Earnings	(72)	0	2,572	2,500
Other	332,078	0	11,586	343,664
Total Revenues	47,894,993	796,975	8,339,223	57,031,191
Expenditures				
Current:				
General Government:				
Legislative and Executive	4,310,631	1,163,441	94,446	5,568,518
Judicial System	1,986,208	0	149,815	2,136,023
Security of Persons and Property:				
Police	8,862,732	625,923	4,659,320	14,147,975
Fire	6,119,540	149,205	1,085,122	7,353,867
Other	65,439	0	790,517	855,956
Public Health	414,237	0	0	414,237
Leisure Time Services:				
Cultural and Recreation	2,561,831	142,754	0	2,704,585
Park and Public Land Development	972,132	87,467	0	1,059,599
Housing and Community Development	4,251,744	1,199,555	766,409	6,217,708
Sanitation and Sewer Services	2,936,756	691,061	1,171,612	4,799,429
Street Maintenance and Repair	893,251	2,590,246	1,730,766	5,214,263
Public Works	2,775,877	17,539	63,116	2,856,532
Debt Service:				
Principal Retirement	119,078	0	2,457,095	2,576,173
Interest and Fiscal Charges	8,103	0	620,255	628,358
Total Expenditures	36,277,559	6,667,191	13,588,473	56,533,223
Excess of Revenues Over (Under) Expenditures	11,617,434	(5,870,216)	(5,249,250)	497,968
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	27,142	2,548	69	29,759
Issuance of Notes	0	0	1,025,000	1,025,000
Premium on Debt Issuance	0	0	2,278	2,278
Transfers In	0	4,502,000	4,241,637	8,743,637
Transfers Out	(9,506,837)	0	(154,800)	(9,661,637)
Total Other Financing Sources (Uses)	(9,479,695)	4,504,548	5,114,184	139,037
Net Change in Fund Balance	2,137,739	(1,365,668)	(135,066)	637,005
Fund Balance Beginning of Year	23,368,998	12,231,909	6,078,295	41,679,202
Fund Balance End of Year	$ 25,506,737	$ 10,866,241	$ 5,943,229	$ 42,316,207

See accompanying notes to the basic financial statements.

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

Net Change in Fund Balances - Total Governmental Funds		$ 637,005
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	$ 5,551,121	
Current Year Depreciation	(3,068,910)	2,482,211
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(108,179)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	(5,425)	
Municipal Income Taxes	(678,389)	
Intergovernmental	939,357	
Special Assessments	109,287	
Charges for Services	354,244	
Other	53,173	772,247
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds	780,000	
Loans Payable	341,882	
Bond Anticipation Notes	1,230,000	
Capital Lease	224,291	2,576,173
Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
Bond Anticipation Notes		(1,025,000)
In the statement of activitites, interest is accrued on outstanding bonds, and bond premium and the gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	9,053	
Amortization of Premium on Bonds	31,242	
Amortization of Refunding Loss	(57,738)	(17,443)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		3,556,368
Except for amount reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities.		(3,837,615)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		236,289
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 (net of internal service funds)		(122,362)
Change in Net Position of Governmental Activities		$ 5,149,694

See accompanying notes to the basic financial statements.

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

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Property and Other Local Taxes	$ 6,712,528	$ 6,712,528	$ 6,816,032	$ 103,504
Municipal Income Taxes	30,248,760	30,248,760	31,486,397	1,237,637
Other Local Taxes	62,400	62,400	56,336	(6,064)
Charges for Services	5,137,996	5,075,720	5,024,677	(51,043)
Fees, Licenses and Permits	1,050,223	1,050,223	1,014,341	(35,882)
Fines and Forfeitures	499,327	499,327	567,145	67,818
Intergovernmental	824,472	916,748	969,225	52,477
Investment Earnings	100,000	100,000	38,573	(61,427)
Other	763,422	763,422	889,369	125,947
Total Revenues	45,399,128	45,429,128	46,862,095	1,432,967
Expenditures				
Current:				
General Government				
Legislative and Executive	4,818,037	4,820,606	4,352,130	468,476
Judicial System	2,155,840	2,155,840	1,983,030	172,810
Security of Persons and Property				
Police	9,908,522	9,908,522	9,027,241	881,281
Fire	6,420,352	6,420,352	6,271,809	148,543
Other	61,619	61,619	63,292	(1,673)
Public Health	446,230	481,787	419,254	62,533
Leisure Time Services				
Cultural and Recreation	2,699,792	2,699,792	2,568,092	131,700
Park and Public Land Development	989,352	989,352	962,620	26,732
Housing and Community Development	5,492,827	5,682,827	4,349,718	1,333,109
Sanitation and Sewer Services	2,818,698	2,705,198	2,791,717	(86,519)
Street Maintenance and Repair	868,063	1,024,063	1,076,309	(52,246)
Public Works	2,152,477	2,114,977	1,779,428	335,549
Total Expenditures	38,831,809	39,064,935	35,644,640	3,420,295
Excess of Revenues Over (Under) Expenditures	6,567,319	6,364,193	11,217,455	4,853,262
Other Financing Sources (Uses)				
Advances In	0	0	30,000	30,000
Advances Out	0	(50,000)	(50,000)	0
Transfers Out	(7,244,837)	(9,506,837)	(9,506,837)	0
Total Other Financing Sources (Uses)	(7,244,837)	(9,556,837)	(9,526,837)	30,000
Net Change in Fund Balance	(677,518)	(3,192,644)	1,690,618	4,883,262
Beginning Cash Fund Balance	18,269,497	18,269,497	18,269,497	0
Prior Year's Encumbrances Outstanding at December 31	(542,300)	(542,300)	(542,300)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Encumbrances	(1,016,648)	(1,016,648)	(1,016,648)	0
Ending Cash Fund Balance	$ 16,033,031	$ 13,517,905	18,401,167	$ 4,883,262
Encumbrances - All Budget Years			1,607,152	
Total Cash Fund Balance - December 31			$ 20,008,319	

See accompanying notes to the basic financial statements.

City of Shaker Heights
Cuyahoga County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2015

	Governmental Activities - Internal Service Fund
Assets	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$ 2,227,323
Accounts Receivable	55,611
Prepaid Items	50,240
Materials and Supplies Inventory	220,236
Total Current Assets	2,553,410
Non-Current Assets:	
Net Pension Asset	1,763
Total Assets	2,555,173
Deferred Outflow of Resources	
Pension	93,924
Liabilities	
Current Liabilities:	
Accounts Payable	151,797
Accrued Wages and Benefits	28,496
Interfund Payable	50,000
Matured Compensated Absences Payable	309
Claims Payable	1,000,247
Compensated Absences Payable	6,898
Total Current Liabilities	1,237,747
Long-Term Liabilities:	
Claims Payable - Net of Current Portion	933,725
Compensated Absences Payable - Net of Current Portion	92,436
Net Pension Liability	521,648
Total Long-Term Liabilities	1,547,809
Total Liabilities	2,785,556
Deferred Inflows of Resources	
Pension	9,703
Net Position	
Unrestricted	(146,162)
Total Net Position	$ (146,162)

See accompanying notes to the basic financial statements.

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

	Governmental Activities - Internal Service Fund
Operating Revenues	
Charges for Services	$ 6,036,464
Other Revenues	124,723
Total Operating Revenues	6,161,187
Operating Expenses	
Personal Services	734,347
Contractual Services	5,344,628
Materials and Supplies	710,803
Other	53,120
Total Operating Expenses	6,842,898
Operating Income (Loss)	(681,711)
Transfers In	918,000
Change in Net Position	236,289
Net Position Beginning of Year, Restated, See Note 2	(382,451)
Net Position End of Year	$ (146,162)

See accompanying notes to the basic financial statements.

City of Shaker Heights
Cuyahoga County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

	Governmental Activities Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Internal Services	$ 5,980,853
Cash Payments for Goods and Services	(4,879,487)
Cash Payments to Suppliers	(701,035)
Cash Payments to Employees	(730,091)
Other Operating Revenue	124,723
Other Cash Payments	(53,120)
Net Cash Provided by (Used for) Operating Activities	(258,157)
Cash Flows from Noncapital Financing Activities	
Advances In	50,000
Advances Out	(30,000)
Transfers In	918,000
Net Cash Provided by (Used for) Noncapital Financing Activities	938,000
Net Increase (Decrease) in Cash and Investments	679,843
Cash and Investments Beginning of Year	1,547,480
Cash and Investments End of Year	$ 2,227,323
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Income (Loss)	$ (681,711)
Adjustments:	
(Increase) Decrease in Assets and Deferred Outflows:	
Accounts Receivable	(55,611)
Prepaid Items	(3,677)
Materials and Supplies Inventory	13,445
Net Pension Asset	(1,283)
Deferred Outflows - Pension	(28,282)
Increase (Decrease) in Liabilities and Deferred Inflows:	
Accounts Payable	(39,434)
Accrued Wages and Benefits	5,404
Compensated Absences Payable	6,623
Matured Compensated Absences Payable	309
Deferred Inflows - Pension	9,703
Net Pension Liability	11,782
Claims Payable	504,575
Net Cash Provided by (Used For) Operating Activities	$ (258,157)

See accompanying notes to the basic financial statements.

City of Shaker Heights
Cuyahoga County, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2015

	Agency Funds
Assets	
Equity in Pooled Cash and Cash Equivalents	$ 1,309,706
Cash in Segregated Accounts	707,584
Mortgage Loan Receivable, Net of Allowance for Doubtful Accounts of $8,667	105,133
Total Assets	$ 2,122,423
Liabilities	
Intergovernmental Payable	$ 687,351
Deposits Held and Due to Others	966,884
Loans Payable	27,200
Undistributed Monies	440,988
Total Liabilities	$ 2,122,423

See accompanying notes to the basic financial statements.

Note 1 – Description of the City and Reporting Entity

The City of Shaker Heights (the "City") was incorporated under the laws of the State of Ohio in 1912. The City has operated as a home rule municipal corporation under its own charter since the charter's adoption by the residents in 1931. The charter provides that the City operate under the Mayor/Council form of government, with the legislative power vested in the seven-member Council. The Mayor is the Chief Executive Officer of the City. The Mayor appoints the Chief Administrative Officer of the City, who is confirmed by Council.

Reporting Entity

The City provides various services including police and fire protection, public health, parks and recreation, street maintenance, planning and zoning, community preservation, economic development and other general governmental services. None of these services are provided by legally separate organizations; therefore, these operations are included in the primary government.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board, the financial reporting entity consists of the City (the primary government), as well as its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability of the primary government to impose its will on the component unit, or b) the possibility that the component unit will provide a financial benefit to, or impose a financial burden on, the primary government.

Based upon the foregoing criteria, these financial statements do not include any component units.

The City participates in two jointly governed organizations and a related organization. The jointly governed organizations are the Northeast Ohio Public Energy Council and the First Suburbs Consortium of Northeast Ohio Council of Governments, while the Shaker Heights Development Corporation is a related organization. These organizations are presented in Note 16.

Note 2 – Summary of Significant Accounting Policies

The financial reporting practices of the City conform to generally accepted accounting principles as applicable to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the City's accounting policies are described below.

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid double-counting revenues and expenses.

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

Fund Financial Statements

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

B. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. 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 and liabilities and deferred inflows of resources is reported as fund balance.

The following are the City's major governmental funds:

> *General Fund* – To account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City and/or the general laws of Ohio. Within the general fund group are the economic development and housing fund and the recreation fund.

Capital Projects Fund – To account for financial resources to be used for the acquisition or construction of capital facilities.

The other governmental funds of the City account for grants and other resources whose use is restricted 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. The City has no enterprise funds.

Internal Service Funds – Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City maintains four separate internal service funds to account for its self-insurance activity, inventory of consumable supplies, copier management, and its municipal garage (fleet maintenance).

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. The City maintains two other non major funds, the police pension fund and the fire pension fund that are not considered fiduciary funds because the funds are used to make the City's payments to the Ohio Police and Fire Pension Fund but are not used to make payments directly to former employees. The City's agency funds are custodial in nature (assets equal liabilities) and thus do not involve the measurement of the results of operations. The City's agency funds are fully described on page 127.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide statements are prepared using the flow of 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, except for fiduciary funds. 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 and 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 fund financial statements of governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund 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's finances 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 and fiduciary funds also use the accrual basis of accounting.

Governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-Exchange Transactions

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: municipal income taxes withheld by employers, estate taxes, sewerage surcharges, investment earnings, fines and forfeitures and state levied locally shared taxes (including motor vehicle fees). 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. Revenues received by the City within 60 days after year-end are deemed to be available. Reimbursements for federally funded grant projects are accrued as revenue at the time the eligible expenditures are made. Property taxes and special assessments, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Income taxes and sewerage surcharges are considered to be measurable when billed; however, these revenue sources are not considered to be available until they have been received by the collecting agency. Accordingly, these items are recorded and revenue recognition is deferred until they become available.

All other revenue sources, including licenses and permits, certain charges for services, and non-employer withheld income taxes, are recorded as revenue when received in cash because they generally are not measurable until actually received by the City.

Unearned Revenue

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned. At December 31, 2015, the City has unearned revenue for lease receivables recorded for rent that will be collected for a future year.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and deferred charges on debt refunding. The deferred outflows of resources related to pension are explained in Note 9.

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 until that time. For the City, deferred inflows of resources include property taxes, pension, and unavailable revenue. Property taxes and payment in lieu of taxes, for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance 2016 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and 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, intergovernmental grants, municipal income taxes, special assessments and miscellaneous revenues. These amounts are deferred and recognized as an inflow 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 9).

Expenses/Expenditures

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related liability is incurred except for unmatured principal and interest on general long-term debt which is recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the proprietary fund types consider all highly liquid investments that are both readily convertible to known amounts of cash, with a maturity of three months or less when purchased to be cash equivalents.

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

During fiscal year 2015, investments were limited to U.S. Treasury Notes and U.S. Treasury Money Market Fund holdings.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

The City also invests in STAR Plus, a federally insured cash account powered by the Federally Insured Cash Account (FICA) program. STAR Plus enables political subdivisions to generate a competitive yield on cash deposits in a network of carefully-selected FDIC-insured banks via a single, convenient account. STAR Plus offers attractive yields with no market or credit risk, weekly liquidity and penalty free withdrawals. All deposits with STAR Plus have full FDIC insurance with no term commitment on deposits.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2015 amounted to $41,100, of which, $24,074 was from other funds. The adjustment to investments for fair market value at December 31, 2015 reduced investment income in the general fund to a loss of $72 for reporting purposes.

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

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2015, are recorded as prepaid items using the consumption method by recording an asset for the prepaid item at the time of the purchase and the expenditure/expense in the year in which the services are consumed.

G. Inventory

Inventory is stated at weighted average cost and is expended/expensed when used. Obsolete inventory has not been valued for financial reporting purposes.

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These 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.

All purchased 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's capitalization threshold is $10,000. The City's infrastructure consists of curbs, sidewalks, sewers, streets, and other general capital assets that are immovable and of value only to the City. 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.

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:

	Estimated Lives
Buildings and Improvements	25 to 60 Years
Equipment	3 to 20 Years
Land Improvements	10 to 40 Years
Infrastructure	40 to 100 Years

I. Interfund Balances

During the course of normal operations, the City had numerous transactions between funds, most of which are in the form of transfers of resources to provide services or to service debt. The accompanying financial statements generally reflect such transactions as transfers. The City also advances money between funds throughout the year. To the extent that certain transactions between funds have not been paid or received as of December 31, 2015, interfund amounts receivable or payable have been recorded as interfund payables and interfund receivables. Interfund balance amounts are eliminated in the statement of net position and the statement of activities.

J. Compensated Absences

The City has accrued a liability for compensated absences (vacation and sick leave) at December 31, 2015 along with any salary-related benefit liabilities associated with the payment of compensated absences. The City uses the vesting method to calculate this liability. The entire compensated absence liability is reported on the government-wide financial statements.

K. Pensions

For purposes of measuring the net pension asset/liability, 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 positon 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.

L. Payables, 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 net pension liability 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 fund financial statements when due.

M. Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance. The Finance Director is authorized to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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

City Council has adopted a minimum fund balance policy for the general fund with the goal of maintaining a fund balance of not less than 20 percent of annual operating expenditures on the non-GAAP budgetary basis of accounting.

N. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets 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. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

O. Interfund Activity

Transfers between governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. 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 item occurred in 2015.

Q. 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.

R. Reclassification

Prior year data presented in the Management's Discussion and Analysis have been reclassified in order to be comparative and provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to 2014 data in order to conform to the 2015 presentation.

S. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for miscellaneous supplies and materials, printing charges, repairs and maintenance fees and the City's worker's compensation. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the funds. All revenue and expenses not meeting these definitions are classified as nonoperating.

T. Budgetary Process

Tax Budget

A budget of estimated cash receipts and disbursements is submitted to the County Fiscal Officer, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources

The County Budget Commission certifies its actions relative to the submitted tax budget to the City by September 1. As a part of this certification, the City receives the official certificate of estimated resources, which states the projected resources of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. The City must then revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. For all operating funds except capital projects and trust and agency funds, an annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. For 2015, the annual appropriation measure was passed by City Council on December 15, 2014.

The appropriation measure may be amended during the year as new information becomes available provided that total appropriations do not exceed estimated resources as certified. Trust and agency funds are deemed to be appropriated for their intended purpose upon receipt. The City appropriates capital project funds on a project by project basis.

As provided by the City's Charter and State law, amendments to the 2015 appropriation ordinance were approved by City Council. These amendments are reflected in the individual fund schedules of revenue, expenditures, and changes in fund balances – budget (non-GAAP budgetary basis) and actual.

Lapsing of Appropriations

For all funds, except capital project funds, unencumbered appropriation balances lapse at year-end and revert to the respective funds from which they were originally appropriated, thus, becoming available for future appropriation. Capital projects are appropriated on a project basis. Project appropriation balances lapse upon completion of the project; therefore, their unencumbered appropriation balances are carried over to the subsequent fiscal year.

Budgeted Level of Expenditure

State law mandates that a fund's total obligations may not exceed the total amount appropriated for the fund. For all funds except fiduciary and capital project funds, the City maintains its legal level of budgetary control at the department level and within each department segregates out expenses between personal services and other expenses. For fiduciary funds, the legal level of budgetary control is maintained at the fund level. For capital project funds, the City maintains its legal level of budgetary control at the project level. Management control is exercised at the department level within each fund. Administrative control is maintained through the establishment of more detailed line-item budgets. Council may authorize the transfer of budgeted amounts between personal service and other expenses within a department and between departments within a fund. Council may also authorize any revision in the budget that alters the fund totals or requires the transfer of moneys between funds.

U. Loan Receivable

The City advanced monies to the Shaker Heights Development Corporation to fund costs associated with professional fund development to assist in raising funds to pursue economic development projects. The loan has a three-year term with an interest rate of 1 percent, all due at maturity.

V. Implementation of New Accounting Principles

For the year ended December 31, 2015, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68.*

GASB Statement No. 68 requires recognition of the entire net pension liability and a more comprehensive measure of pension expense for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. The implementation of GASB Statement No. 68 resulted in the inclusion of net pension liability and pension expense components on the full-accrual financial statements. See below for the effect on net position as previously reported.

GASB Statement No. 71 amends paragraph 137 of GASB Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. See below for the effect on net position as previously reported.

	Governmental Activities
Net Position December 31, 2014	$ 114,529,654
Adjustments:	
Net Pension Asset	11,390
Net Pension Liability	(36,402,997)
Deferred Outflow - Payments Subsequent to Measurement Date	3,645,278
Restated Net Position, January 1, 2015	$ 81,783,325

The effect on net position of internal service funds as previously reported is as follows:

	Internal Service				
	Municipal Garage	Self-Insurance	Central Purchasing	Copier Management	Total
Net Position December 31, 2014	$ 16,109	$ (155,268)	$ 196,856	$ 3,596	$ 61,293
Adjustments:					
Net Pension Asset	433	47	0	0	480
Net Pension Liability	(459,744)	(50,122)	0	0	(509,866)
Deferred Outflow - Payments Subsequent to Measurement Date	59,189	6,453	0	0	65,642
Restated Net Position, January 1, 2015	$ (384,013)	$ (198,890)	$ 196,856	$ 3,596	$ (382,451)

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

Note 3 – Fund Balances

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:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable for:				
Inventory	$ 162,467	$ 0	$ 0	$ 162,467
Restricted for:				
Street Maintenance and Repair	0	0	396,792	396,792
State Highway	0	0	158,254	158,254
Police and Fire Pensions	0	0	1,056,902	1,056,902
Indigent Driver Alcohol Treatment	0	0	64,863	64,863
Court Computer Legal Research	0	0	145,034	145,034
Clerk's Computerization	0	0	493,312	493,312
Housing Grants	0	0	151,572	151,572
Law Enforcement Grant	0	0	14,365	14,365
Court Alternate Dispute Resolution	0	0	62,901	62,901
Ohio Court Security Project	0	0	33,098	33,098
Indigent Driver Interlock	0	0	6,133	6,133
Law Enforcement Trust	0	0	1,008,492	1,008,492
Capital Projects	0	1,192,818	0	1,192,818
Total Restricted	0	1,192,818	3,591,718	4,784,536
Committed to:				
Sewer Maintenance	0	0	48,109	48,109
Housing and Nuisance Abatement	0	0	1,411,182	1,411,182
Capital Projects	0	9,673,423	0	9,673,423
Debt Service	0	0	1,294,726	1,294,726
Encumbrances:				
Housing and Community Development	61,746	0	0	61,746
Total Committed	61,746	9,673,423	2,754,017	12,489,186
Assigned for:				
Economic Development	5,103,267	0	0	5,103,267
Recreation	445,946	0	0	445,946
Central Services	197,266	0	0	197,266
Encumbrances:				
General Government	136,131	0	0	136,131
Security of Persons and Property	269,640	0	0	269,640
Public Health	6,292	0	0	6,292
Leisure Time Services	5,208	0	0	5,208
Housing and Community Development	153,250	0	0	153,250
Public Works	190,119	0	0	190,119
Sanitation and Sewer Services	26,571	0	0	26,571
Street Maintenance and Repair	12,398	0	0	12,398
Subsequent Year Appropriations	1,251,198	0	0	1,251,198
Total Assigned	7,797,286	0	0	7,797,286
Unassigned (Deficit)	17,485,238	0	(402,506) *	17,082,732
Total Fund Balance (Deficit)	$25,506,737	$10,866,241	$ 5,943,229	$42,316,207

* Net position at December 31, 2015, included the following individual fund deficits:

	Deficit Fund Balance
Nonmajor Governmental Funds:	
High Intensity Drug Trafficking Area Grant Fund	$ 353,129
Street Lighting Special Assessments Fund	49,278
Tree Maintenance Special Assessment Fund	99

These fund deficits are the result of the recognition of liabilities in accordance with general accepted accounting principles.

Note 4 – Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund equity 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 and disbursements. The statements of revenues, expenditures, and changes in fund balance-budget (non-GAAP budgetary basis) and actual for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results to the budget. The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

2. Expenditures are recorded when paid in cash or encumbered (budget) as opposed to when susceptible to accrual (GAAP).

3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

4. Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

5. Investments reported at fair value (GAAP) rather than cost (budget).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance

	General Fund
GAAP Basis	$ 2,137,739
Net Adjustment for Revenue Accruals	(297,894)
Net Adjustment for Expenditure Accruals	834,198
Funds Budgeted Elsewhere **	44,051
Adjustment for Encumbrances	(1,027,476)
Budget Basis	$ 1,690,618

** As part of Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the central services operation fund.

Note 5 – 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 monies 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 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. The City's investment policies are governed by the City's charter and ordinances. The charter authorizes the City to invest in the following securities:

1. Bonds or notes which are issued by and are obligations of the City of Shaker Heights, Ohio.

2. Bonds, notes, certificates of indebtedness, treasury bills or other securities issued by and constituting direct obligations of, or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest theron.

3. Bonds or notes which are issued by and are the obligations of the State of Ohio, provided that such bonds or notes have a rating assigned to them by Standard & Poor's Corporation or Moody's Investor Services, Inc. which rating:
    a: As to bonds, is one of the two highest rating categories that may be assigned; and
    b. As to notes, is the highest rating category that may be assigned.

In order to be eligible investments under points (2) and (3), there must be no outstanding default for the payment of the principal or interest on such securities and the securities must mature or be subject to redemption at the option of the City within five years of the date the City purchased such security.

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 five 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.

Written repurchase agreements in the securities listed above are permitted provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to the market daily. The term of the agreement may not exceed 30 days.

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

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of City funds shall be required to pledge security for repayment of all public moneys. In 2013, the City amended its ordinance that governs the deposit of public funds to include the FDIC insurance amount (up to $250,000) towards the collateral requirement. This change enabled eligible depositories to purchase FDIC insured certificates of deposit on behalf of the City and added another option for earning investment income.

Deposits - The carrying value of the City's deposits totaled $30,719,526 and the bank balances of the deposits totaled $30,781,626. Of the bank balance $27,373,429 was covered by depository insurance which includes $5,000,029 held in a STAR Plus account; and $3,408,197 was uninsured and uncollateralized.

The municipal court bond fund is maintained separately from the City's deposits. The carrying amount of the deposits was $707,584 ("Cash in Segregated Accounts") and the bank balance was $706,940. Of the bank balance, $250,000 was covered by Federal depository insurance and $456,940 was uninsured and uncollateralized.

Although the securities serving as collateral (for all deposits) were held by the pledging institution in the pledging institution's name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments - Investments are reported at fair value. As of December 31, 2015, the City had the following investments:

			Investment Maturity		
Moody's	Investment	Fair Value	Less than One Year	1 - 3 Years	% Total Investments
Aaa	U.S. Treasury Notes	$ 8,968,755	$ 2,501,415	$ 6,467,340	78.7%
Aaa	Huntington U.S. Treasury Money Market Fund	2,426,495	2,426,495	0	21.3%
		$11,395,250	$ 4,927,910	$ 6,467,340	100.0%

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk requiring that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The City's investment policy also limits security purchases to those that mature within five years unless specifically matched to a specific cash flow. To date, no investments have been purchased with a life greater than five years.

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed.

Credit Risk is addressed in the City's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that the portfolio be diversified both by types of investment and issuer.

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The investment percentages are listed above.

Note 6 – Receivables

Receivables at December 31, 2015, consisted of municipal income taxes, property and other taxes, accounts, loans, special assessments, lease, accrued interest, and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full. Special assessments are expected to be collected within one year.

A. Property Taxes

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

Real property taxes (other than public utility property) are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by the Cuyahoga County Fiscal Officer at 35% of the appraised market value, and reappraisal of all property is required every six years with a triennial update. The last triennial update was in 2015 with the next reappraisal scheduled for the year 2018.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due mid-January with the remainder payable by mid-July. Taxes not paid become delinquent after December 31 of the year in which payable. Under certain circumstances, state statute permits earlier or later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. Public utility real and tangible personal property taxes collected during the calendar year were levied in the preceding calendar year based on assessed values as of January 1 of that preceding year, the lien date.

The full tax rate for all City operations for the year ended December 31, 2015, was $9.90 per $1,000 of assessed valuation. The assessed values of real property and public utility tangible property upon which 2015 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	$ 765,129,000
Public Utilities - Personal	12,856,760
Total Assessed Value	$ 777,985,760

The County Fiscal Officer collects property taxes on behalf of all taxing districts within the County, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2015, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2015 operations is offset to deferred inflows of resources – property taxes levied for the next year. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

B. Municipal Income Taxes

The City income tax is applied to the gross salaries, wages and other personal service compensation earned by residents of the City and to the earnings of nonresidents working within the City. The tax also applies to the net income of businesses operating within the City. The tax rate was 2.25% in 2015. Both residents of the City and non-residents working inside the City are subject to the income tax. The City grants an income tax credit to residents who work in a locality that has a municipal income tax. The City provides a credit of 50% of the resident's workplace community's income tax rate up to a tax rate of 1.0%. A receivable totaling $12,715,936 has been recorded in the general fund. This total includes $5,483,699 for the portion of taxes that is due prior to December 31, 2015, but is not received until January and February of the following year, and $7,232,237 estimated to be collectable as of December 31, 2015, but is not available in the current period.

C. Intergovernmental Receivables

Intergovernmental receivables at December 31, 2015 include the following:

Governmental Activities	Amount
Homestead/Rollback	$ 468,194
Estate Taxes	10,230
Local Government	355,341
Gasoline Tax	384,111
Permissive Tax	13,832
Auto Registration	11,188
Grants	1,154,977
TIF Receivable	981,524
Local Government Contracts	525,705
Fines and Forfeitures	208,742
Other	84,548
	$ 4,198,392

Note 7 – Interfund Balances and Transfers

A. Interfund Receivables/Payables

Interfund activity for the year ended December 31, 2015, consisted of the following:

	Interfund Payable		
Interfund Receivable	Non Major Governmental Funds	Internal Service Fund	Total
General Fund	$ 0	$ 50,000	$ 50,000
Nonmajor Governmental Funds	109,986	0	109,986
Total	$ 109,986	$ 50,000	$ 159,986

The interfund receivables and payables listed above result from a difference in the timing of when expenses are recognized in accordance with generally accepted accounting principles and when the related interfund subsidies are budgeted for payment on a cash basis.

B. Transfers

Interfund transfers for the year ended December 31, 2015, consisted of the following:

	Transfers In			
Transfers Out	Non Major Governmental Funds	Capital Projects Fund	Internal Service Fund	Total
General Fund	$ 4,086,837	$ 4,502,000	$ 918,000	$ 9,506,837
Nonmajor Governmental Funds	154,800	0	0	154,800
Total	$ 4,241,637	$ 4,502,000	$ 918,000	$ 9,661,637

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

General fund made transfers to nonmajor governmental funds and the self-insurance internal service fund to cover expenditures. The sewer maintenance fund transferred $154,800 to the debt service fund to cover principal payments and interest payments.

Note 8 – Capital Assets

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

	Balance 12/31/2014	Additions	Reductions	Balance 12/31/2015
Governmental Activities				
Capital Assets, not being depreciated:				
Land	$ 19,623,512	$ 175,692	$ 0	$ 19,799,204
Construction in Progress	3,593,961	2,855,758	(2,871,646)	3,578,073
Total Capital Assets, not being depreciated	23,217,473	3,031,450	(2,871,646)	23,377,277
Capital Assets, being depreciated:				
Buildings and Improvements	17,600,149	373,432	0	17,973,581
Land Improvements	9,374,893	282,009	0	9,656,902
Machinery and Equipment	18,838,505	2,422,383	(670,186)	20,590,702
Infrastructure:				
Streets	28,812,516	2,313,493	0	31,126,009
Storm and Sanitary Sewers	12,348,687	0	0	12,348,687
Bridges	148,389	0	0	148,389
Culverts	56,000	0	0	56,000
Traffic Signals	13,176,550	0	0	13,176,550
Total Capital Assets, being depreciated	100,355,689	5,391,317	(670,186)	105,076,820
Less Accumulated Depreciation:				
Buildings and Improvements	(7,868,846)	(378,465)	0	(8,247,311)
Land Improvements	(3,551,045)	(357,858)	0	(3,908,903)
Machinery and Equipment	(12,580,097)	(1,122,394)	562,007	(13,140,484)
Infrastructure:				
Streets	(7,493,414)	(709,109)	0	(8,202,523)
Storm and Sanitary Sewers	(1,341,682)	(165,052)	0	(1,506,734)
Bridges	(88,640)	(5,936)	0	(94,576)
Culverts	(7,529)	(747)	0	(8,276)
Traffic Signals	(3,117,020)	(329,349)	0	(3,446,369)
Total Accumulated Depreciation	(36,048,273)	(3,068,910)	562,007	(38,555,176)
Total Capital Assets being depreciated, net	64,307,416	2,322,407	(108,179)	66,521,644
Governmental Activities Capital Assets, Net	$ 87,524,889	$ 5,353,857	$ (2,979,825)	$ 89,898,921

Depreciation expense was charged to governmental activities as follows:

	Depreciation
General Government	
Legislative and Executive	$ 280,494
Judicial System	36,641
Security of Persons and Property	908,065
Leisure Time Activities	380,959
Sanitation and Sewer Services	236,840
Street Maintenance and Repair	787,949
Community and Economic Development	95,080
Public Works	342,882
	$ 3,068,910

Note 9 - Defined Benefit Pension Plans

Net Pension Asset/Liability

The net pension asset/liability reported on the statement of net position represents an asset/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.

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 *accrued wages and benefits* 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 and combined plans; therefore, the following disclosure focuses on these two plans.

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

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

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

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:

	State and Local
2015 Statutory Maximum Contribution Rates	
Employer	14.00 %
Employee	10.00 %
2015 Actual Contribution Rates	
Employer:	
Pension	12.00 %
Post-employment Health Care Benefits	2.00
Total Employer	14.00 %
Employee	10.00 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was $1,563,469 for 2015. Of this amount, $204,451 is reported as an intergovernmental payable.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF 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 after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

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

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

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

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was $2,058,882 for 2015. Of this amount $240,641 is reported as an intergovernmental payable.

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

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

	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
Proportionate Share of the Net Pension Asset	$ 0	$ 41,794	$ 0	$ 41,794
Proportionate Share of the Net Pension Liability	$ 12,360,475	$ 0	$ 25,870,319	$ 38,230,794
Proportion of the Net Pension Asset/Liability	0.10248200%	0.10854900%	0.49938680%	
Pension Expense	$ 1,344,576	$ 27,413	$ 2,523,529	$ 3,895,518

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

	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
Deferred Outflows of Resources				
Net difference between projected and actual earnings on pension plan investments	$ 659,517	$ 2,551	$ 1,114,987	$ 1,777,055
City contributions subsequent to the measurement date	1,515,784	47,685	2,058,882	3,622,351
Total Deferred Outflows of Resources	$ 2,175,301	$ 50,236	$ 3,173,869	$ 5,399,406
Deferred Inflows of Resources				
Differences between expected and actual experience	$ 217,149	$ 12,753	$ 0	$ 229,902

$3,622,351 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or addition of the net pension asset in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
2016	$ 64,686	$ (879)	$ 278,747	$ 342,554
2017	64,686	(879)	278,747	342,554
2018	148,116	(879)	278,747	425,984
2019	164,880	(880)	278,746	442,746
2020	0	(1,517)	0	(1,517)
Thereafter	0	(5,168)	0	(5,168)
	$ 442,368	$ (10,202)	$ 1,114,987	$ 1,547,153

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, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Information	**Traditional Pension Plan**	**Combined Pension Plan**
Wage Inflation	3.75 percent	3.75 percent
Future Salary Increases, including inflation	4.25 percent to 10.05 percent, including wage inflation	4.25 percent to 8.05 percent, including wage inflation
COLA or Ad Hoc COLA	3.00 percent, simple	3.00 percent
Investment Rate of Return	8.00 percent	8.00 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

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

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

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

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

Discount Rate The discount rate used to measure the total pension asset/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 asset/liability.

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

City's proportionate share of the net pension (asset)/liability:	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Traditional Plan	$ 22,739,731	$ 12,360,475	$ 3,618,639
Combined Plan	5,427	(41,794)	(79,241)

Actuarial Assumptions – OPF

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

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

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11.00 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income*	20.00	1.62
Global Inflation Protected*	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	120.00 %	

* levered 2x

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF'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:	$ 35,782,564	$ 25,870,319	$ 17,477,660

Note 10 - Post-Employment Benefits

A. Ohio Public Employees Retirement System

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

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 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 Postemployment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2014 CAFR details.

The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible benefit recipients. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, State and Local employers contributed at a rate of 14.0 percent of earnable salary and Public Safety and Law Enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 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 provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5 percent.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2015, 2014, and 2013 were $260,578, $272,204 and $133,699, respectively. For 2015, 87 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

B. Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored health care program, a cost-sharing multiple-employer defined post-employment health care plan administered by OPF. OPF 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.

OPF 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 OPF meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 45.

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

OPF 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 OPF, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OPF's website at www.op-f.org.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OPF 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 administrated 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 OPF 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 contribution allocated to health care was 0.5 percent of covered payroll from January 1, 2015 through December 31, 2015. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OPF 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 OPF, which were allocated to fund post-employment health care benefits, for police and firefighters were $26,758 and $22,172 for the year ended December 31, 2015, $24,772 and $25,389 for the year ended December 31, 2014, and $174,261 and $178,598 for the year ended December 31, 2013. 88 percent has been contributed for police and 89 percent has been contributed for firefighters for 2015. The full amount has been contributed for 2014 and 2013.

Note 11 – Long-Term Obligations

Changes in the City's long-term obligations during the year were as follows:

	Restated Balance 12/31/2014	Additions	Reductions	Balance 12/31/2015	Due Within One Year
Governmental Activities					
General Obligation Bonds					
Urban Renewal Bonds, Series 2009, 4.30% due 12/1/2031	$ 3,865,000	$ 0	$ 160,000	$ 3,705,000	$ 165,000
Premium on Urban Renewal Bonds	136,382	0	8,023	128,359	0
Urban Renewal Refunding Bonds, Series 2012 3.58%, due 12/1/2031	12,445,000	0	600,000	11,845,000	615,000
Premium on Urban Renewal Refunding Bonds	394,726	0	23,219	371,507	0
Van Aken Sewer Line Improvement Bonds Series 2013, 2.90%, cure 6/1/18	365,000	0	20,000	345,000	20,000
Total General Obligation Bonds	17,206,108	0	811,242	16,394,866	800,000

(continued)

	Restated Balance 12/31/2014	Additions	Reductions	Balance 12/31/2015	Due Within One Year
Loans					
OPWC - CA611 - Shelburne Road Sanitary Sewer Replacement, 0%, maturing 7/1/2015	20,188	0	20,188	0	0
OPWC - CA08F - Water System Improvements, 0%, maturing 7/1/2025	1,607,895	0	139,817	1,468,078	139,817
OPWC - CA17E - City Water Line Improvements, 0%, maturing 7/1/2025	681,976	0	64,950	617,026	64,950
OPWC – CA17K – South Woodland Area Infrastructure Improvements, 0%, maturing 1/1/2029	1,235,881	0	88,277	1,147,604	88,277
OPWC – CA18M – Hildana-Ludgate Sanitary Sewer Improvements, 0%, maturing 7/1/2030	444,075	0	28,650	415,425	28,650
Total Loans	3,990,015	0	341,882	3,648,133	321,694
Net Pension Liability					
OPERS	12,081,293	279,182	0	12,360,475	
OPF	24,321,704	1,548,615	0	25,870,319	0
Total Net Pension Liability	36,402,997	1,827,797	0	38,230,794	0
Notes Payable	1,230,000	1,025,000	1,230,000	1,025,000	1,025,000
Capital Leases	883,470	0	224,291	659,179	192,922
Compensated Absences	6,045,003	2,721,276	2,592,291	6,173,988	429,951
Claims Payable	1,429,397	4,294,532	3,789,957	1,933,972	1,000,247
Total Governmental Long Term Liabilities	$67,186,990	$ 9,868,605	$ 8,989,663	$68,065,932	$ 3,769,814

As of December 31, 2015, the City's future debt service requirements consisted of bonds and notes payable at various interest rates, four non-interest bearing Ohio Public Works Commission Loans numbered CA08F, CA17E, CA17K and CA18M, capital leases, compensated absences and claims payable. For governmental activities, compensated absences are generally liquidated by the general fund and claims payable are generally liquidated from the self-insurance internal service fund. The City pays obligation related to employee compensation from the fund benefitting from their service.

In 2007, the City transferred ownership of its waterlines to the City of Cleveland, but retained its obligation to pay the Ohio Public Works Commission Loans CA08F and CA17E.

Notes payable at December 31, 2015, consisted of various purpose improvement notes. The notes have a term of one year or less, and were issued to finance improvements to City owned property and to acquire equipment. The City has been retiring a portion of the various purpose improvement notes as they mature and is issuing new notes for the remaining principal balance. The City will either convert this debt to bonds or pay off the debt within ten years. The notes were dated April 28, 2015, and were due April 27, 2016, at an interest rate of 1.0%. These notes were paid off in 2016.

On April 11, 2012, the City issued $13,460,000 in general obligation bonds for the purpose of advance refunding general obligation bonds outstanding in order to take advantage of lower interest rates. The interest rates of the bonds ranged from 1.0% to 4.0% and the bonds were sold at a premium of $464,383. Proceeds of $13,744,754 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the general obligation bonds. The City decreased its total debt service payments by $1,332,007 as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old and new debt service payments) of $1,021,201. The final defeased bonds were called in December 2013.

On May 9, 2013, the City issued $385,000 in general obligation bonds for the purpose of improving sewer lines along Van Aken Boulevard. The bonds bear an interest rate of 2.9% with semi-annual interest payments on June 1 and December 31 of each year, commencing December 1, 2013. The bonds mature on June 1, 2018.

The annual debt service requirements are as follows:

	Governmental Activities			
Year Ending	General Obligation Bonds			OPWC Loans
December 31,	Principal	Interest	Total	Principal
2016	$ 800,000	$ 583,415	$ 1,383,415	$ 321,694
2017	815,000	567,763	1,382,763	321,694
2018	815,000	551,788	1,366,788	321,694
2019	840,000	530,663	1,370,663	321,694
2020	860,000	506,863	1,366,863	321,694
2021 - 2025	4,780,000	2,067,673	6,847,673	1,575,997
2026 - 2030	5,705,000	1,012,465	6,717,465	463,666
2031	1,280,000	54,450	1,334,450	0
Total	$15,895,000	$5,875,080	$ 21,770,080	$ 3,648,133

Legal Debt Margin Under the Uniform Bond Act of the Ohio Revised Code, at December 31, 2015, the City's overall debt limitation is $81,688,505 (10.5% of the City's total assessed property valuation of $777,985,760) of which $81,613,231 is available for additional voted and unvoted general obligation debt. Of this total general obligation debt capacity, the City's unvoted general obligation debt capacity is $42,789,217 (5.5% of the City's total assessed property valuation) at December 31, 2015, of which $42,713,943 is available.

Note 12 – Lease Obligations

The City is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the capital assets and the long-term debt liabilities in the governmental and business-type activities, respectively. Capitalized assets acquired under capital leases amount to $1,013,055 and are all classified as machinery and equipment with accumulated depreciation of $130,983. All items are long-term agreement leases, which meets the criteria of a capital lease as they transfer benefits and risks of ownership to the lessee.

The future minimum lease payments required under capital leases are as follows:

Year Ending December 31,	Lease Payments
2016	$ 203,436
2017	226,681
2018	138,592
2019	112,501
Total Minimum Lease Payments	681,210
Less: Amount Representing Interest	(22,031)
Present Value of Minimum Lease Payments	$ 659,179

Principal payments in the current year totaled $224,291 in the governmental activities.

Note 13 – Compensated Absences

Vacation is earned by City employees at varying rates based upon length of service. Vacation accumulates based on the bargaining units, and the maximum amounts vary from a range of 160 hours to 600 hours. In the case of death, termination or retirement, an employee (or the employee's estate) is paid for the accumulated, unused vacation leave.

All full-time employees earn sick leave at a rate of fifteen (15) workdays per year. In November of each year, full-time employees of the City have the right to convert accumulated sick leave days earned but not used for the previous year in excess of a total accumulation of ninety (90) days at the ratio of three days of accumulated sick leave for one day's pay. Sick leave not converted under this option may be used through time off from work. Dependent upon bargaining unit membership, full-time employees with minimum continuous service with the City ranging from five to ten years who terminate employment for other than disciplinary reasons may receive payment for their accumulated sick leave according to various formulae with maximums ranging from 520 to 1,300 hours. Compensated absences are charged to various funds of the City in accordance to where an employee's salary is charged.

Note 14 – Lease Receivable

As of December 31, 2015, the City has leased multiple pieces of real property. All of the leases are accounted for as operating leases. The value of the City's investment in the operating leases is reflected as lease receivable and unearned revenue in the general fund and capital projects fund.

Former Moreland School Building: This property was leased to the Shaker Heights Public Library during 1991 to serve as the library districts' new main library facility. The initial lease term expired in 2013 and was renewed for two ten-year periods, until August 29, 2033. The lease provides for two additional ten-year renewal options. Under the terms of the lease, the Library Board of Directors completed approximately $4.3 million in renovations to the facility. The annual basic lease payment is $100.

Warrensville Center Road Parking Lots: This lease was entered into with University Hospitals Health System, Inc. as of December 16, 2006 for a term of 15 years. Under the terms of the lease, the City constructed and made necessary improvements to existing parking lots on City-owned property along Warrensville Center Road. The lease requires annual payments of $1 through 2016, with annual step increases in subsequent years through 2021.

Former Sussex School Building: The former Sussex School Building, which the City now owns, is leased to the "Family Connections of Northeast Ohio" for the operation of an early learning and day care center for children. The initial term was for two years, from August 1, 2014 through July 31, 2016, with rent being $1 per year. The lease is renewable for subsequent two year terms by agreement of the parties.

2558 Lee Road: This lease, entered into with Goldstein, Caldwell and Associates, dba Shaker LaunchHouse on March 16, 2011, and amended in June 2012, provides for the rental of the City-owned building at 3558 Lee Road for the operation of an entrepreneurial business incubator and headquarters for LaunchHouse. The lease is for a five-year, renewable term. The first term runs from April 11, 2011 through April 10, 2016. The lessee pays no rent during the first initial five-year term, expiring April 10, 2016. Under the terms of a development agreement between the parties, the City also paid for various improvements to the property.

Former Malvern School Building: The City purchased this property in 1992 from the Shaker Heights Municipal School District. The building was then sold to Hannah Perkins School, but the City retained the land. Hannah Perkins School and the City then signed a ground lease on the land for a period of 50 years beginning October 1, 2002, with an annual base rent of $100 per lease year. There is an option for the lessee to renew for an additional 50-year term. This ground lease is recorded with the Cuyahoga County Fiscal Office.

Cell Phone Tower: The City entered into a Site Lease Agreement for the rental of the cell phone tower in the Shaker Heights City Hall parking lot with New Cingular Wireless PCS, LLC and this agreement calls for five-year terms that renew automatically, through 2028. The lease was amended on September 17, 2012 to reflect an increase in rent effective as of April 1, 2012 due to the addition of a second cell site on the same tower leased by New Cingular. In 2015, the lease was extended for an additional 18 years expiring in 2046 with rent increases scheduled at 5 year increments. In 2015, the City received $52,812 in rent.

Duck Creek Energy: The City entered into an Oil and Gas Lease with Duck Creek Energy on April 12, 2010, that continues so long as oil or gas continue to be produced, but the lease expires July 1, 2030. Prior to drilling, Lessee paid the City a spud fee of $20,000. Other compensation includes royalties in the amount of 12.5% of the gross proceeds of all oil and gas produced. In-kind benefits to the City per the lease include a certain amount of free gas to Thornton Park per year. No receivable is recorded as the amount to be received in the future cannot be determined as of December 31, 2015. In 2015, the City received $2,736 in the general fund related to the oil and gas produced.

The following lists the components of the net investment in operating leases as of December 31, 2015:

Year Ending December 31,	General Fund	Capital Projects Fund	Total
2016	$ 52,912	$ 1	$ 52,913
2017	35,100	10,000	45,100
2018	35,100	20,000	55,100
2019	35,100	30,000	65,100
2020	35,100	40,000	75,100
2021 - 2025	196,500	50,000	246,500
2026 - 2030	225,500	0	225,500
2031 - 2035	259,209	0	259,209
2036 - 2040	298,091	0	298,091
2041 - 2045	342,805	0	342,805
2046	70,398	0	70,398
	$ 1,585,815	$ 150,001	$ 1,735,816

Note 15 – Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During 2015, the City contracted with the following insurance companies:

Argonaut (Trident) – provided public entity broad form liability insurance. This insurance included law enforcement, public officials, and emergency medical liability insurance, and is limited to $1,000,000 per occurrence with a deductible of $25,000 for general liability only and a $50,000 deductible for all other claims. This insurance also included excess insurance for automobile liability with no retention limit. American Alternative Insurance Corporation provided the excess liability (umbrella) insurance with a limit of $10,000,000.

Trident – provided liability insurance for all City-owned vehicles (excluding refuse collection scooters) and physical damage insurance for all units valued at $50,001 and above with a deductible of $500. Any vehicle valued below $50,001 does not carry comprehensive or collision insurance. The vehicles not carried under the plan are self-insured by the City. This coverage includes $1,000,000 for liability, $25,000 for uninsured/under insured motorist, $1,000,000 for leased or rented vehicles, and a $500 comprehensive and collision deductible.

Trident – provided commercial insurance for property and inland marine. Property insurance, with a deductible of $10,000, was limited to $54,088,210 for property and contents and $1,390,804 for contractor's equipment. This coverage also included valuable papers and records limited to $100,000 and computer equipment limited to $712,000.

Trident – provided commercial crime and public employee dishonesty insurance with an aggregate limit of $500,000 and a deductible of $5,000.

Trident – provided catastrophic loss coverage for the City's vehicle fleet (provided for all vehicles valued $50,000 and under for catastrophic loss). This insurance coverage has a maximum limit of $500,000 and deductible of $5,000.

The City accounts for its general liability and property insurance premiums in the self-insurance fund (an internal service fund). At December 31, 2015, the general and property liabilities balance is zero. The amount of the liability, if any, cannot be reasonably estimated at this time. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There were no reductions of coverage in 2015 when compared to the prior year.

Historically, under the Ohio Workers' Compensation System for public employer taxing districts, a city could be fully insured against worker compensation claims. The city paid a premium determined by the "base rate" as modified by the "experience factor."

On September 1, 2008, the City elected to provide worker's compensation coverage through a partially self-insured program. The City is accounting for the worker's compensation self-insurance through the self-insurance fund (an internal service fund). Compensable Benefits LLC is the City's third-party administrator. The retention point for excess insurance is $500,000, which is through Midwest Employers Casualty Corporation. The insurance will cover the City for each incident that goes beyond $500,000.

On January 1, 2012 the City began providing medical and dental insurance to its employees through a self-insurance plan. The City pays a monthly administrative premium, including a stop-loss fee, for the self-insurance plan. The City contracts with a third-party administrator to direct this program. During 2015, self-insurance was in effect for claims up to $115,000 per covered individual. Any claims exceeding this threshold are covered by a stop-loss insurance policy.

At December 31, 2015, $1,933,972 has been accrued for self-insurance claims. The claims liability reported in the self-insurance fund is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This represents estimates to be paid for property and casualty, workers' compensation, and hospitalization unpaid claims costs, including an estimate of costs relating to incurred but not yet reported claims based on the current information available.

A reconciliation of changes in the balances of claims liabilities during the fiscal years 2015 and 2014 were as follows:

	Property and Casualty		Workers' Compensation		Hospitalization	
	2015	2014	2015	2014	2015	2014
Beginning of the Year Liability	$ 0	$ 0	$ 1,142,311	$ 776,741	$ 287,086	$ 547,700
Current Year Claims and Changes in Estimates	20,825	42,642	(220,488)	584,905	4,494,195	2,915,693
Claim Payments	(20,825)	(42,642)	(90,497)	(219,335)	(3,678,635)	(3,176,307)
End of the Year Liability	$ 0	$ 0	$ 831,326	$ 1,142,311	$ 1,102,646	$ 287,086

Note 16 – Jointly Governed Organizations and Related Organizations

A. Jointly Governed Organizations

Northeast Ohio Public Energy Council (NOPEC)

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 electricity. NOPEC is currently comprised of a number of communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of 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 ten-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. The City did not contribute to NOPEC during 2015. Financial information can be obtained by contacting NOPEC, 31320 Solon Rd, Suite 20, Solon, Ohio 44139.

First Suburbs Consortium of Northeast Ohio Council of Governments

The City is a member of the First Suburbs Consortium of Northeast Ohio Council of Governments (Council). The Council is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. The Council is currently comprised of 19 communities. The Council was formed to foster cooperation between municipalities in matters of mutual concern, including but not limited to initiation and support of policies and practices which protect, maintain and redevelop mature communities and other matters which affect health, welfare, education, economic conditions and regional development.

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair and other members elected in annual elections. The Board oversees and manages the Council. The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Board. During 2015, the City of Shaker Heights contributed $3,000 to the Council. Financial information may be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, Ohio 44118.

B. Related Organizations

Shaker Heights Development Corporation (SHDC)

In 1980, the City formed the Community Improvement Corporation of Shaker Heights, Ohio (CIC) which is now known as the Shaker Heights Development Corporation. The CIC was formed and designated by the City as its agent for industrial, commercial, distribution and research development in the City, but was largely inactive. In 2011, the CIC was reactivated and reorganized to be involved in the economic development of the City, and the Internal Revenue Service determined that the CIC was a 501(c) (3) organization. The City acts as fiscal agent for the Shaker Heights Development Corporation.

Note 17 – Construction and Other Significant Commitments

As of December 31, 2015, the City's construction commitments were as follows:

	Contractual Commitment	Expended	Remaining Commitment
Street Improvement Projects	$ 3,619,454	$ 2,484,388	$1,135,066

Other significant commitments include the encumbrances outstanding at year-end. The amount of the encumbrances expected to be honored upon performance by the corresponding vendor in the next year were as follows:

Fund	Amount
General Fund	$ 1,441,573
Capital Projects Fund	1,444,095
Nonmajor Governmental Funds	120,169
	$ 3,005,837

Note 18 – Claims and Judgments

The City is a defendant in various lawsuits. The amount of the liability, if any, cannot be reasonably estimated at this time. However, it is in the opinion of management that such claims and lawsuits will not have a material adverse effect on the financial condition of the City.

The City has received federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. However, it is the opinion of management that any such disallowances would be immaterial.

Note 19 – Subsequent Event

On April 1, 2016 the City entered into a lease for a fire truck in the amount of $940,000. There are 7 annual payments of $144,054 with the final payment due April 1, 2023.

On April 27, the City paid off the street improvement notes, series 2015 for $1,025,000 plus interest of $10,222.

The lease with Goldstein, Caldwell and Associates, dba Shaker-Launchhouse terminated April 10, 2016. Shaker Heights Development Corporation has proposed to take over the lease from the City, but the terms are still being negotiated.

City of Shaker Heights
Cuyahoga County, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Last Two Years (1)

	2014	2013
Ohio Public Employees' Retirement System (OPERS) - Traditional Plan		
City's Proportion of the Net Pension Liability (Asset)	0.1024820%	0.1024820%
City's Proportionate Share of the Net Pension Liability (Asset)	$ 12,360,475	$ 12,081,293
City's Covered-Employee Payroll	$ 12,564,683	$ 12,185,785
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	98.37%	99.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%
Ohio Public Employees' Retirement System (OPERS) - Combined Plan		
City's Proportion of the Net Pension Liability (Asset)	0.1085490%	0.1085490%
City's Proportionate Share of the Net Pension Liability (Asset)	$ (41,794)	$ (11,390)
City's Covered-Employee Payroll	$ 396,792	$ 383,354
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	10.53%	2.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	114.83%	104.56%
Ohio Police and Fire Pension Fund (OPF)		
City's Proportion of the Net Pension Liability (Asset)	0.4993868%	0.4993868%
City's Proportionate Share of the Net Pension Liability (Asset)	$ 25,870,319	$ 24,321,704
City's Covered-Employee Payroll	$ 9,926,202	$ 9,919,601
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	260.63%	245.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	72.20%	73.00%

(1) Information prior to 2013 is not available.

City of Shaker Heights
Cuyahoga County, Ohio
Required Supplementary Information
Schedule of City Contributions
Last Ten Years

	2015	2014	2013
Ohio Public Employees' Retirement System (OPERS) - Traditional Plan			
Contractually Required Contribution	$ 1,515,784	$ 1,507,762	$ 1,584,152
Contributions in Relation to the Contractually Required Contribution	(1,515,784)	(1,507,762)	(1,584,152)
Contribution deficiency (excess)	$ 0	$ 0	$ 0
City's covered-employee payroll	$ 12,631,533	$ 12,564,683	$ 12,185,785
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	13.00%
Ohio Public Employees' Retirement System (OPERS) - Combined Plan			
Contractually Required Contribution	$ 47,685	$ 47,615	$ 49,836
Contributions in Relation to the Contractually Required Contribution	(47,685)	(47,615)	(49,836)
Contribution deficiency (excess)	$ 0	$ 0	$ 0
City's covered-employee payroll	$ 397,375	$ 396,792	$ 383,354
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	13.00%
Ohio Police and Fire Pension Fund (OPF)			
Contractually Required Contribution	$ 2,058,882	$ 2,089,901	$ 1,757,814
Contributions in relation to the contractually required contribution	(2,058,882)	(2,089,901)	(1,757,814)
Contribution deficiency (excess)	$ 0	$ 0	$ 0
City's covered-employee payroll	$ 9,785,962	$ 9,926,202	$ 9,919,601
Contributions as a percentage of covered-employee payroll	21.04%	21.05%	17.72%

(n/a) Information prior to 2013 is not available.

2012	2011	2010	2009	2008	2007	2006
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
$ 1,447,978	$ 1,507,305	$ 1,517,593	$ 1,571,254	$ 2,092,172	$ 2,244,685	$ 2,167,359
(1,447,978)	(1,507,305)	(1,517,593)	(1,571,254)	(2,092,172)	(2,244,685)	(2,167,359)
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
$ 9,860,569	$ 10,264,580	$ 10,334,641	$ 10,700,066	$ 14,247,459	$ 15,286,056	$ 15,866,062
14.68%	14.68%	14.68%	14.68%	14.68%	14.68%	13.66%

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COMBINING STATEMENTS FOR NONMAJOR GOVERNMENTAL FUNDS AND INDIVIDUAL FUND SCHEDULES FOR GOVERNMENTAL FUNDS

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Nonmajor Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific sources that are legally restricted or committed to expenditure for specified purposes other than debt service or capital projects. The title of each special revenue fund is descriptive of the activities accounted for therein. The special revenue funds are:

Street Maintenance and Repair Fund
One of two funds legally required by the Ohio Revised Code (the other being the state highway maintenance fund) to account for revenue from the state gasoline tax and motor vehicle registration fees. The Revised Code requires that 92.5% of these revenues be used for the maintenance and repair of streets within the City.

State Highway Fund
One of two funds legally required by the Ohio Revised Code (the other being the street maintenance and repair fund) to account for revenue from the state gasoline tax and motor vehicle registration fees. The Revised Code requires that 7.5% of these revenues be used exclusively for the maintenance and repair of state highways within the City.

Sewer Maintenance Fund
To account for funds derived from a surcharge levied upon all users of the sewer system with the City. This surcharge pays for sewer system maintenance, replacement and repair. The surcharge is levied in addition to the treatment and disposal rate set by the Northeast Ohio Regional Sewer District.

Police Pension Fund
To account for the payment of current and accrued police pension liability to the Police and Fireman's Disability and Pension Fund of Ohio. The Ohio Revised Code requires that the City levy .3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by a transfer primarily from the City's general fund.

Fire Pension Fund
To account for the payment of current and accrued fire pension liability to the Police and Firemen's Disability and Pension Fund of Ohio. The Ohio Revised Code requires that the City levy .3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by a transfer primarily from the City's general fund.

Indigent Driver/Alcohol Treatment Fund
To account for reinstatement fees collected by the State Bureau of Motor Vehicles and $1.50 per traffic case paid in connection with driving under the influence offenses. Ohio Revised Code Section 4511.191(L) provides that payments are to be made only upon order of the Municipal Court Judge for alcohol and other drug treatment costs for indigent drivers.

Court Computer Legal Research Fund
To account for revenues from court costs assessed under the authority of Ohio Revised Code Section 1901.261(A) by the Municipal Court on the filing of each cause of action or appeal for the purposes of computerizing the court and to make available computerized legal research services.

Non-Major Special Revenue Funds (Continued)

Clerk's Computerization Fund
To account for revenues from court costs assessed under the authority of Ohio Revised Code Section 1901.261(B) by the Municipal Court on the filing of each cause of action or appeal, certificate of judgment or modification of judgment for the purpose of procuring and maintaining computer systems for the office of the clerk of the Municipal Court.

Housing Grant (Neighborhood Revitalization) Fund
To account for monies received from grants from various sources to be used to provide funding for housing within the City.

Fair Housing Grant Fund
To account for monies received from the Department of Housing and Urban Development. The funds are to be used to monitor fair housing practices within the City.

Law Enforcement Grant Fund
To account for grants received by the Shaker Heights Police Department whose primary purpose is to reduce the amounts and effects of external harm to individuals and property.

Court Alternate Dispute Resolution Fund
To account for the collection and use of an additional court cost imposed by the Shaker Heights Municipal Court, under the authority of Ohio Revised Code Section 1901.26, on each civil and small claims case to fund alternate dispute resolution programming and materials.

Ohio Court Security Project Fund
To account for a grant received from the State of Ohio to be used to upgrade court security by replacing door entry locks with a computerized keyless entry system. This also accounts for $1.00 collected per criminal and traffic case collected which came into effect September 2003.

High Intensity Drug Trafficking Area Grant Fund (HIDTA)
The City is the grantee and acts as the fiscal agent for the federally funded Ohio HIDTA. The HIDTA Program functions as a coordination umbrella by forging partnerships among local, state, and federal law enforcement agencies in designated areas to combine resources and efforts in order to reduce drug trafficking and distribution.

Housing and Nuisance Abatement Fund
To account for funds received from the levy of special assessments against nuisance properties and charges for services from nuisance properties for the maintenance of such properties.

Indigent Driver Interlock Device Fund
To account for funds received from court costs that are collected on each DUI offense. The fund was created with the purpose of funding interlock and SCRAM (Secure Continuous Remote Alcohol Monitoring) for indigent drivers. In addition, the court receives monthly checks from the Bureau of Motor Vehicles for reinstatement fees collected.

Non-Major Special Revenue Funds (Continued)

Street Lighting Assessment Fund
To account for funds received from the levy of special assessments against property with frontage on public streets for the legally restricted purpose of paying the cost of street lighting with the City.

Tree Maintenance Special Assessment Fund
To account for funds received from the levy of special assessments against property with frontage on public streets for the legally restricted purpose of paying the cost of tree care on the City's public right-of-way.

Law Enforcement Trust Fund
To account for the proceeds of property deemed contraband by the courts and ordered forfeited to the City. The Ohio Revised Code permits these funds to be expended only for the cost of protracted or complex investigations or prosecutions, to provide reasonable technical training or expertise or other such law enforcement purposes as determined by Council. The fund may not be used to meet operating costs of the City that are not related to law enforcement.

Central Services Operation Fund
To provide a central cost center for work for other governmental agencies, utilities, and individuals that is not considered to be a normal city function and is billable back to the responsible party. Included in this fund is the maintenance of the rapid transit tracks for the Greater Cleveland Regional Transit Authority, street openings and closing, public property damage repaid, sidewalk repair and replacement and other miscellaneous activities. 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 legally adopted budget.

Non-Major Debt Service Funds

Debt Service Administration Fund
To account for the accumulation of resources for, and the payment of all general long-term debt principal and interest except for urban renewal debt.

Urban Renewal Debt Service Fund
To account for the accumulation of resources for and the payment of urban renewal debt issued pursuant to Ohio Revised Code Section 725 to finance improvements secured by a general obligation pledge of the City and repaid with revenue from semi-annual tax increment payments including the Sussex Area revitalization project and the Shaker Towne Centre Community Development District revitalization project.

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City of Shaker Heights
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	$ 3,974,304	$ 2,611,812	$ 6,586,116
Accounts Receivable	432,267	0	432,267
Intergovernmental Receivable	1,383,915	981,524	2,365,439
Taxes Receivable	410,296	0	410,296
Special Assessments Receivable	2,061,915	0	2,061,915
Interfund Receivable	109,986	0	109,986
Total Assets	$ 8,372,683	$ 3,593,336	$ 11,966,019
Liabilities			
Accounts Payable	$ 474,651	$ 0	$ 474,651
Accrued Wages and Benefits	437,949	0	437,949
Interfund Payable	109,986	0	109,986
Total Liabilities	1,022,586	0	1,022,586
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	377,336	0	377,336
Payment in Lieu of Taxes	0	981,524	981,524
Unavailable Revenue	3,641,344	0	3,641,344
Total Deferred Inflows of Resources	4,018,680	981,524	5,000,204
Fund Balances			
Restricted	3,591,718	0	3,591,718
Committed	142,205	2,611,812	2,754,017
Unassigned	(402,506)	0	(402,506)
Total Fund Balances	3,331,417	2,611,812	5,943,229
Total Liabilities, Deferred Inflows of of Resources and Fund Balances	$ 8,372,683	$ 3,593,336	$ 11,966,019

City of Shaker Heights
Cuyahoga County, Ohio
Combining Statements of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	$ 382,898	$ 0	$ 382,898
Special Assessments	1,375,662	0	1,375,662
Charges for Services	1,085,917	0	1,085,917
Fines, Licenses and Permits	259,790	0	259,790
Intergovernmental	4,421,014	799,784	5,220,798
Investment Earnings	2,572	0	2,572
Other Revenues	11,586	0	11,586
Total Revenues	7,539,439	799,784	8,339,223
Expenditures			
Current:			
General Government:			
Legislative and Executive	84,311	10,135	94,446
Judicial System	149,815	0	149,815
Security of Persons and Property:			
Police	4,659,320	0	4,659,320
Fire	1,085,122	0	1,085,122
Other	790,517	0	790,517
Housing and Community Development	766,409	0	766,409
Sanitation and Sewer Services	1,171,612	0	1,171,612
Street Maintenance and Repair	1,730,766	0	1,730,766
Public Works	63,116	0	63,116
Debt Service:			
Principal Retirement	105,213	2,351,882	2,457,095
Interest and Fiscal Charges	9,794	610,461	620,255
Total Expenditures	10,615,995	2,972,478	13,588,473
Excess of Revenues Over (Under) Expenditures	(3,076,556)	(2,172,694)	(5,249,250)
Other Financing Sources (Uses)			
Proceeds from Sale of Assets	69	0	69
Issuance of Notes	0	1,025,000	1,025,000
Premium on Debt Issuance	0	2,278	2,278
Transfers In	2,999,085	1,242,552	4,241,637
Transfers Out	(154,800)	0	(154,800)
Total Other Financing Sources (Uses)	2,844,354	2,269,830	5,114,184
Net Change in Fund Balance	(232,202)	97,136	(135,066)
Fund Balance Beginning of Year	3,563,619	2,514,676	6,078,295
Fund Balance End of Year	$ 3,331,417	$ 2,611,812	$ 5,943,229

City of Shaker Heights
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Street Maintenance and Repair Fund	State Highway Fund	Sewer Maintenance Fund	Police Pension Fund	Fire Pension Fund
Assets					
Equity in Pooled Cash and Cash Equivalents	$ 344,460	$ 148,195	$ 34,468	$ 835,962	$ 577,189
Accounts Receivable	0	0	427,503	0	0
Intergovernmental Receivable	379,484	29,647	0	14,186	14,186
Taxes Receivable	0	0	0	205,148	205,148
Special Assessments Receivable	0	0	0	0	0
Interfund Receivable	0	0	0	0	0
Total Assets	$ 723,944	$ 177,842	$ 461,971	$ 1,055,296	$ 796,523
Liabilities					
Accounts Payable	$ 65,286	$ 302	$ 78,422	$ 0	$ 0
Accrued Wages and Benefits	23,997	0	8,978	190,012	166,237
Interfund Payable	0	0	0	0	0
Total Liabilities	89,283	302	87,400	190,012	166,237
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	0	0	0	188,668	188,668
Unavailable Revenue	237,869	19,286	326,462	30,666	30,666
Total Deferred Inflows of Resources	237,869	19,286	326,462	219,334	219,334
Fund Balance					
Restricted	396,792	158,254	0	645,950	410,952
Committed	0	0	48,109	0	0
Unassigned	0	0	0	0	0
Total Fund Balance	396,792	158,254	48,109	645,950	410,952
Total Liabilities, Deferred Inflows of of Resources and Fund Balances	$ 723,944	$ 177,842	$ 461,971	$ 1,055,296	$ 796,523

(continued)

City of Shaker Heights
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Indigent Driver/Alcohol Treatment Fund	Court Computer Legal Research Fund	Clerk's Computerization Fund	Housing Grant Fund	Fair Housing Grant Fund
Assets					
Equity in Pooled Cash and Cash Equivalents	$ 66,726	$ 143,057	$ 485,743	$ 118,979	$ 32,593
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	1,312	2,411	7,569	0	0
Taxes Receivable	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0
Interfund Receivable	0	0	0	0	0
Total Assets	$ 68,038	$ 145,468	$ 493,312	$ 118,979	$ 32,593
Liabilities					
Accounts Payable	$ 3,175	$ 434	$ 0	$ 0	$ 0
Accrued Wages and Benefits	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Total Liabilities	3,175	434	0	0	0
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0	0
Fund Balance					
Restricted	64,863	145,034	493,312	118,979	32,593
Committed	0	0	0	0	0
Unassigned	0	0	0	0	0
Total Fund Balance	64,863	145,034	493,312	118,979	32,593
Total Liabilities, Deferred Inflows of of Resources and Fund Balances	$ 68,038	$ 145,468	$ 493,312	$ 118,979	$ 32,593

(continued)

City of Shaker Heights
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Law Enforcement Grant Fund	Court Alternate Dispute Resolution Fund	Ohio Court Security Project Fund	HIDTA Grant Fund	Housing and Nuisance Abatement Fund
Assets					
Equity in Pooled Cash and Cash Equivalents	$ 14,365	$ 60,250	$ 32,525	$ 34,536	$ 94,096
Accounts Receivable	0	0	0	0	4,764
Intergovernmental Receivable	0	2,651	706	929,716	0
Taxes Receivable	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	552,452
Interfund Receivable	0	0	0	0	0
Total Assets	$ 14,365	$ 62,901	$ 33,231	$ 964,252	$ 651,312
Liabilities					
Accounts Payable	$ 0	$ 0	$ 133	$ 240,086	$ 0
Accrued Wages and Benefits	0	0	0	37,593	0
Interfund Payable	0	0	0	109,986	0
Total Liabilities	0	0	133	387,665	0
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	0	0	0	0	0
Unavailable Revenue	0	0	0	929,716	557,216
Total Deferred Inflows of Resources	0	0	0	929,716	557,216
Fund Balance					
Restricted	14,365	62,901	33,098	0	0
Committed	0	0	0	0	94,096
Unassigned	0	0	0	(353,129)	0
Total Fund Balance	14,365	62,901	33,098	(353,129)	94,096
Total Liabilities, Deferred Inflows of of Resources and Fund Balances	$ 14,365	$ 62,901	$ 33,231	$ 964,252	$ 651,312

(continued)

City of Shaker Heights
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Indigent Driver Interlock Device Fund	Street Lighting Assessment Fund	Tree Maintenance Assessment Fund	Law Enforcement Trust Fund	Totals
Assets					
Equity in Pooled Cash and Cash Equivalents	$ 7,431	$ 14,545	$ 17,631	$ 911,553	$ 3,974,304
Accounts Receivable	0	0	0	0	432,267
Intergovernmental Receivable	2,047	0	0	0	1,383,915
Taxes Receivable	0	0	0	0	410,296
Special Assessments Receivable	0	648,107	861,356	0	2,061,915
Interfund Receivable	0	0	0	109,986	109,986
Total Assets	$ 9,478	$ 662,652	$ 878,987	$ 1,021,539	$ 8,372,683
Liabilities					
Accounts Payable	$ 3,345	$ 63,823	$ 6,598	$ 13,047	$ 474,651
Accrued Wages and Benefits	0	0	11,132	0	437,949
Interfund Payable	0	0	0	0	109,986
Total Liabilities	3,345	63,823	17,730	13,047	1,022,586
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	0	0	0	0	377,336
Unavailable Revenue	0	648,107	861,356	0	3,641,344
Total Deferred Inflows of Resources	0	648,107	861,356	0	4,018,680
Fund Balance					
Restricted	6,133	0	0	1,008,492	3,591,718
Committed	0	0	0	0	142,205
Unassigned	0	(49,278)	(99)	0	(402,506)
Total Fund Balance	6,133 0	(49,278)	(99)	1,008,492	3,331,417
Total Liabilities, Deferred Inflows of of Resources and Fund Balances	$ 9,478	$ 662,652	$ 878,987	$ 1,021,539	$ 8,372,683

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

	Street Maintenance and Repair Fund	State Highway Fund	Sewer Maintenance Fund	Police Pension Fund	Fire Pension Fund
Revenues					
Property Taxes	$ 0	$ 0	$ 0	$ 191,449	$ 191,449
Special Assessments	0	0	0	0	0
Charges for Services	113	0	1,085,066	0	0
Fines, Licenses and Permits	0	0	0	0	0
Intergovernmental	1,036,412	70,347	0	29,034	29,035
Investment Earnings	278	135	308	0	0
Other Revenues	0	0	0	0	0
Total Revenues	1,036,803	70,482	1,085,374	220,483	220,484
Expenditures					
Current:					
General Government:					
Legislative and Executive	0	0	42,230	0	0
Judicial System	0	0	0	0	0
Security of Persons and Property:					
Police	0	0	8,826	1,025,761	0
Fire	0	0	0	16,541	1,068,581
Other	0	0	0	0	0
Housing and Community Development	0	0	0	0	0
Sanitation and Sewer Services	0	0	1,171,612	0	0
Street Maintenance and Repair	1,687,550	43,216	0	0	0
Public Works	0	0	63,116	0	0
Debt Service:					
Principal Retirement	0	0	105,213	0	0
Interest and Fiscal Charges	0	0	9,794	0	0
Total Expenditures	1,687,550	43,216	1,400,791	1,042,302	1,068,581
Excess of Revenues Over (Under) Expenditures	(650,747)	27,266	(315,417)	(821,819)	(848,097)
Other Financing Sources (Uses)					
Proceeds from Sale of Assets	0	0	0	0	0
Transfers In	400,000	0	500,000	964,737	869,348
Transfers Out	0	0	(154,800)	0	0
Total Other Financing Sources (Uses)	400,000	0	345,200	964,737	869,348
Net Change in Fund Balance	(250,747)	27,266	29,783	142,918	21,251
Fund Balance Beginning of Year	647,539	130,988	18,326	503,032	389,701
Fund Balance End of Year	$ 396,792	$ 158,254	$ 48,109	$ 645,950	$ 410,952

(continued)

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

	Indigent Driver/Alcohol Treatment Fund	Court Computer Legal Research Fund	Clerk's Computerization Fund	Housing Grant Fund	Fair Housing Grant Fund
Revenues					
Property Taxes	$ 0	$ 0	$ 0	$ 0	$ 0
Special Assessments	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines, Licenses and Permits	19,557	28,972	91,631	0	0
Intergovernmental	0	0	0	0	59,050
Investment Earnings	70	145	443	115	19
Other Revenues	0	0	0	0	0
Total Revenues	19,627	29,117	92,074	115	59,069
Expenditures					
Current:					
General Government:					
Legislative and Executive	0	0	0	0	42,081
Judicial System	45,017	41,848	24,964	0	0
Security of Persons and Property:					
Police	0	0	0	0	0
Fire	0	0	0	0	0
Other	0	0	0	0	0
Housing and Community Development	0	0	0	0	0
Sanitation and Sewer Services	0	0	0	0	0
Street Maintenance and Repair	0	0	0	0	0
Public Works	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	45,017	41,848	24,964	0	42,081
Excess of Revenues Over (Under) Expenditures	(25,390)	(12,731)	67,110	115	16,988
Other Financing Sources (Uses)					
Proceeds from Sale of Assets	0	0	0	0	0
Transfers In	0	0	0	0	0
Advances In	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balance	(25,390)	(12,731)	67,110	115	16,988
Fund Balance Beginning of Year	90,253	157,765	426,202	118,864	15,605
Fund Balance End of Year	$ 64,863	$ 145,034	$ 493,312	$ 118,979	$ 32,593

(continued)

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

	Law Enforcement Grant Fund	Court Alternate Dispute Resolution Fund	Ohio Court Security Project Fund	HIDTA Grant Fund	Housing and Nuisance Abatement Fund
Revenues					
Property Taxes	$ 0	$ 0	$ 0	$ 0	$ 0
Special Assessments	0	0	0	0	42,017
Charges for Services	640	0	0	0	98
Fines, Licenses and Permits	0	27,666	8,703	0	0
Intergovernmental	6,000	0	0	3,191,136	0
Investment Earnings	12	57	32	0	79
Other Revenues	0	0	0	0	0
Total Revenues	6,652	27,723	8,735	3,191,136	42,194
Expenditures					
Current:					
General Government:					
Legislative and Executive	0	0	0	0	0
Judicial System	0	23,479	8,162	0	0
Security of Persons and Property:					
Police	2,627	0	0	3,500,341	0
Fire	0	0	0	0	0
Other	0	0	0	0	0
Housing and Community Development	0	0	0	0	0
Sanitation and Sewer Services	0	0	0	0	0
Street Maintenance and Repair	0	0	0	0	0
Public Works	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	2,627	23,479	8,162	3,500,341	0
Excess of Revenues Over (Under) Expenditures	4,025	4,244	573	(309,205)	42,194
Other Financing Sources (Uses)					
Proceeds from Sale of Assets	0	0	0	0	0
Transfers In	0	0	0	0	0
Advances In	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balance	4,025	4,244	573	(309,205)	42,194
Fund Balance Beginning of Year	10,340	58,657	32,525	(43,924)	51,902
Fund Balance End of Year	$ 14,365	$ 62,901	$ 33,098	$ (353,129)	$ 94,096

(continued)

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

	Indigent Driver Interlock Device Fund	Street Lighting Assessment Fund	Tree Maintenance Assessment Fund	Law Enforcement Trust Fund	Totals
Revenues					
Property Taxes	$ 0	$ 0	$ 0	$ 0	$ 382,898
Special Assessments	0	573,535	760,110	0	1,375,662
Charges for Services	0	0	0	0	1,085,917
Fines, Licenses and Permits	13,747	0	0	69,514	259,790
Intergovernmental	0	0	0	0	4,421,014
Investment Earnings	3	0	0	876	2,572
Other Revenues	0	0	0	11,586	11,586
Total Revenues	13,750	573,535	760,110	81,976	7,539,439
Expenditures					
Current:					
General Government:					
Legislative and Executive	0	0	0	0	84,311
Judicial System	6,345	0	0	0	149,815
Security of Persons and Property:					
Police	0	0	0	121,765	4,659,320
Fire	0	0	0	0	1,085,122
Other	0	777,470	0	13,047	790,517
Housing and Community Development	0	0	766,409	0	766,409
Sanitation and Sewer Services	0	0	0	0	1,171,612
Street Maintenance and Repair	0	0	0	0	1,730,766
Public Works	0	0	0	0	63,116
Debt Service:					
Principal Retirement	0	0	0	0	105,213
Interest and Fiscal Charges	0	0	0	0	9,794
Total Expenditures	6,345	777,470	766,409	134,812	10,615,995
Excess of Revenues Over (Under) Expenditures	7,405	(203,935)	(6,299)	(52,836)	(3,076,556)
Other Financing Sources (Uses)					
Proceeds from Sale of Assets	0	0	0	69	69
Transfers In	0	265,000	0	0	2,999,085
Advances In	0	0	0	0	(154,800)
Total Other Financing Sources (Uses)	0	265,000	0	69	2,844,354
Net Change in Fund Balance	7,405	61,065	(6,299)	(52,767)	(232,202)
Fund Balance Beginning of Year	(1,272)	(110,343)	6,200	1,061,259	3,563,619
Fund Balance End of Year	$ 6,133	$ (49,278)	$ (99)	$ 1,008,492	$ 3,331,417

City of Shaker Heights
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2015

	Debt Service Administration Fund	Urban Renewal Debt Service Fund	Totals
Assets			
Equity in Pooled Cash and Cash Equivalents	$ 1,294,726	$ 1,317,086	$ 2,611,812
Intergovernmental Receivable	0	981,524	981,524
Total Assets	$ 1,294,726	$ 2,298,610	$ 3,593,336
Deferred Inflows of Resources			
Payment in Lieu of Taxes	0	981,524	981,524
Fund Balance			
Committed	1,294,726	1,317,086	2,611,812
Total Liabilities, Deferred Inflows of of Resources and Fund Balances	$ 1,294,726	$ 2,298,610	$ 3,593,336

City of Shaker Heights
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2015

	Debt Service Administration Fund	Urban Renewal Debt Service Fund	Total
Revenues			
Intergovernmental	$ 0	$ 799,784	$ 799,784
Total Revenues	0	799,784	799,784
Expenditures			
Current:			
General Government:			
Legislative and Executive	2,500	7,635	10,135
Debt Service:			
Principal Retirement	1,591,882	760,000	2,351,882
Interest and Fiscal Charges	22,561	587,900	610,461
Total Expenditures	1,616,943	1,355,535	2,972,478
Excess of Revenues Over (Under) Expenditures	(1,616,943)	(555,751)	(2,172,694)
Other Financing Sources (Uses)			
Issuance of Notes	1,025,000	0	1,025,000
Premium on Debt Issuance	2,278	0	2,278
Transfers In	588,833	653,719	1,242,552
Total Other Financing Sources (Uses)	1,616,111	653,719	2,269,830
Net Change in Fund Balance	(832)	97,968	97,136
Fund Balance Beginning of Year	1,295,558	1,219,118	2,514,676
Fund Balance End of Year	$ 1,294,726	$ 1,317,086	$ 2,611,812

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INDIVIDUAL FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL

City of Shaker Heights
Cuyahoga County, Ohio

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	$ 6,712,528	$ 6,712,528	$ 6,816,032	$ 103,504
Municipal Income Taxes	30,248,760	30,248,760	31,486,397	1,237,637
Other Local Taxes	62,400	62,400	56,336	(6,064)
Intergovernmental	824,472	916,748	969,225	52,477
Charges for Services	5,137,996	5,075,720	5,024,677	(51,043)
Fees, Licenses and Permits	1,050,223	1,050,223	1,014,341	(35,882)
Investment Earnings	100,000	100,000	38,573	(61,427)
Fines and Forfeitures	499,327	499,327	567,145	67,818
Other Revenues	763,422	763,422	889,369	125,947
Total Revenues	45,399,128	45,429,128	46,862,095	1,432,967
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	9,055,349	9,055,349	8,371,214	684,135
Other	853,173	853,173	656,027	197,146
Total Police	9,908,522	9,908,522	9,027,241	881,281
Fire:				
Personal Services	5,686,291	5,686,291	5,546,807	139,484
Other	734,061	734,061	725,002	9,059
Total Fire	6,420,352	6,420,352	6,271,809	148,543
Other:				
Other	61,619	61,619	63,292	(1,673)
Total Other	61,619	61,619	63,292	(1,673)
Total Security of Persons and Property	16,390,493	16,390,493	15,362,342	1,028,151
Public Health Services:				
Personal Services	375,311	407,259	373,599	33,660
Other	70,919	74,528	45,655	28,873
Total Public Health Services	446,230	481,787	419,254	62,533
Leisure Time Activites:				
Culture and Recreation:				
Personal Services	1,835,000	1,835,000	1,705,628	129,372
Other	864,792	864,792	862,464	2,328
Total Culture and Recreation	2,699,792	2,699,792	2,568,092	131,700
Parks and Public Lands Maintenance:				
Personal Services	607,120	607,120	610,907	(3,787)
Other	382,232	382,232	351,713	30,519
Total Parks and Public Lands Maintenance	989,352	989,352	962,620	26,732
Total Leisure Time Activites	3,689,144	3,689,144	3,530,712	158,432

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City of Shaker Heights
Cuyahoga County, Ohio
Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Housing and Community Development:				
Housing Inspection:				
Personal Services	867,907	872,907	872,831	76
Other	124,731	119,731	40,984	78,747
Total Housing Inspection	992,638	992,638	913,815	78,823
Building Inspection:				
Personal Services	298,598	273,598	258,795	14,803
Other	61,714	86,714	80,128	6,586
Total Building Inspection	360,312	360,312	338,923	21,389
Planning and Development:				
Personal Services	486,183	493,683	492,571	1,112
Other	345,333	397,833	213,015	184,818
Total Planning and Development	831,516	891,516	705,586	185,930
Neighborhood Revitalization:				
Personal Services	138,585	138,585	137,999	586
Other	228,977	328,977	128,929	200,048
Total Neighborhood Revitalization	367,562	467,562	266,928	200,634
Economic Development:				
Personal Services	174,304	174,304	173,067	1,237
Other	1,001,907	1,031,907	336,923	694,984
Total Economic Development	1,176,211	1,206,211	509,990	696,221
Community Life:				
Personal Services	322,100	347,100	340,346	6,754
Other	197,821	172,821	152,422	20,399
Total Community Life	519,921	519,921	492,768	27,153
Communications and Outreach:				
Personal Services	286,172	294,172	293,783	389
Other	504,783	496,783	419,950	76,833
Total Communications and Outreach	790,955	790,955	713,733	77,222
Tree Maintenance and Leaf Collection:				
Personal Services	266,000	266,000	249,055	16,945
Other	187,712	187,712	158,920	28,792
Total Tree Maintenance and Leaf Collection	453,712	453,712	407,975	45,737
Total Housing and Community Development	5,492,827	5,682,827	4,349,718	1,333,109

(continued)

City of Shaker Heights
Cuyahoga County, Ohio

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Sanitation and Sewer Services:				
Sewer Maintenance:				
Other	45,000	42,000	41,065	935
Refuse Collection and Disposal:				
Personal Services	1,084,200	1,084,200	1,099,605	(15,405)
Other	950,603	850,603	877,497	(26,894)
Total Refuse Collection and Disposal	2,034,803	1,934,803	1,977,102	(42,299)
Solid Waste Recycling:				
Personal Services	85,000	85,000	97,286	(12,286)
Other	24,361	29,361	33,508	(4,147)
Total Solid Waste Recycling	109,361	114,361	130,794	(16,433)
Brush Collection and Disposal:				
Personal Services	389,010	389,010	415,316	(26,306)
Other	240,524	225,024	227,440	(2,416)
Total Brush Collection and Disposal	629,534	614,034	642,756	(28,722)
Total Sanitation and Sewer Services	2,818,698	2,705,198	2,791,717	(86,519)
Street Maintenance and Repair:				
Personal Services	352,700	352,700	347,172	5,528
Other	515,363	671,363	729,137	(57,774)
Total Street Maintenance and Repair	868,063	1,024,063	1,076,309	(52,246)
Public Works:				
Public Works Administration:				
Personal Services	616,880	616,880	543,156	73,724
Other	80,763	79,263	51,554	27,709
Total Public Works Administration	697,643	696,143	594,710	101,433
Public Building Maintenance:				
Personal Services	576,260	576,260	516,536	59,724
Other	878,574	842,574	668,182	174,392
Total Public Building Maintenance	1,454,834	1,418,834	1,184,718	234,116
Total Public Works	2,152,477	2,114,977	1,779,428	335,549
General Government:				
Legislative and Executive:				
Mayor's Office:				
Personal Services	187,384	187,384	186,634	750
Other	32,831	32,831	26,061	6,770
Total Mayor's Office	220,215	220,215	212,695	7,520

(continued)

City of Shaker Heights
Cuyahoga County, Ohio

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Council:				
Personal Services	129,681	129,681	129,656	25
Other	14,951	14,951	9,294	5,657
Total Council	144,632	144,632	138,950	5,682
Chief Administrative Officer:				
Personal Services	227,900	228,400	227,534	866
Other	13,899	13,399	9,714	3,685
Total Chief Administrative Officer	241,799	241,799	237,248	4,551
Information Technology:				
Personal Services	403,328	404,828	404,273	555
Other	139,115	137,615	97,467	40,148
Total Information Technology	542,443	542,443	501,740	40,703
Contract Charges and Statutory Expenses:				
Personal Services	35,500	35,500	34,818	682
Other	1,709,998	1,686,498	1,375,154	311,344
Total Contract Charges and Statutory Expenses	1,745,498	1,721,998	1,409,972	312,026
Legal Administration:				
Personal Services	590,442	591,942	590,492	1,450
Other	160,470	158,970	103,459	55,511
Total Legal Administration	750,912	750,912	693,951	56,961
Finance:				
Personal Services	640,002	648,502	647,743	759
Other	135,876	150,876	142,118	8,758
Total Finance	775,878	799,378	789,861	9,517
Human Resources:				
Personal Services	246,554	252,304	247,818	4,486
Other	150,106	146,925	119,895	27,030
Total Human Resources	396,660	399,229	367,713	31,516
Total Legislative and Executive	4,818,037	4,820,606	4,352,130	468,476
Judicial System:				
Personal Services	2,052,861	2,052,861	1,899,928	152,933
Other	102,979	102,979	83,102	19,877
Total Judicial System	2,155,840	2,155,840	1,983,030	172,810
Total General Government	6,973,877	6,976,446	6,335,160	641,286
Total Expenditures	38,831,809	39,064,935	35,644,640	3,420,295
Excess of Revenues Over (Under) Expenditures	6,567,319	6,364,193	11,217,455	4,853,262

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City of Shaker Heights
Cuyahoga County, Ohio
Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Transfers - Out	(7,244,837)	(9,506,837)	(9,506,837)	0
Advances - In	0		30,000	30,000
Advances - Out	0	(50,000)	(50,000)	0
Total Other Financing Sources (Uses)	(7,244,837)	(9,556,837)	(9,526,837)	30,000
Net Change in Fund Balance	(677,518)	(3,192,644)	1,690,618	4,883,262
Beginning Cash Fund Balance	18,269,497	18,269,497	18,269,497	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(542,300)	(542,300)	(542,300)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(1,016,648)	(1,016,648)	(1,016,648)	0
Ending Unreserved Cash Fund Balance	$ 16,033,031	$ 13,517,905	18,401,167	$ 4,883,262
Reserved for Encumbrances - All Budget Years			1,607,152	
Total Cash Fund Balance - December 31			$ 20,008,319	

City of Shaker Heights
Cuyahoga County, Ohio
Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Central Services Operations Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 832,283	$ 832,283	$ 670,843	$ (161,440)
Other Revenues	56,728	56,728	34,274	(22,454)
Total Revenue	889,011	889,011	705,117	(183,894)
Expenditures:				
Current:				
Security of Persons and Property:				
Fire	21,443	21,443	19,292	2,151
Street Maintenance and Repair	701,140	758,140	706,220	51,920
Public Works - Other	96,697	96,697	71,362	25,335
General Government:				
Legislative and Executive	8,600	8,600	4,586	4,014
Total Expenditures	827,880	884,880	801,460	83,420
Net Change in Fund Balance	61,131	4,131	(96,343)	(100,474)
Beginning Cash Fund Balance	256,842	256,842	256,842	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(96,178)	(96,178)	(96,178)	0
Ending Unreserved Cash Fund Balance	$ 221,795	$ 164,795	64,321	$ (100,474)
Reserved for Encumbrances - All Budget Years			145,307	
Total Cash Fund Balance - December 31			$ 209,628	

City of Shaker Heights
Cuyahoga County, Ohio

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 888,540	$ 888,540	$ 1,040,311	$ 151,771
Charges for Services	500	500	113	(387)
Investment Earnings	570	570	278	(292)
Other Revenues	300,000	300,000	0	(300,000)
Total Revenues	1,189,610	1,189,610	1,040,702	(148,908)
Expenditures:				
Current:				
Street Maintenance and Repair	1,605,336	1,700,336	1,694,029	6,307
Excess of Revenues Over (Under) Expenditures	(415,726)	(510,726)	(653,327)	(142,601)
Other Financing Sources (Uses):				
Transfers - In	400,000	400,000	400,000	0
Net Change in Fund Balance	(15,726)	(110,726)	(253,327)	(142,601)
Beginning Cash Fund Balance	538,523	538,523	538,523	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(625)	(625)	(625)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(22,355)	(22,355)	(22,355)	0
Ending Unreserved Cash Fund Balance	$ 499,817	$ 404,817	262,216	$ (142,601)
Reserved for Encumbrances - All Budget Years			82,240	
Total Cash Fund Balance - December 31			$ 344,456	

City of Shaker Heights
Cuyahoga County, Ohio

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 68,000	$ 68,000	$ 70,654	$ 2,654
Investment Earnings	500	500	135	(365)
Total Revenues	68,500	68,500	70,789	2,289
Expenditures:				
Current:				
Street Maintenance and Repair	67,669	72,669	65,107	7,562
Net Change in Fund Balance	831	(4,169)	5,682	9,851
Beginning Cash Fund Balance	123,476	123,476	123,476	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(11,610)	(11,610)	(11,610)	0
Ending Unreserved Cash Fund Balance	$ 112,697	$ 107,697	117,548	$ 9,851
Reserved for Encumbrances - All Budget Years			30,647	
Total Cash Fund Balance - December 31			$ 148,195	

City of Shaker Heights
Cuyahoga County, Ohio
Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Sewer Maintenance Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 1,129,801	$ 1,379,801	$ 1,072,400	$ (307,401)
Investment Earnings	650	650	308	(342)
Total Revenues	1,130,451	1,380,451	1,072,708	(307,743)
Expenditures:				
Current:				
Sanitation and Sewer Services	1,236,194	1,486,194	1,445,927	40,267
Excess of Revenues Over (Under) Expenditures	(105,743)	(105,743)	(373,219)	(267,476)
Other Financing Sources (Uses):				
Transfers - In	250,000	250,000	500,000	250,000
Transfers - Out	(167,411)	(167,411)	(154,800)	12,611
Net Change in Fund Balance	(23,154)	(23,154)	(28,019)	(4,865)
Beginning Cash Fund Balance	465,783	465,783	465,783	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(437,507)	(437,507)	(437,507)	0
Ending Unreserved Cash Fund Balance	$ 5,122	$ 5,122	257	$ (4,865)
Reserved for Encumbrances - All Budget Years			34,210	
Total Cash Fund Balance - December 31			$ 34,467	

City of Shaker Heights

Cuyahoga County, Ohio

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	$ 428,499	$ 428,499	$ 220,484	$ (208,015)
Expenditures:				
Current:				
Security of Persons and Property - Police	1,184,183	1,184,183	1,048,966	135,217
Excess of Revenues Over (Under) Expenditures	(755,684)	(755,684)	(828,482)	(72,798)
Other Financing Sources (Uses):				
Transfers - In	965,937	965,937	964,737	(1,200)
Net Change in Fund Balance	210,253	210,253	136,255	(73,998)
Beginning Cash Fund Balance	699,708	699,708	699,708	0
Total Cash Fund Balance - December 31	$ 909,961	$ 909,961	$ 835,963	$ (73,998)

City of Shaker Heights

Cuyahoga County, Ohio

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	$ 428,498	$ 428,498	$ 220,484	$ (208,014)
Expenditures:				
Current:				
Security of Persons and Property - Fire	1,089,463	1,089,463	1,061,844	27,619
Excess of Revenues Over (Under) Expenditures	(660,965)	(660,965)	(841,360)	(180,395)
Other Financing Sources (Uses):				
Transfers - In	871,218	871,218	869,348	(1,870)
Net Change in Fund Balance	210,253	210,253	27,988	(182,265)
Beginning Cash Fund Balance	549,200	549,200	549,200	0
Total Cash Fund Balance - December 31	$ 759,453	$ 759,453	$ 577,188	$ (182,265)

City of Shaker Heights
Cuyahoga County, Ohio

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Indigent Driver/Alcohol Treatment Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 22,400	$ 22,400	$ 19,368	$ (3,032)
Investment Earnings	200	200	70	(130)
Total Revenues	22,600	22,600	19,438	(3,162)
Expenditures:				
Current:				
General Government:				
Judicial System	45,350	45,350	45,022	328
Net Change in Fund Balance	(22,750)	(22,750)	(25,584)	(2,834)
Beginning Cash Fund Balance	92,089	92,089	92,089	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(2,959)	(2,959)	(2,959)	0
Ending Unreserved Cash Fund Balance	$ 66,380	$ 66,380	63,546	$ (2,834)
Reserved for Encumbrances - All Budget Years			3,180	
Total Cash Fund Balance - December 31			$ 66,726	

City of Shaker Heights

Cuyahoga County, Ohio

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Court Computer Legal Research Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 26,000	$ 26,000	$ 28,853	$ 2,853
Investment Earnings	250	250	145	(105)
Total Revenues	26,250	26,250	28,998	2,748
Expenditures:				
Current:				
General Government:				
Judicial System	83,452	83,452	46,682	36,770
Net Change in Fund Balance	(57,202)	(57,202)	(17,684)	39,518
Beginning Cash Fund Balance	161,230	161,230	161,230	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(1,975)	(1,975)	(1,975)	0
Ending Unreserved Cash Fund Balance	$ 102,053	$ 102,053	141,571	$ 39,518
Reserved for Encumbrances - All Budget Years			1,486	
Total Cash Fund Balance - December 31			$ 143,057	

City of Shaker Heights

Cuyahoga County, Ohio

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Clerk's Computerization Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 85,000	$ 85,000	$ 91,261	$ 6,261
Investment Earnings	700	700	443	(257)
Total Revenues	85,700	85,700	91,704	6,004
Expenditures:				
Current:				
General Government:				
Judicial System	162,415	162,415	24,976	137,439
Net Change in Fund Balance	(76,715)	(76,715)	66,728	143,443
Beginning Cash Fund Balance	422,229	422,229	422,229	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(5,842)	(5,842)	(5,842)	0
Ending Unreserved Cash Fund Balance	$ 339,672	$ 339,672	483,115	$ 143,443
Reserved for Encumbrances - All Budget Years			2,629	
Total Cash Fund Balance - December 31			$ 485,744	

City of Shaker Heights

Cuyahoga County, Ohio

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Housing Grant Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 59,000	$ 59,000	$ 0	$ (59,000)
Investment Earnings	0	0	115	115
Total Revenues	59,000	59,000	115	(58,885)
Expenditures:				
Current:				
Housing and Community Development	140,997	140,997	0	140,997
Net Change in Fund Balance	(81,997)	(81,997)	115	82,112
Beginning Cash Fund Balance	131,364	131,364	131,364	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(12,500)	(12,500)	(12,500)	0
Ending Unreserved Cash Fund Balance	$ 36,867	$ 36,867	118,979	$ 82,112
Reserved for Encumbrances - All Budget Years			0	
Total Cash Fund Balance - December 31			$ 118,979	

City of Shaker Heights

Cuyahoga County, Ohio

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -

Budget (Non-GAAP Budgetary Basis) and Actual

Fair Housing Grant Fund

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 50,000	$ 50,000	$ 59,050	$ 9,050
Investment Earnings	0	0	19	19
Total Revenues	50,000	50,000	59,069	9,069
Expenditures:				
Current:				
General Government:				
Legislative and Executive	48,600	48,600	34,582	14,018
Net Change in Fund Balance	1,400	1,400	24,487	23,087
Beginning Cash Fund Balance	15,605	15,605	15,605	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(7,500)	(7,500)	(7,500)	0
Total Cash Fund Balance - December 31	$ 9,505	$ 9,505	$ 32,592	$ 23,087

City of Shaker Heights
Cuyahoga County, Ohio

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Law Enforcement Grant Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 6,000	$ 6,000	$ 6,000	$ 0
Charges for Services	2,350	2,350	640	(1,710)
Investment Earnings	0	0	12	12
Total Revenues	8,350	8,350	6,652	(1,698)
Expenditures:				
Current:				
Security of Persons and Property - Police	13,522	13,522	2,507	11,015
Net Change in Fund Balance	(5,172)	(5,172)	4,145	9,317
Beginning Cash Fund Balance	10,340	10,340	10,340	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(720)	(720)	(720)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(120)	(120)	(120)	0
Total Cash Fund Balance - December 31	$ 4,328	$ 4,328	13,645	$ 9,317
Reserved for Encumbrances - All Budget Years			720	
Total Cash Fund Balance - December 31			$ 14,365	

City of Shaker Heights

Cuyahoga County, Ohio

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Court Alternate Dispute Resolution Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 25,250	$ 25,250	$ 27,793	$ 2,543
Investment Earnings	100	100	57	(43)
Total Revenues	25,350	25,350	27,850	2,500
Expenditures:				
Current:				
General Government:				
Judicial System	24,054	24,054	23,479	575
Net Change in Fund Balance	1,296	1,296	4,371	3,075
Beginning Cash Fund Balance	55,879	55,879	55,879	0
Total Cash Fund Balance - December 31	$ 57,175	$ 57,175	$ 60,250	$ 3,075

City of Shaker Heights
Cuyahoga County, Ohio

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Ohio Court Security Project Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 9,000	$ 9,000	$ 8,665	$ (335)
Investment Earnings	0	0	32	32
Total Revenues	9,000	9,000	8,697	(303)
Expenditures:				
Current:				
General Government:				
Judicial System	14,294	14,294	8,870	5,424
Net Change in Fund Balance	(5,294)	(5,294)	(173)	5,121
Beginning Cash Fund Balance	31,857	31,857	31,857	0
Total Cash Fund Balance - December 31	$ 26,563	$ 26,563	31,684	$ 5,121
Reserved for Encumbrances - All Budget Years			840	
Total Cash Fund Balance - December 31			$ 32,524	

City of Shaker Heights
Cuyahoga County, Ohio
Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
High Intensity Drug Trafficking Area Grant Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 5,399,343	$ 5,409,343	$ 3,510,050	$ (1,899,293)
Expenditures:				
Current:				
Security of Persons and Property - Police	1,597,080	5,230,521	3,438,536	1,791,985
Excess of Revenues Over (Under) Expenditures	3,802,263	178,822	71,514	(107,308)
Other Financing Sources (Uses):				
Advances - In	0	0	10,000	10,000
Advances Out	(80,000)	(80,000)	(80,000)	0
Net Change in Fund Balance	3,722,263	98,822	1,514	(97,308)
Beginning Cash Fund Balance	103,093	103,093	103,093	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(79,071)	(79,071)	(79,071)	0
Total Cash Fund Balance - December 31	$ 3,746,285	$ 122,844	25,536	$ (97,308)
Reserved for Encumbrances - All Budget Years			9,000	
Total Cash Fund Balance - December 31			$ 34,536	

City of Shaker Heights

Cuyahoga County, Ohio

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -

Budget (Non-GAAP Budgetary Basis) and Actual

Housing Nuisance Abatement Fund

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 25,000	$ 25,000	$ 42,115	$ 17,115
Investment Earnings	0	0	79	79
Total Revenues	25,000	25,000	42,194	17,194
Net Change in Fund Balance	25,000	25,000	42,194	17,194
Beginning Cash Fund Balance	51,902	51,902	51,902	0
Ending Unreserved Cash Fund Balance	$ 76,902	$ 76,902	$ 94,096	$ 17,194

City of Shaker Heights

Cuyahoga County, Ohio

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -

Budget (Non-GAAP Budgetary Basis) and Actual

Indigent Interlock Device Fund

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 12,500	$ 12,500	$ 12,456	$ (44)
Investment Earnings	10	10	3	(7)
Total Revenues	12,510	12,510	12,459	(51)
Expenditures:				
Current:				
General Government:				
Judicial System	9,000	9,000	9,000	0
Net Change in Fund Balance	3,510	3,510	3,459	(51)
Beginning Cash Fund Balance	3,972	3,972	3,972	0
Total Cash Fund Balance - December 31	$ 7,482	$ 7,482	$ 7,431	$ (51)

City of Shaker Heights
Cuyahoga County, Ohio
Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Street Lighting Special Assessment Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	$ 579,643	$ 676,584	$ 573,535	$ (103,049)
Expenditures:				
Current:				
Security of Persons and Property - Other	712,872	842,872	842,677	195
Excess of Revenues Over (Under) Expenditures	(133,229)	(166,288)	(269,142)	(102,854)
Other Financing Sources (Uses):				
Transfers - In	155,000	155,000	265,000	110,000
Net Change in Fund Balance	21,771	(11,288)	(4,142)	7,146
Beginning Cash Fund Balance	85,051	85,051	85,051	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(73,762)	(73,762)	(73,762)	0
Ending Unreserved Cash Fund Balance	$ 33,060	$ 1	7,147	$ 7,146
Reserved for Encumbrances - All Budget Years			7,398	
Total Cash Fund Balance - December 31			$ 14,545	

City of Shaker Heights

Cuyahoga County, Ohio

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Tree Maintenance Special Assessment Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 980,348	$ 980,348	$ 760,110	$ (220,238)
Expenditures:				
Current:				
Housing and Community Development	984,286	984,286	768,640	215,646
Net Change in Fund Balance	(3,938)	(3,938)	(8,530)	(4,592)
Beginning Cash Fund Balance	68,468	68,468	68,468	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(59,873)	(59,873)	(59,873)	0
Ending Unreserved Cash Fund Balance	$ 4,657	$ 4,657	65	$ (4,592)
Reserved for Encumbrances - All Budget Years			17,568	
Total Cash Fund Balance - December 31			$ 17,633	

City of Shaker Heights
Cuyahoga County, Ohio
Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	$ 0	$ 0	$ 876	$ 876
Fines and Forfeitures	0	80,000	125,359	45,359
Other Revenues	0	0	11,655	11,655
Total Revenues	0	80,000	137,890	57,890
Expenditures:				
Current:				
Security of Persons and Property - Police	271,200	290,150	128,601	161,549
Excess of Revenues Over(Under) Expenditures	(271,200)	(210,150)	9,289	219,439
Other Financing Sources (Uses):				
Transfers - Out	0	(10,000)	(10,000)	0
Advances - In	0	0	80,000	80,000
Total Other Financing Sources (Uses)	0	(10,000)	70,000	80,000
Net Change in Fund Balance	(271,200)	(220,150)	79,289	299,439
Beginning Cash Fund Balance	832,227	832,227	832,227	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(4,065)	(4,065)	(4,065)	0
Total Cash Fund Balance - December 31	$ 556,962	$ 608,012	907,451	$ 299,439
Reserved for Encumbrances - All Budget Years			4,100	
Total Cash Fund Balance - December 31			$ 911,551	

City of Shaker Heights
Cuyahoga County, Ohio

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Debt Service Administration Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenditures:				
Current:				
General Government:				
Legislative and Executive	$ 12,000	$ 12,000	$ 2,500	$ 9,500
Debt Service:				
Principal Retirements	1,630,000	1,630,000	1,591,882	38,118
Interest and Fiscal Charges	22,695	22,695	22,561	134
Total Expenditures	1,664,695	1,664,695	1,616,943	47,752
Excess of Revenues Over (Under) Expenditures	(1,664,695)	(1,664,695)	(1,616,943)	47,752
Other Financing Sources (Uses):				
Proceeds from the Sale of Notes	1,230,000	1,230,000	1,027,278	(202,722)
Transfers - In	601,444	601,444	588,833	(12,611)
Total Other Financing Sources (Uses)	1,831,444	1,831,444	1,616,111	(215,333)
Net Change in Fund Balance	166,749	166,749	(832)	(167,581)
Beginning Cash Fund Balance	1,295,558	1,295,558	1,295,558	0
Ending Cash Fund Balance	$ 1,462,307	$ 1,462,307	$ 1,294,726	$ (167,581)

City of Shaker Heights

Cuyahoga County, Ohio

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Urban Renewal Bond Retirement Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	$ 928,247	$ 928,247	$ 799,784	$ (128,463)
Expenditures:				
Current:				
General Government:				
Legislative and Executive	8,000	8,000	7,635	365
Debt Service:				
Principal Retirements	760,000	760,000	760,000	0
Interest and Fiscal Charges	587,900	587,900	587,900	0
Total Expenditures	1,355,900	1,355,900	1,355,535	365
Excess of Revenues Over(Under) Expenditures	(427,653)	(427,653)	(555,751)	(128,098)
Other Financing Sources (Uses):				
Transfers - In	653,719	653,719	653,719	0
Net Change in Fund Balance	226,066	226,066	97,968	(128,098)
Beginning Cash Fund Balance	1,219,118	1,219,118	1,219,118	0
Total Cash Fund Balance - December 31	$ 1,445,184	$ 1,445,184	$ 1,317,086	$ (128,098)

City of Shaker Heights

Cuyahoga County, Ohio

Statement of Revenues, Expenses, Encumbrances and Changes in Fund Equity -

Budget (Non-GAAP Budgetary Basis) and Actual

Central Stores Fund

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Other Revenues	$ 822,048	$ 862,048	$ 612,474	$ (249,574)
Expenses:				
Contractual Services	27,490	27,490	11,730	15,760
Materials and Supplies	797,309	797,309	617,321	179,988
Total Expenses	824,799	824,799	629,051	195,748
Operating Income (Loss)	(2,751)	37,249	(16,577)	(53,826)
Other Financing Sources (Uses):				
Transfers Out	0	(20,000)	(20,000)	0
Advances - In	0	0	40,000	40,000
Net Change in Fund Equity	(2,751)	17,249	3,423	(13,826)
Beginning Cash Fund Equity	43,418	43,418	43,418	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(31,788)	(31,788)	(31,788)	0
Ending Unreserved Cash Fund Equity	$ 8,879	$ 28,879	$ 15,053	$ (13,826)

City of Shaker Heights
Cuyahoga County, Ohio
Statement of Revenues, Expenses, Encumbrances and Changes in Fund Equity -
Budget (Non-GAAP Budgetary Basis) and Actual
Copier Management Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Other Revenues	$ 46,000	$ 56,000	$ 36,202	$ (19,798)
Expenses:				
Contractual Services	46,000	46,000	36,857	9,143
Operating Income (Loss)	0	10,000	(655)	(10,655)
Other Financing Sources (Uses):				
Transfers Out	0	(10,000)	(10,000)	0
Advances - In	0	0	10,000	10,000
Net Change in Fund Equity	0	0	(655)	(655)
Beginning Cash Fund Equity	14,581	14,581	14,581	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(13,008)	(13,008)	(13,008)	0
Ending Unreserved Cash Fund Equity	$ 1,573	$ 1,573	918	$ (655)
Reserved for Encumbrances - All Budget Years			14,674	
Total Cash Fund Balance - December 31			$ 15,592	

City of Shaker Heights

Cuyahoga County, Ohio

Statement of Revenues, Expenses, Encumbrances and Changes in Fund Equity -

Budget (Non-GAAP Budgetary Basis) and Actual

Municipal Garage Fund

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Other Revenues	$ 1,232,161	$ 1,232,161	$ 998,094	$ (234,067)
Expenses:				
Personal Services	847,800	847,800	700,654	147,146
Travel and Education	2,402	2,402	711	1,691
Contractual Services	290,308	290,308	182,155	108,153
Materials and Supplies	72,940	72,940	60,833	12,107
Total Expenditures	1,213,450	1,213,450	944,353	269,097
Net Change in Fund Equity	18,711	18,711	53,741	35,030
Beginning Cash Fund Equity	153,476	153,476	153,476	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(10,073)	(10,073)	(10,073)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(86,869)	(86,869)	(86,869)	0
Ending Unreserved Cash Fund Equity	$ 75,245	$ 75,245	110,275	$ 35,030
Reserved for Encumbrances - All Budget Years			43,200	
Total Cash Fund Equity - December 31			$ 153,475	

City of Shaker Heights
Cuyahoga County, Ohio
Statement of Revenues, Expenses, Encumbrances and Changes in Fund Equity -
Budget (Non-GAAP Budgetary Basis) and Actual
Self Insurance Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Other Revenues	$ 4,602,193	$ 4,602,193	$ 4,458,805	$ (143,388)
Expenses:				
Personal Services	76,139	81,139	78,586	2,553
Travel and Education	453	453	0	453
Contractual Services	5,779,047	5,774,047	4,972,709	801,338
Materials and Supplies	854	854	939	(85)
Other Expenditures	100,000	100,000	115,778	(15,778)
Total Expenditures	5,956,493	5,956,493	5,168,012	788,481
Operating Income (Loss)	(1,354,300)	(1,354,300)	(709,207)	645,093
Other Financing Sources (Uses):				
Transfers - in	918,000	918,000	918,000	0
Net Change in Fund Equity	(436,300)	(436,300)	208,793	645,093
Beginning Cash Fund Equity	1,336,005	1,336,005	1,336,005	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(375,082)	(375,082)	(375,082)	0
Ending Unreserved Cash Fund Equity	$ 524,623	$ 524,623	1,169,716	$ 645,093
Reserved for Encumbrances - All Budget Years			873,484	
Total Cash Fund Equity - December 31			$ 2,043,200	

Internal Service Funds

These funds are used to account for the financing of goods or services provided by one department to other departments of the City, on a cost-reimbursement basis.

Central Purchasing Fund
To provide a central cost center to account for the purchasing of office supplies, road materials, sidewalk materials, fuel, fire hydrants, and other miscellaneous supplies to be charged back to the individual City departments as the supplies are drawn.

Copier Management Fund
To provide a central cost center to account for the cost of copying performed by City departments.

Municipal Garage Fund
To provide a central cost center to account for the cost of repairing and maintaining the City's fleet of vehicles and heavy equipment. Operating costs are charged back to City departments based upon the number of vehicles and equipment maintained and upon the department's actual utilization of the garage.

Self-Insurance Fund
To account for monies charged to the governmental funds of the City by the self-insurance reserve fund. Since 1986 the City has directly assumed the risk of loss from general liability claims. The self-insurance reserve fund was created by Council to provide for a loss reserve for the administration of the self-insurance activity and to account for the workers' compensation and hospitalization claims. The self-insurance reserve fund is not available to fund the general operations of the City.

City of Shaker Heights
Cuyahoga County, Ohio
Combining Statement of Fund Net Position
Nonmajor Internal Service Funds
December 31, 2015

	Central Purchasing Fund	Copier Management Fund	Municipal Garage Fund	Self-Insurance Fund	Totals
Assets					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	$ 15,055	$ 15,592	$ 153,476	$ 2,043,200	$ 2,227,323
Accounts Receivable	0	0	0	55,611	55,611
Prepaid Items	0	0	0	50,240	50,240
Materials and Supplies Inventory	220,236	0	0	0	220,236
Total Current Assets	235,291	15,592	153,476	2,149,051	2,553,410
Non-Current Assets:					
Net Pension Asset	0	0	1,590	173	1,763
Total Assets	235,291	15,592	155,066	2,149,224	2,555,173
Deferred Outflows of Resources					
Pension	0	0	84,691	9,233	93,924
Liabilities					
Current Liabilities:					
Accounts Payable	41,732	1,460	26,542	82,063	151,797
Accrued Wages and Benefits	0	0	28,496	0	28,496
Interfund Payable	40,000	10,000	0	0	50,000
Matured Compensated Absences	0	0	309	0	309
Claims Payable	0	0	0	1,000,247	1,000,247
Compensated Absences Payable	0	0	6,898	0	6,898
Total Current Liabilities	81,732	11,460	62,245	1,082,310	1,237,747
Long-Term Liabilities:					
Claims Payable - Net of Current Portion	0	0	0	933,725	933,725
Compensated Absences Payable - Net of Current Portion	0	0	92,436	0	92,436
Net Pension Liability	0	0	470,368	51,280	521,648
Total Long-Term Liabilities	0	0	562,804	985,005	1,547,809
Total Liabilities	81,732	11,460	625,049	2,067,315	2,785,556
Deferred Inflows of Resources					
Pension	0	0	8,749	954	9,703
Net Position					
Unrestricted	153,559	4,132	(394,041)	90,188	(146,162)
Total Net Position	$ 153,559	$ 4,132	$ (394,041)	$ 90,188	$ (146,162)

City of Shaker Heights
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2015

	Central Purchasing Fund	Copier Management Fund	Municipal Garage Fund	Self-Insurance Fund	Totals
Operating Revenues					
Charges for Services	$ 612,475	$ 0	$ 998,094	$ 4,425,895	$ 6,036,464
Other Revenues	0	36,202	0	88,521	124,723
Total Operating Revenues	612,475	36,202	998,094	4,514,416	6,161,187
Operating Expenses					
Personal Services	0	0	705,598	28,749	734,347
Contractual Services	12,582	35,666	235,542	5,060,838	5,344,628
Materials and Supplies	643,190	0	66,982	631	710,803
Other	0	0	0	53,120	53,120
Total Operating Expenses	655,772	35,666	1,008,122	5,143,338	6,842,898
Operating Income	(43,297)	536	(10,028)	(628,922)	(681,711)
Non-Operating Revenues (Expenses)					
Transfers In	0	0	0	918,000	918,000
Change in Net Position	(43,297)	536	(10,028)	289,078	236,289
Net Position Beginning of Year, Restated See Note 2	196,856	3,596	(384,013)	(198,890)	(382,451)
Net Position End of Year	$ 153,559	$ 4,132	$ (394,041)	$ 90,188	$ (146,162)

City of Shaker Heights
Cuyahoga County, Ohio
Statement of Cash Flows
Nonmajor Internal Service Funds
For the Year Ended December 31, 2015

	Central Purchasing Fund	Copier Management Fund	Municipal Garage Fund	Self-Insurance Fund	Total Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities					
Cash Received from Internal Services	$ 612,475	$ 0	$ 998,094	$ 4,370,284	$ 5,980,853
Cash Payments for Goods and Services	(31,093)	(35,191)	(230,564)	(4,582,639)	(4,879,487)
Cash Payments to Suppliers	(629,745)	0	(66,982)	(4,308)	(701,035)
Cash Payments to Employees	0	0	(700,548)	(29,543)	(730,091)
Other Operating Revenue	0	36,202	0	88,521	124,723
Other Cash Payments	0	0	0	(53,120)	(53,120)
Net Cash Provided by (Used for) Operating Activities	(48,363)	1,011	0	(210,805)	(258,157)
Cash Flows from Noncapital Financing Activities					
Advances In	40,000	10,000	0	0	50,000
Advances Out	(20,000)	(10,000)	0	0	(30,000)
Transfers In	0	0	0	918,000	918,000
Net Cash Provided by Noncapital Financing Activities	20,000	0	0	918,000	938,000
Net Increase (Decrease) in Cash and Investments	(28,363)	1,011	0	707,195	679,843
Cash and Investments Beginning of Year	43,418	14,581	153,476	1,336,005	1,547,480
Cash and Investments End of Year	$ 15,055	$ 15,592	$ 153,476	$ 2,043,200	$ 2,227,323
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating Income (Loss)	$ (43,297)	$ 536	$ (10,028)	$ (628,922)	$ (681,711)
Adjustments:					
(Increase) Decrease in Assets and Deferred Outflows:					
Accounts Receivable	0	0	0	(55,611)	(55,611)
Prepaid Items	0	0	0	(3,677)	(3,677)
Materials and Supplies Inventory	13,445	0	0	0	13,445
Net Pension Asset	0	0	(1,157)	(126)	(1,283)
Deferred Outflows - Pension	0	0	(25,502)	(2,780)	(28,282)
Increase (Decrease) in Liabilities and Deferred Inflows:					
Accounts Payable	(18,511)	475	4,978	(26,376)	(39,434)
Accrued Wages and Benefits	0	0	5,404	0	5,404
Compensated Absences Payable	0	0	6,623	0	6,623
Matured Compensated Absences Payable	0	0	309	0	309
Deferred Inflows - Pension	0	0	8,749	954	9,703
Net Pension Liability	0	0	10,624	1,158	11,782
Claims Payable	0	0	0	504,575	504,575
Net Cash Provided by (Used For) Operating Activities	$ (48,363)	$ 1,011	$ 0	$ (210,805)	$ (258,157)

Agency Funds

Agency funds are purely custodial (assets equals liabilities) and thus do not involve measurement of results of operations.

Public Art Deposit Fund
To encourage public art throughout the City and to allow residents to make donations in honor of services rendered by various City departments.

Obstruction Permit Deposit Fund
To account for the receipt of refundable deposits required of individuals to insure that obstructions or openings in public property created during construction are returned to pre-construction condition.

Excavating Permit Deposit Fund
To account for the receipt of refundable deposits required of individuals who wish to excavate and/or haul material over public property. The deposit is to guarantee that the public property will be cleaned and restored to its original condition and that the excavation, if any, will be properly guarded in accordance with applicable provisions of the City Code.

Unclaimed Monies Fund
Fund required by Ohio Revised Code to account for monies received or collected and not otherwise paid out according to law. Monies that are deemed to be unclaimed and credited to this fund that are not claimed within a five-year period revert to the general fund.

Municipal Court Fund
To account for assets received and disbursed by the Shaker Heights Municipal Court as agent or custodian related to civil and criminal court matters.

Contractor Deposit Fund
To account for the receipt of refundable deposits required of individuals who perform construction electrical, plumbing, sewer or HVAC work. The deposit is to guarantee that the work will be performed and inspected according to City Code.

Recreation Scholarship Fund
To account for funds solicited to be used for the purpose of providing financial aid and/or services to assist disadvantaged youth who otherwise could not afford to participate in various Recreation Department programs. The scholarship program is a non-profit corporation established under the authority of section 501(c) of the Internal Revenue Service Code.

Shaker Family Resource Center Fund
To account for assets held by the City as fiscal agent for the Shaker Family Resource Center, Inc. The purpose of this non-profit corporation is to enhance the quality of life for families with young children in the Shaker Heights City School District by providing educational, social, and recreational and support programs and services.

Agency Funds (continued)

Board of Building Standards Fund
To account for state mandated fees collected by the City's Building Department relating to the acceptance, review and approval of building plans and specifications. An amount equal to 3% of fees imposed must be remitted on a monthly basis to the State of Ohio Department of Industrial Relations.

Heights Area Special Rescue Team Fund
To account for assets held by the City for the Heights Area Special Rescue Team (HASRT).

Cleveland Waterline Projects Fund
In 2007, the City transferred ownership and replacement responsibilities of its waterlines to the City of Cleveland. The City also entered into an agreement with the Cleveland Division of Water under which the City of Shaker Heights would manage and design the projects of which the Division of Water would pay for. This fund is to account for funds received by the Cleveland Division of Water to be expensed for the design and construction of such projects.

Shaker Heights Development Corporation Fund
To account for the purposes of the Community Improvement Corporation, also known as the Shaker Heights Development Corporation which includes seeking corporate and other private sponsorships and contributions and foundation, federal and state grants to be used for economic development in the City.

Shaker Cuyahoga Credit Enhancement Fund
To account for the purposes of the agreement with Cuyahoga County for the City County SBA loan program. Funding from the City and County to fund forgivable loans is deposited into the fund. Loan payments are made from the fund for credit enhanced SBA loans to local businesses that meet the qualifications of the City County loan program.

City of Shaker Heights
Cuyahoga County, Ohio
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2015

	Beginning Balance 12/31/2014	Additions	Reductions	Ending Balance 12/31/2015
Public Art Deposit Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 2,531	$ 8,300	$ 2,500	$ 8,331
Total Assets	$ 2,531	$ 8,300	$ 2,500	$ 8,331
Liabilities				
Deposits Held and Due to Others	$ 2,531	$ 8,300	$ 2,500	$ 8,331
Total Liabilities	$ 2,531	$ 8,300	$ 2,500	$ 8,331
Obstruction Permit Deposit Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 52,150	$ 4,880	$ 0	$ 57,030
Total Assets	$ 52,150	$ 4,880	$ 0	$ 57,030
Liabilities				
Deposits Held and Due to Others	$ 52,150	$ 4,880	$ 0	$ 57,030
Total Liabilities	$ 52,150	$ 4,880	$ 0	$ 57,030
Excavating Permit Deposit Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 13,125	$ 710	$ 0	$ 13,835
Total Assets	$ 13,125	$ 710	$ 0	$ 13,835
Liabilities				
Deposits Held and Due to Others	$ 13,125	$ 710	$ 0	$ 13,835
Total Liabilities	$ 13,125	$ 710	$ 0	$ 13,835
Unclaimed Monies Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 184,697	$ 72,862	$ 160,401	$ 97,158
Total Assets	$ 184,697	$ 72,862	$ 160,401	$ 97,158
Liabilities				
Deposits Held and Due to Others	$ 184,697	$ 72,862	$ 160,401	$ 97,158
Total Liabilities	$ 184,697	$ 72,862	$ 160,401	$ 97,158
Municipal Court Fund				
Assets				
Cash in Segregated Accounts	$ 726,362	$ 707,584	$ 726,362	$ 707,584
Total Assets	$ 726,362	$ 707,584	$ 726,362	$ 707,584
Liabilities				
Intergovernmental Payable	$ 366,498	$ 360,427	$ 366,498	$ 360,427
Deposits Held and Due to Others	359,864	347,157	359,864	347,157
Total Liabilities	$ 726,362	$ 707,584	$ 726,362	$ 707,584

(continued)

City of Shaker Heights
Cuyahoga County, Ohio
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2015

	Beginning Balance 12/31/2014	Additions	Reductions	Ending Balance 12/31/2015
Contractor Deposit Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 74,070	$ 0	$ 0	$ 74,070
Total Assets	$ 74,070	$ 0	$ 0	$ 74,070
Liabilities				
Deposits Held and Due to Others	$ 74,070	$ 0	$ 0	$ 74,070
Total Liabilities	$ 74,070	$ 0	$ 0	$ 74,070
Recreation Scholarship Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 26,990	$ 3,426	$ 7,248	$ 23,168
Total Assets	$ 26,990	$ 3,426	$ 7,248	$ 23,168
Liabilities				
Deposits Held and Due to Others	$ 26,990	$ 3,426	$ 7,248	$ 23,168
Total Liabilities	$ 26,990	$ 3,426	$ 7,248	$ 23,168
Shaker Family Resource Center Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 0	$ 845,090	$ 845,090	$ 0
Total Assets	$ 0	$ 845,090	$ 845,090	$ 0
Liabilities				
Deposits Held and Due to Others	$ 0	$ 845,090	$ 845,090	$ 0
Total Liabilities	$ 0	$ 845,090	$ 845,090	$ 0
Board of Building Standards Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 2,460	$ 3,261	$ 2,783	$ 2,938
Total Assets	$ 2,460	$ 3,261	$ 2,783	$ 2,938
Liabilities				
Intergovernmental Payable	$ 2,460	$ 3,261	$ 2,783	$ 2,938
Total Liabilities	$ 2,460	$ 3,261	$ 2,783	$ 2,938
Heights Area Special Rescue Team Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 66,424	$ 42,034	$ 44,835	$ 63,623
Total Assets	$ 66,424	$ 42,034	$ 44,835	$ 63,623
Liabilities				
Intergovernmental Payable	$ 66,424	$ 42,034	$ 44,835	$ 63,623
Total Liabilities	$ 66,424	$ 42,034	$ 44,835	$ 63,623

(continued)

City of Shaker Heights
Cuyahoga County, Ohio
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2015

	Beginning Balance 12/31/2014	Additions	Reductions	Ending Balance 12/31/2015
Cleveland Waterline Projects Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 1,528,806	$ 0	$ 1,268,443	$ 260,363
Total Assets	$ 1,528,806	$ 0	$ 1,268,443	$ 260,363
Liabilities				
Intergovernmental Payable	$ 1,528,806	$ 0	$ 1,268,443	$ 260,363
Total Liabilities	$ 1,528,806	$ 0	$ 1,268,443	$ 260,363
Shaker Heights Development Corporation Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 305,528	$ 221,082	$ 258,408	$ 268,202
Mortgage Loan Receivable	114,570	0	9,437	105,133
Prepaid Expenses	14,507	0	14,507	0
Total Assets	$ 434,605	$ 221,082	$ 282,352	$ 373,335
Liabilities				
Deposits Held and Due to Others	$ 407,149	$ 221,082	$ 282,096	$ 346,135
Loans Payable	27,200	0	0	27,200
Accrued Interest Payable	256	0	256	0
Total Liabilities	$ 434,605	$ 221,082	$ 282,352	$ 373,335
Shaker Cuyahoga Credit Enhancement Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 500,000	$ 0	$ 59,012	$ 440,988
Prepaid Expenses	$ 500,000	$ 0	$ 59,012	$ 440,988
Total Assets				
Liabilities				
Undistributed Monies	$ 500,000	$ 0	$ 59,012	$ 440,988
Total Liabilities	$ 500,000	$ 0	$ 59,012	$ 440,988
Total Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 2,756,781	$ 1,201,645	$ 2,648,720	$ 1,309,706
Cash in Segregated Accounts	726,362	707,584	726,362	707,584
Mortgage Loan Receivable	114,570	0	9,437	105,133
Prepaid Expenses	14,507	0	14,507	0
Total Assets	$ 3,612,220	$ 1,909,229	$ 3,399,026	$ 2,122,423
Liabilities				
Intergovernmental Payable	$ 1,964,188	$ 405,722	$ 1,682,559	$ 687,351
Deposits Held and Due to Others	1,120,576	1,503,507	1,657,199	966,884
Loans Payable	27,200	0	0	27,200
Undistributed Monies	500,000	0	59,012	440,988
Accrued Interest Payable	256	0	256	0
Total Liabilities	$ 3,612,220	$ 1,909,229	$ 3,399,026	$ 2,122,423

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STATISTICAL SECTION

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Statistical Section

This part of the City of Shaker Heights'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 S-2 - S-9

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

Revenue Capacity S-10 - S-17

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

Debt Capacity S-18 - S-23

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.

Economic and Demographic Information S-25 - S-27

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

Operating Information S-28 - S-35

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.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant fiscal year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that fiscal year.

With the implementation of GASB 68 in 2015, the calculation of pension expense has changed; however, government-wide expenses for 2014 and prior years were not restated to reflect this change.

City of Shaker Heights, Ohio

Net Position By Component
Last Ten Years
(Accrual Basis of Accounting)

	2015	Restated 2014	2013	2012	2011
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	$ 69,897,453	$ 67,676,056	$ 66,942,897	$ 64,688,653	$ 63,654,963
Restricted:					
Capital Projects	11,284,974	12,231,909	11,678,193	11,050,910	12,883,372
Debt Service	1,269,277	1,170,127	699,569	788,674	468,541
Streets	719,628	930,033	1,109,236	613,312	611,464
Public Safety	2,990,023	2,447,391	2,396,924	2,247,417	2,125,142
Judicial Services	805,341	763,332	759,162	724,055	641,793
Tree Maintenance	774,319	794,291	0	0	0
Other	151,572	134,469	155,184	25,124	58,137
Unrestricted	(959,568)	(4,364,283)	28,656,421	22,894,998	24,708,622
Total Governmental Activities Net Assets	$ 86,933,019	$ 81,783,325	$ 112,397,586	$ 103,033,143	$ 105,152,034

In 2013, the City implemented GASB 65, which resulted in the bond issuance costs to be expenses in the year incurred. Prior year information has been adjusted for the implementation of the Statement.

Note: Restricted for tree maintenance has been separately displayed starting in 2014. It was previously included in unrestricted.

Source: City Financial Records

2010	2009	2008	2007	2006
$ 61,972,614	$ 61,712,406	$ 58,708,166	$ 44,729,593	$ 39,706,310
16,187,786	18,947,218	25,606,578	31,339,125	38,040,586
1,745,316	1,237,432	915,681	0	0
690,153	724,281	906,871	0	0
1,492,645	1,724,661	1,342,216	0	0
710,352	637,338	555,708	0	0
0	0	0	0	0
0	0	0	193,610	665,036
20,655,757	19,904,961	15,311,338	26,003,445	23,169,111
$ 103,454,623	$ 104,888,297	$ 103,346,558	$ 102,265,773	$ 101,581,043

City of Shaker Heights, Ohio

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

	2015	2014	2013	2012	2011
Program Revenues					
Governmental Activities:					
Charges for Services:					
Security of Persons and Property	$ 1,390,008	$ 1,612,394	$ 1,541,393	$ 1,412,424	$ 1,410,277
Public Health Services	64,469	47,160	45,760	77,494	70,806
Leisure Time Activities	1,784,639	1,888,776	1,765,547	1,803,925	1,843,213
Housing and Community Development	2,730,614	2,976,704	2,504,699	733,415	2,199,232
Sanitation and Sewer Services	1,051,180	1,092,872	1,108,678	1,144,334	1,093,240
Street Maintenance and Repair	113	147	0	1,804	1,480
Public Works - Other	727,391	658,313	748,217	567,532	627,503
General Government	2,091,917	2,488,869	2,690,130	2,399,937	3,047,272
Operating Grants and Contributions:					
Security of Persons and Property	4,132,929	3,934,416	3,827,620	3,744,393	3,689,869
Public Health Services	33,119	36,711	59,981	35,562	43,876
Leisure Time Activities	15,807	0	0	0	0
Housing and Community Development	52,615	40,719	637,217	161,430	207,980
Sanitation and Sewer Services	308	0	16,277	0	0
Street Maintenance and Repair	1,114,270	0	0	0	0
Public Works - Other	0	0	0	45,000	0
General Government	72,597	17,000	42,294	26,794	45,202
Capital Grants and Contributions:					
Security of Persons and Property	0	0	2,500	2,489	3,950
Public Health Services	0	0	0	0	0
Housing and Community Development	0	0	5,252	283,790	559,951
Sanitation and Sewer Services	0	0	0	0	0
Street Maintenance and Repair	856,315	0	0	0	0
Public Works - Other	0	0	0	0	0
General Government	0	0	0	150,000	145,468
Total Governmental Activities Program Revenues	16,118,291	14,794,081	14,995,565	12,590,323	14,989,319
Expenses					
Governmental Activities:					
Security of Persons and Property	23,192,181	23,341,934	22,898,446	22,958,313	22,250,251
Public Health and Welfare	418,461	420,084	378,658	579,141	572,027
Leisure Time Activities	3,913,273	3,993,567	4,166,858	3,980,612	4,036,350
Housing and Community Development	6,149,090	5,658,971	5,473,863	5,947,226	5,377,610
Sanitation and Sewer Services	4,097,422	5,314,960	4,964,310	4,781,961	4,433,164
Street Maintenance and Repair	4,341,647	3,462,608	2,504,237	2,896,453	2,983,859
Public Works - Other	2,343,649	2,474,210	2,092,510	2,496,087	2,502,961
General Government	7,554,498	7,309,823	7,455,094	7,362,601	7,476,927
Interest and Fiscal Charges	643,523	658,444	671,152	713,001	902,508
Total Governmental Activities Expenses	52,653,744	52,634,601	50,605,128	51,715,395	50,535,657
Net (Expense)/Revenue					
Governmental Actvities	(36,535,453)	(37,840,520)	(35,609,563)	(39,125,072)	(35,546,338)
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Property Taxes	6,312,482	6,212,760	6,402,845	6,760,102	6,811,309
Income and Other Taxes	31,707,723	29,236,804	33,202,434	23,274,622	21,442,300
Grants, Entitlements and Estate Taxes	3,289,349	4,244,813	5,221,684	6,711,782	8,459,326
Investment Earnings	6,863	58,812	26,440	39,437	345,261
Miscellaneous Income	368,730	219,399	120,603	220,238	185,553
Special Item	0	0	0	0	0
Total Governmental Activites	41,685,147	39,972,588	44,974,006	37,006,181	37,243,749
Change in Net Assets					
Governmental Activities	$ 5,149,694	$ 2,132,068	$ 9,364,443	$ (2,118,891)	$ 1,697,411

In 2013, the City implemented GASB 65, which resulted in the bond issuance costs to be expenses in the year incurred. Prior year information has been adjusted for the implementation of the Statement.

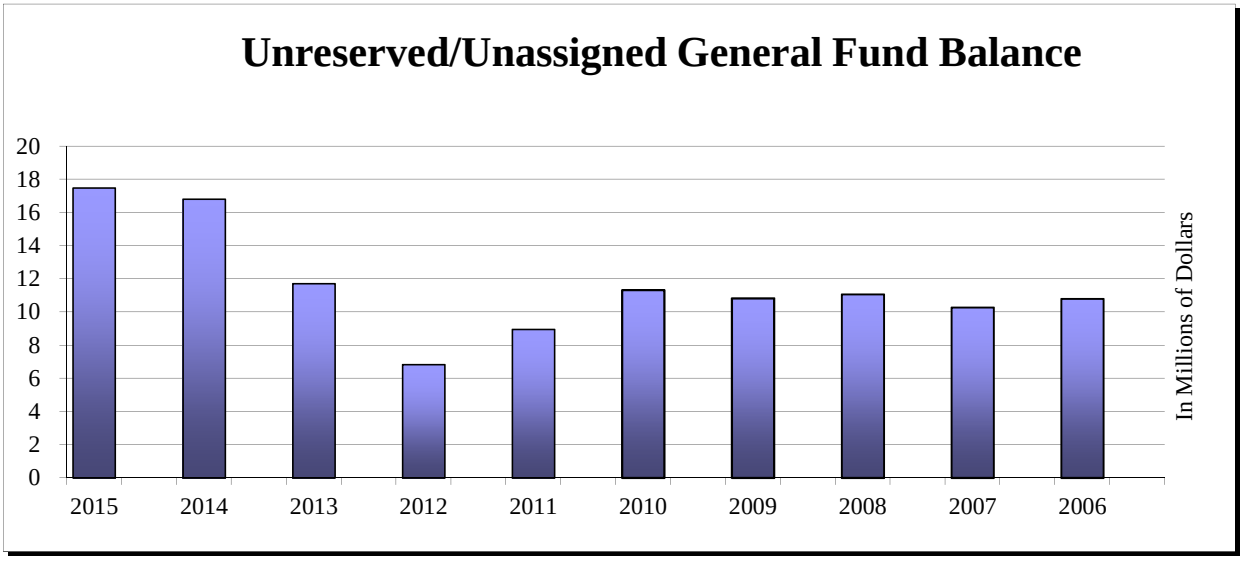
In 2015, gasoline tax and motor vehicle license fees were reclassified from general revenues - grants, entitlements and estate taxes to program revenues - operating grants and contributions offset against street maintenance and repair.

Source: City Financial Records

2010	2009	2008	2007	2006
$ 1,228,766	$ 1,013,943	$ 1,340,465	$ 860,784	$ 908,354
88,852	70,133	80,210	82,688	80,425
1,758,484	1,754,838	1,827,419	1,884,955	1,818,800
2,412,588	2,504,195	2,117,015	1,528,272	1,692,407
1,187,478	1,333,696	1,541,510	1,504,818	1,419,346
2,322	8,231	8,238	219,668	205,733
671,940	707,206	711,143	545,830	538,584
2,916,571	2,708,388	2,613,369	2,602,509	2,645,655
3,670,356	4,293,912	4,895,746	2,218,326	3,671,222
103,824	4,780	0	26,114	34,335
0	0	0	1,683	4,238
331,218	44,215	35,976	116,139	135,317
277,697	295,303	5,901	0	0
0	0	0	0	0
0	0	0	0	0
15,294	13,000	40,987	75	140
6,169	4,000	5,000	0	0
0	0	0	0	0
47,504	188,689	1,701,268	163,667	17,531
0	298,216	1,467,333	0	0
0	1,940	508,705	0	0
0	0	0	465,443	7,954,422
0	0	0	0	0
14,719,063	15,244,685	18,900,285	12,220,971	21,126,509
21,919,064	23,988,819	23,458,781	23,903,946	22,068,064
590,758	692,906	448,703	563,495	558,169
3,847,435	4,039,556	3,877,476	3,664,496	4,137,650
6,381,587	7,441,799	6,989,574	7,240,967	7,215,561
4,737,490	4,024,723	5,018,134	2,167,731	2,830,739
2,923,298	2,388,186	2,817,752	2,181,766	2,181,740
2,913,412	2,971,552	3,905,495	2,938,506	3,492,889
7,169,311	6,729,574	7,087,741	6,427,598	6,297,348
1,012,429	928,950	1,001,492	1,048,868	1,076,682
51,494,784	53,206,065	54,605,148	50,137,373	49,858,842
(36,775,721)	(37,961,380)	(35,704,863)	(37,916,402)	(28,732,333)
6,990,638	8,579,190	8,224,540	8,966,264	7,380,267
19,777,714	19,523,078	20,819,652	23,244,676	18,002,688
6,721,784	7,372,760	5,670,500	7,752,673	17,249,741
528,639	289,963	629,378	1,963,517	2,411,188
485,557	451,678	232,203	218,240	47,621
0	0	0	(1,731,108)	0
34,504,332	36,216,669	35,576,273	40,414,262	45,091,505
$ (2,271,389)	$ (1,744,711)	$ (128,590)	$ 2,497,860	$ 16,359,172

City of Shaker Heights, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2015	2014	2013	2012	2011
General Fund					
Nonspendable	$ 162,467	$ 145,338	$ 79,771	$ 195,565	$ 150,924
Committed	61,746	86,712	197,711	292,726	443,724
Assigned	7,797,286	6,318,448	8,162,882	12,451,743	9,150,763
Unassigned	17,485,238	16,818,500	11,712,915	6,836,659	8,957,461
Reserved	0	0	0	0	0
Unreserved	0	0	0	0	0
Total General Fund	25,506,737	23,368,998	20,153,279	19,776,693	18,702,872
All Other Governmental Funds					
Restricted	4,784,536	3,881,400	4,236,402	3,783,070	3,623,543
Committed	12,427,440	14,584,343	14,331,748	13,791,986	15,805,315
Unassigned	(402,506)	(155,539)	(89,848)	(374,370)	(411,512)
Reserved	0	0	0	0	0
Unreserved, Undesignated, Reported in:					
Special Revenue funds	0	0	0	0	0
Debt Service funds	0	0	0	0	0
Capital Projects funds	0	0	0	0	0
Total All Other Governmental Funds	16,809,470	18,310,204	18,478,302	17,200,686	19,017,346
Total Governmental Funds	$ 42,316,207	$ 41,679,202	$ 38,631,581	$ 36,977,379	$ 37,720,218



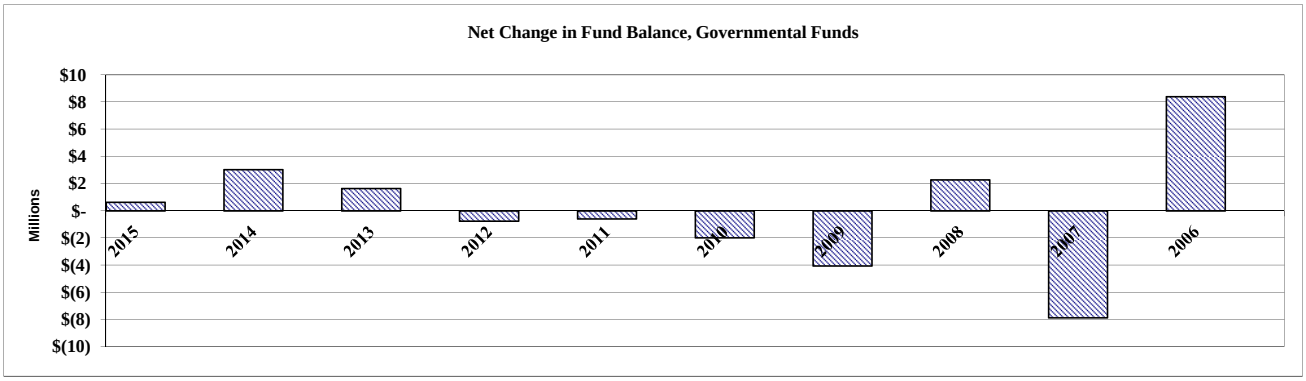
Note: The City implemented GASB Statement No. 54 in 2011, resulting in the reclassification of fund balances

2010	2009	2008	2007	2006
635,380	672,271	658,094	737,765	645,010
11,325,272	10,832,936	11,068,444	10,277,756	10,800,682
11,960,652	11,505,207	11,726,538	11,015,521	11,445,692
0	0	0	0	0
5,385,836	5,917,500	8,286,921	21,462,206	25,400,516
7,617,822	8,165,918	5,830,175	3,638,148	4,625,921
1,657,429	1,043,472	793,110	(6,320,440)	(6,444,691)
11,679,020	13,653,858	17,703,298	10,321,345	12,940,408
26,340,107	28,780,748	32,613,504	29,101,259	36,522,154
$ 38,300,759	$ 40,285,955	$ 44,340,042	$ 40,116,780	$ 47,967,846

City of Shaker Heights, Ohio

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

	2015	2014	2013	2012	2011
Revenues					
Property taxes	$ 6,318,907	$ 6,435,800	$ 6,350,984	$ 6,754,730	$ 6,768,107
Municipal Income Taxes	32,322,789	31,341,737	28,058,616	22,230,968	21,185,654
Other Local Taxes	47,244	65,231	78,817	48,432	63,867
Intergovernmental and Estate Taxes	7,810,605	8,319,959	10,295,949	11,348,788	13,177,336
Charges for Services	6,850,563	6,648,614	6,659,388	7,106,179	6,949,653
Fees, Licenses and Permits	1,272,257	1,186,841	1,023,505	684,178	639,272
Fines and Forfeitures	570,441	813,715	1,018,393	914,175	940,688
Special Assessments	1,492,221	1,485,323	1,489,288	1,476,080	1,559,342
Interest Earnings	2,500	63,187	40,290	61,853	352,822
Other Revenue	343,664	319,100	225,324	286,778	321,243
Total Revenues	57,031,191	56,679,507	55,240,554	50,912,161	51,957,984
Expenditures					
Current:					
Security of Persons and Property	22,357,798	23,536,042	23,148,941	21,899,899	21,747,850
Public Health and Welfare	414,237	421,555	401,993	559,412	596,372
Leisure Time Activities	3,764,184	3,574,222	3,853,301	3,508,357	3,513,027
Housing and Community Development	6,217,708	5,645,429	7,030,086	6,106,375	5,935,701
Sanitation and Sewer Services	4,799,429	4,805,347	4,631,355	4,359,148	4,023,249
Street Maintenance and Repair	5,214,263	3,876,660	3,268,737	3,609,356	3,552,894
Public Works - Other	2,856,532	2,826,772	2,680,815	2,557,354	2,515,800
General Government	7,704,541	7,332,496	7,197,757	6,895,735	7,510,586
Debt Service:					
Principal Retirement	2,576,173	2,784,346	3,209,712	3,582,069	3,983,104
Interest and Fiscal Charges	628,358	636,275	641,869	542,033	903,912
Debt Issuance Costs	0	0	0	176,460	0
Total Expenditures	56,533,223	55,439,144	56,064,566	53,796,198	54,282,495
Excess of Revenues Over (Under) Expenditures	497,968	1,240,363	(824,012)	(2,884,037)	(2,324,511)
Other Financing Sources (Uses)					
Transfers In	8,743,637	7,536,702	8,156,438	4,671,495	5,149,498
Transfers Out	(9,661,637)	(7,536,702)	(8,156,438)	(4,671,495)	(5,775,498)
Issuance of Notes	1,025,000	1,230,000	1,955,000	15,370,000	2,250,000
Proceeds from Inception of Capital Leases	0	540,000	488,389	0	0
Proceeds from Sale of Assets	29,759	29,534	34,825	51,569	119,970
Payment to Refunded Bond escrow Agent	0	0	0	(13,744,754)	0
Premium on Sale of Bonds	0	0	0	464,383	0
Premium on Debt Issuance	2,278	7,724	0	0	0
Total Other Financing Sources (Uses)	139,037	1,807,258	2,478,214	2,141,198	1,743,970
Net Change in Fund Balances	$ 637,005	$ 3,047,621	$ 1,654,202	$ (742,839)	$ (580,541)
Debt Service as a Percentage of Noncapital Expenditures	6.29%	6.51%	7.52%	8.09%	9.60%



2010	2009	2008	2007	2006
$ 6,992,558	$ 8,399,301	$ 8,256,559	$ 8,889,841	$ 7,428,674
19,562,027	20,144,932	20,840,303	20,246,324	19,886,483
46,219	53,478	55,599	68,772	72,795
11,158,151	12,338,984	14,936,366	10,218,683	29,295,902
7,042,983	6,538,429	6,591,980	6,508,530	6,843,816
674,820	577,437	764,096	746,352	848,307
740,453	1,069,127	995,703	1,007,083	1,007,772
1,805,098	1,830,121	1,767,705	1,437,429	1,551,355
514,234	254,263	585,912	1,851,297	2,310,585
694,612	669,754	490,070	633,891	879,638
49,231,155	51,875,826	55,284,293	51,608,202	70,125,327
22,096,210	23,577,387	24,202,081	23,574,673	22,052,139
584,712	572,755	529,080	558,251	556,927
4,155,613	3,634,079	3,750,314	7,555,496	4,832,651
6,748,290	7,555,641	8,985,556	7,347,631	8,487,286
4,697,166	5,031,160	7,498,220	4,242,460	4,719,322
3,598,187	3,345,052	3,280,365	4,300,875	2,520,981
2,428,497	2,692,495	2,611,414	3,454,788	3,980,129
6,952,171	6,400,685	7,113,939	6,645,189	5,732,134
1,993,420	9,239,281	2,407,571	2,960,142	10,520,233
903,720	990,355	966,611	1,084,763	1,101,485
0	107,854	0	0	0
54,157,986	63,146,744	61,345,151	61,724,268	64,503,287
(4,926,831)	(11,270,918)	(6,060,858)	(10,116,066)	5,622,040
4,249,037	9,351,044	3,993,546	3,748,042	4,495,644
(4,249,037)	(10,151,044)	(4,293,546)	(3,748,042)	(4,495,644)
2,902,697	7,775,852	8,660,000	2,265,000	2,800,000
0	0	0	0	0
38,938	64,482	0	0	0
0	0	0	0	0
0	176,497	0	0	0
0	0	0	0	0
2,941,635	7,216,831	8,360,000	2,265,000	2,800,000
$ (1,985,196)	$ (4,054,087)	$ 2,299,142	$ (7,851,066)	$ 8,422,040
3.97%	17.77%	6.30%	7.36%	19.35%

City of Shaker Heights, Ohio

Assessed Valuation and Estimated Actual Values of Taxable Property
Last Ten Years

	Real Property			Tangible Personal Property	
				Public Utility	
Tax Year/ Collection Year	Assessed Value Residential/ Agricultural	Assessed Value Commercial Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
2015/2016	$ 703,768,590	$ 61,360,410	$ 2,186,082,857	$ 12,856,760	$ 15,125,600
2014/2015	667,543,300	60,600,020	2,080,409,486	12,608,470	14,833,494
2013/2014	672,548,880	65,420,350	2,108,483,514	12,043,740	14,169,106
2012/2013	673,206,300	65,937,850	2,111,840,429	11,032,190	12,979,047
2011/2012	732,444,900	68,203,140	2,287,565,829	10,219,200	12,022,588
2010/2011	742,089,560	69,308,540	2,318,280,286	9,886,420	11,631,082
2009/2010	742,998,900	72,785,870	2,330,813,629	9,657,800	11,362,118
2008/2009	801,142,110	75,467,590	2,504,599,143	9,080,760	10,683,247
2007/2008	803,262,820	72,752,030	2,502,899,571	8,674,200	10,204,941
2006/2007	805,954,540	76,868,340	2,522,351,086	13,511,530	15,354,011

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 was phased out by the State of Ohio. For collection year 2007 both types of general business tangible personal property were assessed at 12.5 percent. The percentage was 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.

(1) Tax rates are per $1,000 of assessed value

Source: Cuyahoga County Fiscal Officer

Tangible Personal Property					
General Business			Total		
Assessed Value	Estimated Actual Value	Total Direct Rate (1)	Assessed Value	Estimated Actual Value	Ratio
$ 0	$ 0	9.90	$ 777,985,760	$ 2,201,208,457	35.34%
0	0	9.90	740,751,790	2,095,242,980	35.35%
0	0	9.90	750,012,970	2,122,652,620	35.33%
0	0	9.90	750,176,340	2,124,819,476	35.31%
0	0	9.90	810,867,240	2,299,588,417	35.26%
0	0	9.90	821,284,520	2,329,911,368	35.25%
0	0	9.90	825,442,570	2,342,175,747	35.24%
3,788,537	30,308,296	9.90	889,478,997	2,545,590,686	34.94%
6,129,221	49,033,768	9.90	890,818,271	2,562,138,280	34.77%
8,478,082	45,216,437	9.90	904,812,492	2,582,921,534	35.03%

City of Shaker Heights, Ohio

Property Tax Rates - Direct and Overlapping Governments
(Per $1,000 of Assessed Valuation)
Last Ten Years

	2015	2014	2013	2012	2011
Unvoted Millage					
Operating	$ 3.80	$ 3.80	$ 3.80	$ 3.80	$ 3.80
Fire Pension	0.30	0.30	0.30	0.30	0.30
Police Pension	0.30	0.30	0.30	0.30	0.30
Total Unvoted Millage	$ 4.40	$ 4.40	$ 4.40	$ 4.40	$ 4.40
Charter Millage					
1976 Charter/Current Expense	2.50	2.50	2.50	2.50	2.50
1976 Charter/Current expense	3.00	3.00	3.00	3.00	3.00
Total Charter Millage	5.50	5.50	5.50	5.50	5.50
Total Millage	$ 9.90	$ 9.90	$ 9.90	$ 9.90	$ 9.90
Overlapping Rates by Taxing District					
Shaker Heights City School District Voted Millage	186.73	186.83	179.93	$ 180.13	$ 180.13
Effective Millage Rates					
Residential/Agricultural Real	94.56	99.07	91.73	91.80	86.45
Commercial/Industrial and Public Utility	127.86	126.99	117.12	116.21	114.08
Tangible/Public Utility Personal	186.73	186.83	179.93	180.13	180.13
Cuyahoga County Voted Millage	20.93	20.93	20.03	18.30	18.30
Effective Millage Rates					
Residential/Agricultural Real	20.64	20.9	20.0	18.28	18.12
Commercial/Industrial and Public Utility	20.92	20.9	19.8	17.96	17.65
Tangible/Public Utility Personal	20.93	20.93	20.03	18.30	18.30
Shaker Heights Public Library Voted Millage	4.00	4.00	4.00	4.00	4.00
Effective Millage Rates					
Residential/Agricultural Real	4.00	4.00	4.00	4.00	4.00
Commercial/Industrial and Public Utility	4.00	4.00	4.00	4.00	4.00
Tangible/Public Utility Personal	4.00	4.00	4.00	4.00	4.00

Source: Cuyahoga County Fiscal Office

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

Charter millage is consistently applied to all types of property

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

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

Cuyahoga County millage for 2015 includes voted rate of 14.05 mills for County government, 2.75 mills for Cleveland Metroparks, 4.0 mills for Cuyahoga Community College and 0.13 mills for the Cleveland Cuyahoga Port Authority.

2010	2009	2008	2007	2006
$ 3.80	$ 3.80	$ 3.80	$ 3.80	$ 3.80
0.30	0.30	0.30	0.30	0.30
0.30	0.30	0.30	0.30	0.30
$ 4.40	$ 4.40	$ 4.40	$ 4.40	$ 4.40
2.50	2.50	2.50	2.50	2.50
3.00	3.00	3.00	3.00	3.00
5.50	5.50	5.50	5.50	5.50
$ 9.90	$ 9.90	$ 9.90	$ 9.90	$ 9.90
$ 180.13	$ 170.60	$ 170.60	$ 170.30	$ 170.30
85.74	76.10	71.00	70.47	70.36
113.05	100.74	98.68	96.61	95.58
180.13	170.60	170.60	170.30	170.30
18.40	18.10	18.10	18.20	18.30
18.18	17.69	16.82	16.03	16.02
17.69	17.26	17.21	16.83	17.13
18.40	18.10	18.10	18.20	18.30
4.00	4.00	4.00	4.00	4.00
4.00	4.00	4.00	3.18	3.52
4.00	4.00	4.00	3.83	4.00
4.00	4.00	4.00	4.00	4.00

City of Shaker Heights, Ohio

Property Tax Levies And Collections
Last Ten Years

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections
2015	$ 8,186,675	$ 7,766,018	94.86%	$ 289,463	$ 8,055,481
2014	8,113,207	7,682,072	94.69%	301,800	7,983,872
2013	8,198,891	7,472,109	91.14%	277,981	7,750,090
2012	9,080,731	8,531,384	93.95%	329,361	8,860,745
2011	9,891,562	8,736,283	88.32%	340,098	9,076,381
2010	9,786,293	8,739,013	89.30%	453,454	9,192,467
2009	9,491,217	8,898,903	93.76%	373,629	9,272,532
2008	9,283,993	8,788,652	94.66%	361,039	9,149,691
2007	9,276,821	8,714,549	93.94%	450,287	9,164,836
2006	8,376,278	7,925,497	94.62%	418,990	8,344,487

Source: Cuyahoga County Fiscal Officer

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

Note: The County does not identify delinquent collections by the year for which the tax was levied.

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
98.40%	$ 679,726	8.30%
98.41%	686,510	8.46%
94.53%	1,096,196	13.37%
97.58%	1,031,611	11.36%
91.76%	1,029,675	10.41%
93.93%	988,911	10.11%
97.70%	842,165	8.87%
98.55%	433,822	4.67%
98.79%	657,326	7.09%
99.62%	561,799	6.71%

City of Shaker Heights, Ohio
Principal Taxpayers - Real Estate Tax
2015 and 2006

	2015	
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
The Cleveland Electric Illuminating Company	$ 9,514,030	1.22%
Shaker MLZ	4,106,080	0.53%
Tower East Operating Assoc.	2,999,610	0.39%
Oliver Family LTD	2,301,320	0.30%
East Ohio Gas Company	1,903,450	0.24%
The Residences at Avalon Station, LLC	1,493,680	0.19%
American Transmission System	1,439,280	0.19%
Van Aken Shopping Center, LTD	1,349,120	0.17%
Shaker Plaza LTD	1,343,760	0.17%
Kirt Montlack, LTD	1,202,190	0.15%
Total	$ 27,652,520	3.55%
Total Assessed Valuation	$ 777,985,760	

	2006	
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
The Cleveland Electric Illuminating Company	$ 6,423,980	0.73%
Tower East Operating Assn.	4,416,510	0.50%
Ohio Bell Telephone Company	4,052,100	0.46%
Shaker Town Centre LLC	3,878,010	0.44%
Oliver Family LTD	2,296,110	0.26%
Deborah Salzberg, Tr.	2,118,520	0.24%
Shaker Heights Country Club	2,016,740	0.23%
University Hospitals Health System	1,970,050	0.22%
East Ohio Gas Company	1,476,410	0.17%
Shaker Plaza LTD	1,445,400	0.16%
Total	$ 30,093,830	3.41%
Total Assessed Valuation	$ 882,822,880	

Source: Cuyahoga County Fiscal Office

(1) Assessed valuation for tax year.

City of Shaker Heights, Ohio

Income Tax Revenue Base and Collections
Last Ten Years

Tax Year (1)	Tax Rate (2)	Total Tax Collected (3)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2015	2.25%	$ 31,486,020	$ 9,546,540	30.32%	$ 985,269	3.13%	$ 20,954,211	66.55%
2014	2.25%	29,826,789	9,071,388	30.41%	937,163	3.14%	19,818,238	66.44%
2013	2.25%	27,542,351	8,997,092	32.67%	943,745	3.43%	17,601,514	63.91%
2012	2.25%	21,082,579	6,523,594	30.94%	640,527	3.04%	13,918,457	66.02%
2011	1.75%	20,634,059	6,191,093	30.00%	559,062	2.71%	13,883,904	67.29%
2010	1.75%	19,839,875	6,214,149	31.32%	440,143	2.22%	13,185,583	66.46%
2009	1.75%	19,632,577	6,158,182	31.37%	536,548	2.73%	12,937,847	65.90%
2008	1.75%	20,809,784	5,949,834	28.59%	541,495	2.60%	14,318,455	68.81%
2007	1.75%	19,706,989	5,507,718	27.95%	568,723	2.89%	13,233,471	67.15%
2006	1.75%	19,988,510	5,580,143	27.92%	610,508	3.05%	13,821,363	69.15%

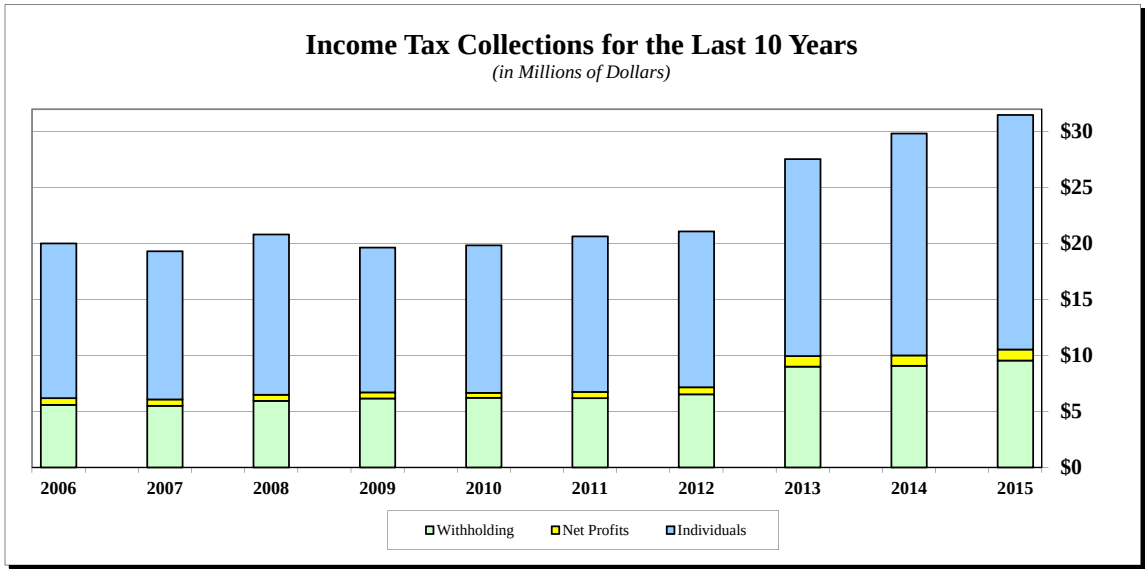
Source: Regional Income Tax Agency

(1) 2005 through 2015 collections presented on a cash basis.

(2) 1.75% effective April 1, 1981; 2.25% effective October 1, 2012 .

(3) Does not include electrical utility municipal income tax collected by state

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

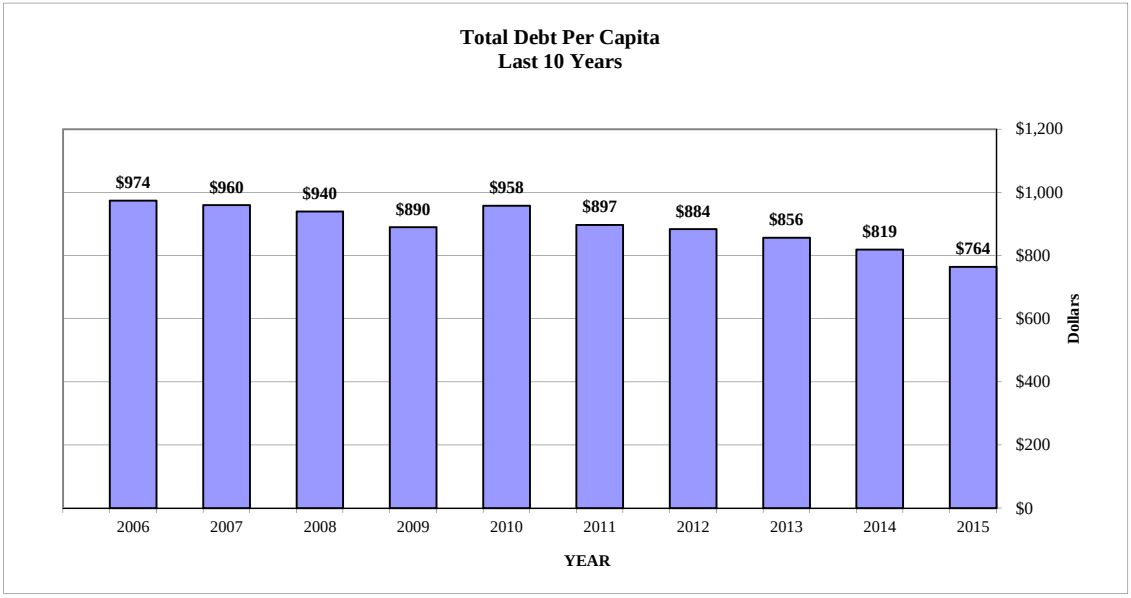


City of Shaker Heights, Ohio

Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years

	Governmental Activities								
Year	General Obligation Bonds	Urban Renewal Temporary Bonds	Bond Anticipation Notes	OPWC Loans	Taxable Special Obligation Housing Notes	Capital Leases Payable	Total Debt	Percentage of Personal Income	Per Capita
2015	$ 16,394,866	$ 0	$ 1,025,000	$ 3,648,133	$ 0	$ 659,179	21,727,178	1.54%	$ 764
2014	17,206,108	0	1,230,000	3,990,015	0	883,470	23,309,593	1.65%	819
2013	18,007,350	0	1,570,000	4,352,085	0	425,746	24,355,181	1.81%	856
2012	18,378,592	0	1,910,000	4,714,154	150,000	0	25,152,746	1.87%	884
2011	17,945,451	0	2,250,000	5,076,223	250,000	0	25,521,674	1.82%	897
2010	18,518,474	0	2,625,000	5,619,327	500,000	0	27,262,801	1.94%	958
2009	18,895,000	0	865,000	5,675,050	750,000	0	26,185,050	1.80%	890
2008	14,585,000	6,845,000	1,315,000	3,903,479	1,000,000	0	27,648,479	1.90%	940
2007	14,855,000	6,845,000	1,765,000	4,026,050	750,000	0	28,241,050	2.12%	960
2006	15,020,000	6,845,000	2,250,000	4,271,192	250,000	0	28,636,192	2.35%	974

Note: Population and Personal Income data are presented on page S28.



City of Shaker Heights, Ohio

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

Year	Population (1)		Assessed Value of Taxable Property (2)	Gross Bonded Debt (3)	Debt Service Funds Available	Net Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2015	28,448	a	$ 777,985,760	$ 17,419,866	$ 1,294,726	$ 16,125,140	2.07%	$ 567
2014	28,448	a	740,751,790	18,436,108	1,170,127	17,265,981	2.33%	607
2013	28,448	a	750,012,970	19,577,350	699,569	18,877,781	2.52%	664
2012	28,448	a	750,176,340	20,288,592	1,049,459	19,239,133	2.56%	676
2011	28,448	a	810,867,240	20,195,451	561,689	19,633,762	2.42%	690
2010	28,448	a	821,284,520	21,143,474	1,838,464	19,305,010	2.35%	679
2009	29,405	b	825,442,570	19,760,000	1,237,432	18,522,568	2.24%	630
2008	29,405	b	889,478,997	22,745,000	915,681	21,829,319	2.45%	742
2007	29,405	b	890,818,271	23,465,000	0	23,465,000	2.63%	798
2006	29,405	b	904,812,492	24,115,000	0	24,115,000	2.67%	820

Sources:

(1) U. S. Bureau of Census, Census of Population.
(a) 2010 Federal Census
(b) 2000 Federal Census

(2) Source: Cuyahoga County Fiscal Office

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

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City of Shaker Heights, Ohio

Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2015

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of			
City of Shaker Heights			
General Obligation Bonds & Anticipation Notes	$ 16,920,000	100.00%	$ 16,920,000
OPWC Loans	3,648,133	100.00%	3,648,133
Capital leases payable	659,179	100.00%	659,179
Total Direct Debt	21,227,312		21,227,312
Overlapping			
Shaker Heights City School District			
General Obligation Bonds	20,049,609	95.11%	19,069,183
Cuyahoga County			
General Obligation Bonds	243,900,000	2.83%	6,893,471
Regional			
Transit Authority	88,715,000	2.83%	2,507,398
Total Overlapping Debt	352,664,609		28,470,052
Total	$373,891,921		$49,697,364

Source: Cuyahoga County Fiscal Office

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

City of Shaker Heights, Ohio

Legal Debt Margin
Last Ten Years

	2015	2014	2013	2012	2011
Total Assessed Property Value	$ 777,985,760	$ 740,751,790	$ 750,012,970	$ 750,176,340	$ 810,867,240
Overall Legal Debt Limit					
(10 ½ % of Assessed Valuation)	$ 81,688,505	$ 77,778,938	$ 78,751,362	$ 78,768,516	$ 85,141,060
Debt Outstanding:					
General Obligation Bonds	16,394,866	17,206,108	18,007,350	17,785,000	17,785,000
Bond Anticipation Notes	1,025,000	1,230,000	1,570,000	1,910,000	2,250,000
OPWC Loans	3,648,133	3,990,015	4,352,085	4,714,154	5,076,224
Total Gross Indebtedness	21,067,999	22,426,123	23,929,435	24,409,154	25,111,224
Less:					
Bond Anticipation Notes				-	
OPWC Loans	(3,648,133)	(3,990,015)	(4,352,085)	(4,714,154)	(5,076,224)
TIF Urban Renewal Bonds	(3,705,000)	(3,865,000)	(4,020,000)	(4,170,000)	(4,460,000)
Permanent Urban Renewal Bonds	-	-	-	(450,000)	(13,470,000)
Urban Renewal Refunding Bonds	(11,845,000)	(12,445,000)	(13,040,000)	(13,165,000)	-
Debt Service Fund Balance (1) (2)	(1,294,726)	(1,620,559)	(699,569)	(788,674)	(561,689)
Total Net Debt Applicable to Debt Limit	575,140	505,549	1,817,781	1,121,326	1,543,311
Legal Debt Margin Within 10 ½ % Limitations	$ 81,113,365	$ 77,273,389	$ 76,933,581	$ 77,647,190	$ 83,597,749
Legal Debt Margin as a Percentage of the Debt Limit	99.30%	99.35%	97.69%	98.58%	98.19%
Unvoted Debt Limitation	$ 42,789,217	$ 40,741,348	$ 41,250,713	$ 41,259,699	$ 44,597,698
(5 ½ % of Assessed Valuation)					
Total Gross Indebtedness	21,067,999	22,426,123	23,929,435	24,409,154	25,111,224
Less:					
Bond Anticipation Notes	-	-	-	-	-
OPWC Loans	(3,648,133)	(3,990,015)	(4,352,085)	(4,714,154)	(5,076,224)
TIF Urban Renewal Bonds	(3,705,000)	(3,865,000)	(4,020,000)	(4,170,000)	(4,460,000)
Permanent Urban Renewal Bonds	-	-	-	(450,000)	(13,470,000)
Urban Renewal Refunding Bonds	(11,845,000)	(12,445,000)	(13,040,000)	(13,165,000)	-
Debt Service Fund Balance (1) (2)	(1,294,726)	(1,620,559)	(699,569)	(788,674)	(561,689)
Net Debt Within 5 ½ % Limitations	575,140	505,549	1,817,781	1,121,326	1,543,311
Unvoted Legal Debt Margin Within 5 ½ % Limitations	$ 42,214,077	$ 40,235,799	$ 39,432,932	$ 40,138,373	$ 43,054,387
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	98.66%	98.76%	95.59%	97.28%	96.54%

Source: City Financial Records and Cuyahoga County Fiscal Office

(1) Net position restricted for debt service.
(2) The net position restricted for debt service for 2012 was restated in the 2013 financial report.

2010	2009	2008	2007	2006
$ 821,284,520	$ 825,442,570	$ 889,478,997	$ 890,818,271	$ 904,812,492
$ 86,234,875	$ 86,671,470	$ 93,395,295	$ 93,535,918	$ 95,005,312
18,350,000	18,895,000	14,585,000	14,855,000	15,020,000
2,625,000	865,000	8,160,000	8,610,000	9,095,000
5,372,489	5,675,050	3,903,479	4,026,050	4,271,192
26,347,489	25,435,050	26,648,479	27,491,050	28,386,192
	-	-	-	-
(5,372,489)	(5,675,050)	(3,903,479)	(4,026,050)	(4,271,192)
(4,460,000)	(4,600,000)	(6,845,000)	(6,845,000)	(6,845,000)
(13,890,000)	(14,295,000)	(14,585,000)	(14,855,000)	(15,020,000)
-				
(1,838,464)	(209,581)	(178,239)	(53,177)	(325,715)
786,536	655,419	1,136,761	1,711,823	1,924,285
$ 85,448,339	$ 86,016,051	$ 92,258,534	$ 91,824,095	$ 93,081,027
99.09%	99.24%	98.78%	98.17%	97.97%
$ 45,170,649	$ 45,399,341	$ 48,921,345	$ 48,995,005	$ 49,764,687
26,347,489	25,435,050	26,648,479	27,491,050	28,386,192
-	-	-	-	-
(5,372,489)	(5,675,050)	(3,903,479)	(4,026,050)	(4,271,192)
(4,460,000)	(4,600,000)	(6,845,000)	(6,845,000)	(6,845,000)
(13,890,000)	(14,295,000)	(14,585,000)	(14,855,000)	(15,020,000)
-				
(1,838,464)	(209,581)	(178,239)	(53,177)	(325,715)
786,536	655,419	1,136,761	1,711,823	1,924,285
$ 44,384,113	$ 44,743,922	$ 47,784,584	$ 47,283,182	$ 47,840,402
98.26%	98.56%	97.68%	96.51%	96.13%

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City of Shaker Heights, Ohio

Principal Employers

2015 & 2006

2015

Employer	Nature of Business or Activity	Employees	Percentage of Total
Shaker Heights City School District	Government Entity	1,509	28.1%
University Hospital Health System	Health Care System	1,369	25.5%
City of Shaker Heights	Government Entity	586	10.9%
Hathaway Brown School	Private School	428	7.9%
Protem Home Care Inc	Medical Entity	414	7.7%
Laurel School	Private School	332	6.2%
University School (Shaker Heights Campus)	Private School	244	4.5%
Cuyahoga County Fiscal Officer	Government Entity	203	3.8%
Center for Dialysis Care	Medical Facility	196	3.6%
Equity Engineering Group	Engineering	97	1.8%
Total		5,378	100%
Total Employment within the City of Shaker Heights, Ohio		n/a	

2006

Employer	Nature of Business or Activity	Employees	Percentage of Total
Shaker Heights City School District	Government Entity	1,446	45.6%
City of Shaker Heights	Government Entity	784	24.8%
Hathaway Brown School	Private School	280	8.8%
Laurel School	Private School	360	11.4%
University School (Shaker Heights Campus)	Private School	192	6.1%
Center for Dialysis Care	Medical Facility	105	3.3%
Total		3,167	100%
Total Employment within the City of Shaker Heights, Ohio		n/a	

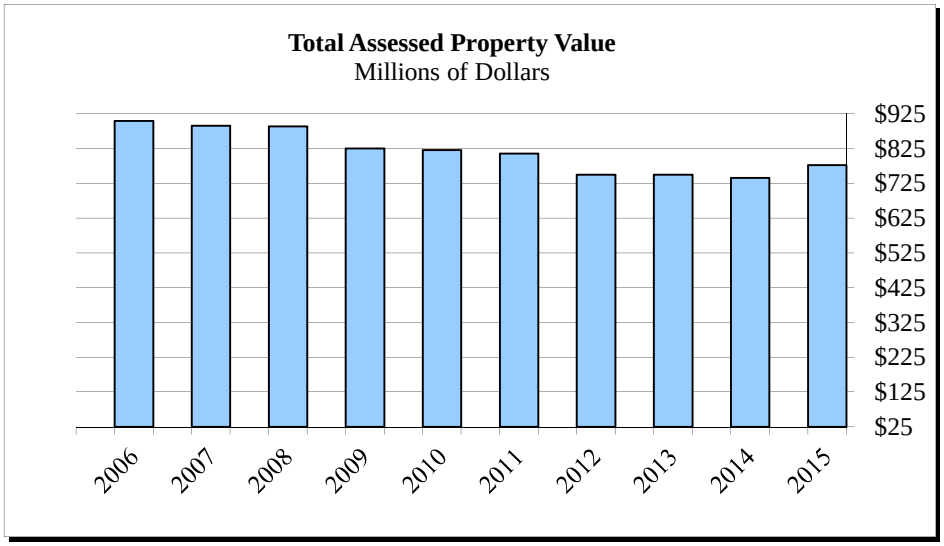
Source: Regional Income Tax Agency (RITA) data on income tax withholding.
n/a - Information not available

City of Shaker Heights, Ohio

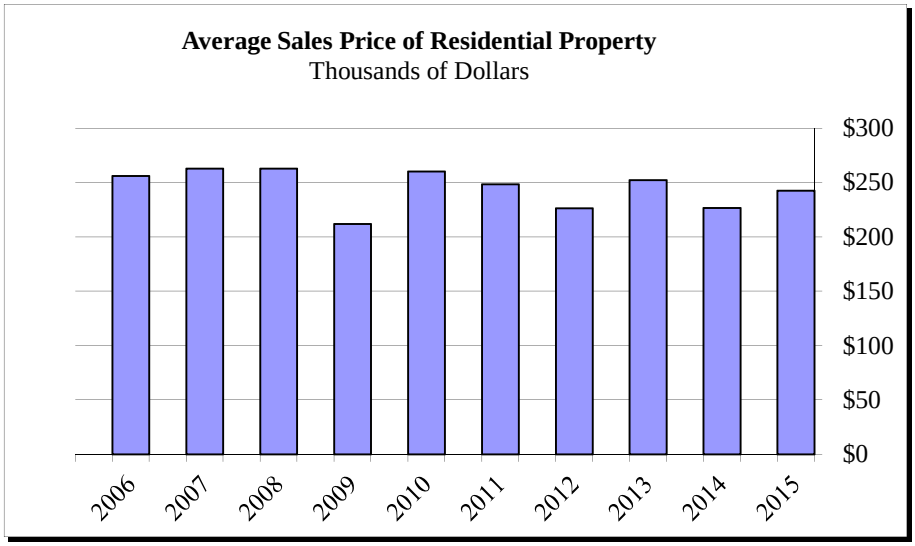
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Family Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)
2015	28,448	$ 1,412,443,200	$ 49,650	$ 105,063	40.9	64.60%
2014	28,448	1,412,443,200	49,650	105,063	40.9	64.60%
2013	28,448	1,390,196,864	48,868	105,063	40.9	64.60%
2012	28,448	1,345,675,744	47,303	105,063	40.9	64.60%
2011	28,448	1,402,287,264	49,293	105,063	40.9	64.60%
2010	28,448	1,347,297,280	47,360	85,983	40.9	64.60%
2009	29,405	1,405,088,520	47,784	85,983	39.6	61.70%
2008	29,405	1,456,517,865	49,533	85,893	39.6	61.70%
2007	29,405	1,333,134,485	45,337	85,893	39.6	61.70%
2006	29,405	1,216,014,370	41,354	85,893	39.6	61.47%

(1) Source: U. S. Census
(a) Years 2010-2015, 2010 Census and yearly Anerican Community Survey estimates
(b) Years 2006-2009, 2010 Census and yearly American Community Survey estimates
(2) Source: Shaker Heights School District 2014-2015 Comprehensive Annual Report For the Fiscal Year Ended June 30, 2015.
(3) Source: Ohio Department of Job & Family Services Bureau of Labor Market Information (http://ohiolmi.com Website: http://ohiolmi.com/
(4) Source: Cuyahoga County Fiscal Officer,
(5) Total Personal Income, American Community Survey estimates of per capita income multiplied by populatior



School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
5,377	4.00%	$ 242,498	$ 777,985,760
5,343	6.40%	226,733	740,751,790
5,423	7.50%	252,267	750,012,970
5,446	7.30%	226,285	750,176,340
5,490	8.00%	248,486	810,867,240
5,484	9.00%	260,227	821,284,520
5,469	9.00%	211,955	825,442,570
5,482	7.00%	262,941	889,478,997
5,577	6.30%	262,941	890,818,271
5,628	5.70%	256,128	904,812,492



City of Shaker Heights, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years

Function/Program	2015	2014	2013	2012	2011
General Government					
Council	3.5	3.5	3.5	3.5	3.5
Finance	8.0	7.0	7.0	7.5	7.5
Mayor	2.0	2.0	2.0	2.0	2.0
Law	5.0	5.5	5.5	5.0	4.5
Chief Administrative Officer	2.0	2.0	2.0	2.0	2.0
Service Administration - Public Works	10.0	10.0	11.0	10.0	10.0
Municipal Court	41.5	42.0	30.5	45.0	44.5
Human Resources	4.0	5.0	5.0	6.0	4.5
Information Technology	4.0	4.0	4.0	3.0	4.0
Security of Persons and Property:					
Police	59.0	64.0	64.0	58.0	64.0
Police - Crossing Guards	8.5	8.0	9.0	8.5	10.5
Police - Dispatch/Records/Watch Officer	15.0	16.0	19.0	15.5	15.0
Police - Jailers	2.0	3.0	3.0	3.0	3.0
Police - Administrative(1)	5.5	4.0	4.0	8.5	7.0
Police - HIDTA	13.0	11.0	10.5	10.0	9.5
Fire	49.0	48.0	46.0	48.0	54.0
Fire - Other	3.5	3.5	3.5	3.5	2.5
Security of Persons/Property - Other	1.0	1.0	1.0	1.0	1.0
Public Health Services	7.0	6.0	5.0	10.5	12.0
Leisure Time Activities:					
Recreation	48.5	53.0	41.5	55.5	60.5
Park and Public Land Maintenance	11.0	11.0	11.0	11.0	10.0
Community Development:					
Building	4.0	3.0	4.0	4.0	4.0
Housing	10.0	10.0	9.0	9.0	10.0
Planning	8.5	9.0	8.5	10.0	9.0
Community Development - Other(2)	30.0	34.0	27.5	19.0	20.0
Street Maintenance and Repair	7.0	7.0	9.0	11.0	10.0
Sanitation and Sewer Services:					
Refuse and Brush Collection	22.0	21.0	19.0	20.0	20.0
Sewer Maintenance	5.0	6.0	6.0	4.0	8.0
Public Works - Other:	25.5	24.5	25.5	21.0	20.0
Totals:	415.0	424.0	396.5	415.0	432.5

Source: Finance Department
Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

(1) Includes Chief of Police and Command Staff Personnel

(2) Includes Community Life, Neighborhood Revitalization, Communications and Outreach, Shaker Family Center, Leaf Removal and Recycling and Shaker Heights Development Corporation.

2010	2009	2008	2007	2006
3.5	3.5	3.5	3.0	3.5
7.5	7.5	9.5	6.0	8.0
2.0	2.0	2.0	2.0	2.0
4.5	4.5	6.5	6.5	5.5
2.0	2.0	2.0	2.0	2.0
11.0	11.0	13.0	12.0	12.5
44.5	44.0	43.0	41.5	42.5
4.5	4.5	5.5	5.5	5.5
2.0	2.0	3.0	3.0	2.0
64.0	65.0	71.0	68.0	72.0
11.0	11.5	11.0	10.5	11.0
17.5	16.5	15.0	14.0	11.5
3.0	3.0	4.5	4.5	3.5
11.5	11.0	14.5	14.5	14.0
12.0	12.0	11.0	12.0	9.0
58.0	58.0	67.0	67.0	66.0
2.5	2.5	4.0	4.5	4.0
1.5	1.0	0.0	0.0	0.0
14.0	19.5	10.0	11.0	9.5
62.0	59.5	63.0	71.0	84.5
10.0	9.0	13.0	14.5	14.5
5.0	5.0	5.0	6.0	6.5
10.0	10.0	9.0	9.0	9.0
9.0	9.5	11.5	12.5	12.0
22.0	22.5	28.0	26.5	34.5
8.0	11.0	12.0	5.0	6.0
23.0	23.0	26.0	25.5	27.5
7.0	8.0	7.5	6.5	6.0
22.0	20.0	22.0	24.0	26.0
454.5	458.5	493.0	488.0	510.5

City of Shaker Heights, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2015	2014	2013	2012	2011
General Government					
Council and Clerk					
Number of Ordinances Passed	109	98	113	124	126
Number of Resolutions Passed	9	11	14	12	8
Number of Planning Commission docket items	13	9	14	12	7
Zoning Board of Appeals docket items	23	13	21	30	23
Finance Department					
Number of checks/vouchers issued	7,672	7,471	7,481	7,418	6,946
Amount of checks written	$ 35,763,950	$ 31,523,347	$ 34,097,409	$ 29,620,172	$ 30,690,164
Interest earnings for fiscal year (cash basis)	$ 41,518	$ 44,942	$ 83,981	$ 248,687	$ 339,749
Number of Receipts issued	7,772	8,013	8,635	8,842	7,799
Number of Journal Entries issued	865	870	882	839	781
Agency Ratings - Standard & Poors	AA+	AA+	AA+	AA+	AA+
General Fund Receipts (cash basis)	$ 45,087,632	$ 44,371,402	$ 43,718,468	$ 37,291,189	$ 39,401,358
General Fund Expenditures (cash basis)	$ 43,666,249	$ 41,789,230	$ 41,277,825	$ 39,360,880	$ 38,651,093
General Fund Cash Balances	$ 14,307,708	$ 12,923,930	$ 10,358,358	$ 7,909,343	$ 8,336,820
Municipal Court					
Number of Civil Cases	1,684	1,539	1,355	1,697	1,669
Number of Criminal cases	10,571	9,134	10,232	10,611	10,948
Vital Statistics (City no longer handles as of 12/31/2012)					
Certificates Filed	0	0	0	81	71
Number of Births	0	0	0	0	0
Number of Deaths	0	0	0	81	71
Certificates Issued	0	0	0	430	461
Number of Births	0	0	0	0	0
Number of Deaths	0	0	0	430	461
Burial Permits Issued	0	0	0	280	259
Civil Service					
Number of police entry tests administered	1	1	1	0	0
Number of fire entry tests administered	0	1	0	0	0
Number of police promotional tests administered	0	2	0	0	1
Number of fire promotional tests administered	2	0	0	0	0
Number of hires of Police Officers from certified lists	5	0	5	0	4
Number of hires of Fire/Medics from certified lists	4	5	0	0	0
Number of promotions from police certified lists	4	0	0	2	0
Number of promotions from fire certified lists	4	0	1	3	4

2010	2009	2008	2007	2006
142	135	115	132	143
12	13	16	10	9
20	15	8	11	17
23	21	21	20	18
7,113	7,281	7,293	7,197	6,948
$ 28,808,562	$ 29,286,008	$ 32,229,682	$ 41,908,141	$ 41,092,604
$ 343,297	$ 261,123	$ 918,229	$ 2,279,750	$ 1,602,151
9,323	10,662	11,995	1,748	1,801
984	1,230	1,102	322	224
Aa1	Aa1	Aa1	Aa1	Aa1
$ 39,746,140	$ 42,276,620	$ 38,875,699	$ 39,696,013	$ 39,052,454
$ 39,191,995	$ 43,085,953	$ 39,073,922	$ 40,622,949	$ 37,666,848
$ 8,406,133	$ 7,809,636	$ 8,293,218	$ 9,400,503	$ 9,903,006
1,850	2,005	2,443	1,463	2,200
11,493	11,802	10,477	12,242	12,248
63	71	99	137	178
0	0	0	0	0
63	71	99	137	178
375	470	448	448	537
1	3	1	1	6
374	467	447	447	531
237	185	262	262	409
1	0	1	1	0
0	0	1	1	0
0	0	0	0	1
1	0	0	0	0
0	0	3	3	4
0	0	1	1	2
0	0	1	1	1
0	0	1	1	2

(continued)

City of Shaker Heights, Ohio
Operating Indicators by Function/Program (continued)
Last Ten Years

Function/Program	2015	2014	2013	2012	2011
Security of Persons & Property					
Police					
Total Calls for Services	41,303	36,081	30,810	30,367	29,981
Number of traffic citations issued	9,975	8,987	10,232	9,879	10,622
Number of parking citations issued	3,469	2,795	2,366	1,597	2,541
Number of criminal arrests	912	1,968	1,015	1,070	827
Part 1 Offenses (major offenses)	613	616	779	701	697
Police Dept. Auxiliary hours worked	N/A	N/A	N/A	N/A	N/A
DUI Arrests	105	97	142	94	172
Prisoners	754	757	797	932	875
Motor Vehicle Accidents	653	842	730	787	952
Property damage accidents	536	43	635	601	643
Fatalities from Motor Vehicle Accidents	1	0	0	0	0
Community Diversion Program Youths	20	28	36	75	28
Community Diversion Program - community service hou	37	152	186	529	80
Fire					
Total Fire Department Incidents	3,973	4,255	3,928	3,896	3,788
EMS Incidents (NFIRS 300's)	2,481	2,471	2,462	2,317	2,396
Fire Incidents (NFIRS 100's)	80	63	51	65	68
Other Incidents (NFIRS 200's, 400's - 900's)	1,412	1,721	1,415	1,514	1,324
Fires with Loss	9	18	9	15	18
Fires with Losses exceeding $10K	8	6	5	8	8
Fire Losses $	$ 746,000	$ 1,367,081	$ 343,000	$ 1,448,600	$ 636,600
Fire Safety Inspections	2,175	2,585	2,557	2,359	2,263
Number of times Mutual Aid given for Fire and EMS	94	82	73	82	81
Number of times Mutual Aid received for Fire and EMS	98	93	49	63	82
Ambulance Billing Collections (net)	$ 625,847	$ 669,688	$ 577,190	$ 576,153	$ 566,130
Leisure Time Activities					
Recreation					
Recreation Swimming pool receipts	$ 199,023	$ 165,588	$ 190,497	$ 211,874	$ 215,024
Recreation Mens & Womens Leagues receipts	0	0	0	175	350
Recreation Children's Leagues receipts	18,557	20,787	49,804	23,337	32,839
Senior Van Fees	0	0	0	0	0
Facilities rentals	169,271	153,560	106,543	131,852	136,970
Total Recreation Department receipts	$ 386,851	$ 339,935	$ 346,844	$ 367,238	$ 385,183

2010	2009	2008	2007	2006
31,099	32,255	29,333	33,303	38,992
10,820	10,804	8,964	10,923	11,114
2,601	3,438	3,969	4,349	5,709
1,268	1,687	1,168	896	1,698
655	596	704	807	754
N/A	N/A	N/A	N/A	N/A
286	433	254	94	136
1,141	1,340	1,269	1,254	1,218
834	739	898	958	1,019
725	641	(813)	(879)	(946)
0	0	0	0	0
36	59	99	35	69
111	187	165	170	120
3,488	3,433	2,448	2,369	2,186
2,212	2,166	N/A	N/A	N/A
66	73	1,284	93	39
1,210	1,194	N/A	N/A	N/A
23	38	7	32	35
10	8	7	10	10
$ 923,159	$ 244,235	$ 737,800	$ 1,289,500	$ 651,390
2,195	2,560	1,847	2,645	2,672
52	45	52	41	31
84	58	52	87	79
$ 522,429	$ 574,525	$ 529,381	$ 466,505	$ 455,783
$ 209,410	$ 223,917	$ 229,347	$ 223,067	$ 172,873
450	2,800	2,800	3,400	4,200
33,780	22,879	26,827	27,742	26,653
0	795	1,376	1,583	1,370
129,849	145,394	152,688	150,354	150,831
$ 373,489	$ 395,785	$ 413,038	$ 406,146	$ 355,927

City of Shaker Heights, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Function/Program	2015	2014	2013	2012	2011
General Government					
Square Footage of City Hall	40,000	40,000	40,000	40,000	40,000
Administrative Vehicles	1	1	1	1	1
Inspection Vehicles	12	12	12	12	12
Police					
Stations	1	1	1	1	1
Square Footage of Building	29,425	29,425	29,425	29,425	29,425
Vehicles	40	40	40	40	48
Fire					
Stations	2	2	2	2	2
Square Footage of Building #1	21,000	21,000	21,000	21,000	21,000
Square Footage of Building #2	15,000	15,000	15,000	15,000	15,000
Vehicles	16	16	16	16	17
Recreation					
Number of Parks	4	4	4	4	4
Number of Pools	1	1	1	1	1
Number of Ice Rinks	1	1	1	1	1
Number of Tennis Courts	10	10	10	10	10
Number of Skateboarding Areas	1	1	1	1	1
Number of Baseball Diamonds	5	5	5	5	5
Number of Playgrounds	5	5	5	5	5
Number of Soccer Fields	3	3	3	3	3
Vehicles	6	6	6	6	6

2010	2009	2008	2007	2006
40,000	40,000	40,000	40,000	40,000
1	1	1	1	1
12	12	12	12	12
1	1	1	1	1
29,425	29,425	29,425	29,425	29,425
48	48	48	48	48
2	2	2	2	2
21,000	21,000	21,000	21,000	21,000
15,000	15,000	15,000	15,000	15,000
17	17	17	17	17
4	4	4	4	4
1	1	1	1	1
1	1	1	1	1
10	10	10	10	10
1	1	1	1	0
5	5	5	5	5
5	5	5	5	5
3	3	3	3	3
6	6	6	6	6

City of Shaker Heights, Ohio

Single Audit Reports
For the Year Ended December 31, 2015

City of Shaker Heights, Ohio

For the Year Ended December 31, 2015

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Ciuni & Panichi
CPAs and Business Advisors
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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Members of the City Council
City of Shaker Heights, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Shaker Heights, Ohio (the "City"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 29, 2016, wherein we noted that the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, and as a result restated their December 31, 2014 net position, as disclosed in Note 2 to the basic financial statements.

Internal Control over Financial Reporting

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

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

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

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Independent Member of
Geneva Group International

Members of the City Council
City of Shaker Heights, Ohio

Compliance and Other Matters

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

Purpose of this Report

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

Cianni + Paniotti, Inc.

Cleveland, Ohio
June 29, 2016

Independent Auditor's Report on Compliance for Each Major Program; Internal Control over Compliance Required by the Uniform Guidance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Members of the City Council
City of Shaker Heights, Ohio

Report on Compliance for Each Major Federal Program

We have audited the City of Shaker Heights, Ohio's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2015. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Members of the City Council
City of Shaker Heights, Ohio

Opinion on Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 29, 2016, which contained an unmodified opinion on those financial statements, wherein we noted that the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and

Members of the City Council
City of Shaker Heights, Ohio

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, and as a result restated their December 31, 2014 net position, as disclosed in Note 2 to the basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Cianni + Panietri, Inc.

Cleveland, Ohio
June 29, 2016

City of Shaker Heights

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2015

Federal Grantor/Pass-Through Grantor Program Title	Catalog of Federal Domestic Assistance No.	Pass-Through Grantor's Number	Federal Expenditures
Executive Office of the President – Office of National Drug Control Policy:			
Direct Program			
High Intensity Drug Trafficking Areas - Ohio (2013)	95.001	N/A	$ 40,150
High Intensity Drug Trafficking Areas - Ohio (2014)	95.001	N/A	1,543,874
High Intensity Drug Trafficking Areas - Ohio (2015)	95.001	N/A	1,925,985
Total Executive Office of the President – Office of National Drug Control Policy			3,510,009
U.S. Department of Housing and Urban Development:			
Direct Program			
Fair Housing and Assistance Program (2013)	14.401	N/A	42,082
Passed through the Cuyahoga County Department of Development			
Municipal Grants	14.218	N/A	150,000
Total U.S. Department of Housing and Urban Development			192,082
U.S. Department of Justice:			
Direct Program			
Bullet Proof Vest Program	16.607	N/A	5,583
U.S. Department of Transportation:			
Direct Program			
Highway Planning and Construction, Federal Highway Administration (FHWA)	20.205	N/A	204,405
U.S. Department of Health and Human Services:			
Passed through the Ohio Department on Aging and the Western Reserve Area Agency on Aging			
Title III Part B – Grants for Supportive Services and Senior Centers (2015)	93.044	N/A	14,974
Passed through the Cuyahoga County Board of Health			
City Readiness Initiative (2014/2015)	93.283	N/A	3,888
Public Health Emergency Preparedness (2014/2015)	93.283	N/A	14,489
Public Health Emergency Preparedness (2015/2016)	93.283	N/A	288
Public Health Emergency Preparedness Ebola Grant	93.283	N/A	11,178
Total U.S. Department of Health and Human Services			29,843
U.S. Department of Homeland Security:			
Direct Program			
Assistance to Firefighters Grant Program – Fire Prevention and Safety Grants	97.044	N/A	22,500
Total Federal Expenditures			$ 3,979,396

The accompanying notes are an integral part of this schedule

City of Shaker Heights

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2015

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Shaker Heights, Ohio, and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2: Matching Requirements

Certain federal programs require that the City contribute non-federal (matching) funds to support the federally funded programs. The expenditure of non-federal matching funds is not included on the accompanying Schedule.

Note 3: Indirect Cost Rate

No indirect costs were charged to federal grants; therefore, no indirect cost rate was established.

N/A – Not available

City of Shaker Heights

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2015

1. Summary of Auditor's Results

(d)(I)(I)	Type of Financial Statement Opinion	Unmodified
(d)(I)(ii)	Were there any significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(I)(ii)	Were there any material weaknesses reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material noncompliance reported at the financial statement level (GAGAS)?	No
(d)(I)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(I) (iv)	Were there any other significant control deficiencies reported for major federal programs?	No
(d)(I) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(I)(vi)	Are there any reportable findings under Section .510(a)?	No
(d)(I)(vii)	Major Program	High Intensity Drug Trafficking Area Grant – CFDA # 95.001
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: >$750,000 Type B: All Others
(d)(I)(ix)	Low Risk Auditee?	Yes

2. Findings Related to the Financial Statements Required to be Reported in Accordance With GAGAS

None noted.

3. Findings for Federal Awards

None noted.

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City of Shaker Heights
Cuyahoga County

Agreed-Upon Procedures Report
For the Year Ended December 31, 2015

City of Shaker Heights

For the Year Ended December 31, 2015

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SHAKERHEIGHTS

June 23, 2016

Mr. Craig Butler
Ohio Environmental Protection Agency
c/o DSIWM
P.O. Box 1049
Columbus, Ohio
43216-1049

Letter from Chief Financial Officer

Dear Mr. Butler

I am the Chief Financial Officer of the City of Shaker Heights, 3400 Lee Road, Shaker Heights, Ohio. This letter is in support of this local government's use of the financial test to demonstrate financial assurance, as specified in Chapter 3745-27 of the Administrative Code.

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

   City of Shaker Heights Transfer Facility
   15600 Chagrin Blvd.
   Shaker Heights, OH 44120
   Cuyahoga County

   Current closure cost estimate $80,694

2. This firm is the owner or operator of the following facilities for which financial assurance requirements for final closure, post-closure care, or corrective measures and/or any other environmental obligations are satisfied through a financial test other than that required by chapter 3745-27 of the Administrative Code. The current final closure, post-closure care, final closure, and/or corrective measures cost estimates, and/or any other environmental obligations covered by such financial assurance are shown for each facility: None

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

1. Sum of current final closure, post-closure care, scrap tire transporter final closure, and/or corrective measures cost estimates, and any other environmental obligations assured by a financial test (total of all cost estimates shown in the two paragraphs above): $80,694 *
2. Current bond rating of most recent issuance and name of rating service: AAA, Fitch
3. Date of issuance of bond: April 11, 2012
4. Date of maturity of bond: Various dates through December 1, 2031
5. Total assured environmental costs: $80,694 *
6. Total annual revenue: $63,192,378*
7. Is line 5 divided by line 6 less than or equal to 0.43? Yes

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

Robert Baker
Interim Director of Finance
City of Shaker Heights
June 23, 2016

Independent Accountant's Report on Applying Agreed-Upon Procedures

Members of City Council
City of Shaker Heights
and
Craig W. Butler, Director
Ohio Environmental Protection Agency

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

In a letter to the Ohio Environmental Protection Agency dated June 29, 2016 (the "Letter"), Robert Baker, Interim Director of Finance of the City of Shaker Heights, specified that certain amounts disclosed in that Letter were derived from the independently audited financial statements referred to in the first paragraph above.

We have performed the procedures described below, which were agreed to by the City and by the Ohio Environmental Protection Agency, solely to assist you in determining that certain amounts reported in the Letter agreed to, or can be computed from, amounts presented in the audited basic financial statements. The City's management is responsible for the information presented in the Letter. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

As required by Ohio Administrative Code Sections 3745-27-15(L)(5)(c), 3745-27-16(L)(5)(c), and 3745-27-18(M)(5)(c), we have agreed the following amounts included in the Letter to the audited basic financial statements:

Alternative 2, Line No.	
5	Total assured environmental costs: $80,694
6	Total annual revenue: $63,192,378

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

Members of City Council
City of Shaker Heights
and
Craig W. Butler, Director
Ohio Environmental Protection Agency

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

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

Cimini + Panietti, Inc.

Cleveland, Ohio
June 29, 2016

Dave Yost • Auditor of State

CITY OF SHAKER HEIGHTS

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 1, 2016

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