

Patrick A. Ward
Mayor



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September, 2016

Dear Neighbor:

One of our primary goals is to keep you well informed. To that end please find our annual Financial Review contained herein. We hear often about the wonderful services our employees deliver and this financial snapshot illustrates how our City Council, employees and my Administration assure those services are being delivered efficiently and cost-effectively. This review is based upon our 2015 statements that have been independently audited by the State of Ohio. I must also mention that our Finance Department has, once again, won an award for Financial Reporting!

As you will see our revenues have increased, in large part due to the .5% rise in our income tax rate approved by our voters in in 2014, which was necessary to make up for the continued loss of state revenues. We continue – as evidenced by the modest increase in expenditures – to budget and spend your tax dollars as conservatively as possible.

Property values in our Community have continued to rise, although slowly. You should note that for every \$1 in property tax we pay our City only receives a little over 11 cents to support all of the services that our residents depend upon every single day and those services are exceptional. We continue to pay close attention to the decisions being made in Columbus and those items under consideration that might threaten our financial stability.

I hope that you have enjoyed our new magazine *Lyndhurst Life* that we rolled out this year. We have tried to include news, calendar items and bits of information all residents will find useful.

As always, I am happy to take your comments or suggestions by email to wardp@lyndhurst-oh.com or by phone at 440.442.5777 so please feel free to reach out to me.

Sincerely,

A handwritten signature in blue ink that reads "Patrick A. Ward". The signature is stylized and cursive.

Patrick A. Ward
Mayor

CITY OF LYNDHURST

2015 FINANCIAL REVIEW

September 2016
Volume 1, Issue 1



The following is an overview of the City's financial position for the fiscal year ended December 31, 2015 and is derived from Generally Accepted Accounting Principles (GAAP). Mary Kovalchik, Finance Director

Where the Money Comes From...

Revenues

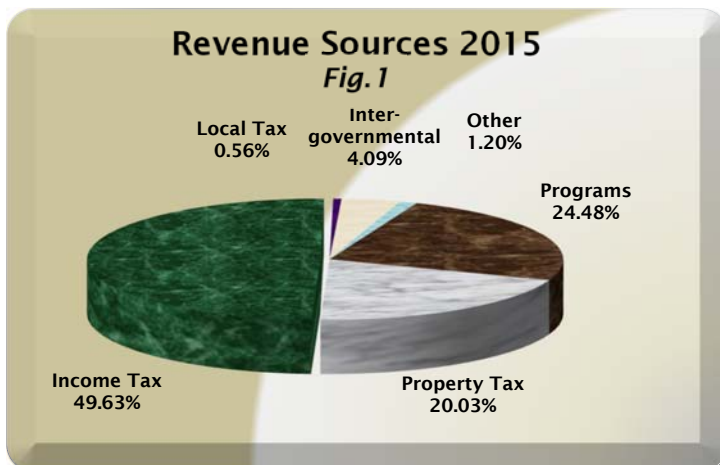
Major sources of revenues include property tax, income tax and state-shared taxes. (See Figure 1.)

Revenues	2015	2014
Programs	4,857,245	4,405,955
Property Tax	3,974,147	3,921,397
Income Tax	9,846,284	6,623,925
Local Tax	111,979	116,246
Inter-governmental	811,357	1,021,177
Investments/Other	238,135	397,666
Total Revenues	19,839,147	16,486,366

Revenues for fiscal year 2015 increased by over 20% from the prior year. The significant increase in revenues resulted from a .5% increase to income tax. In 2014, a special election was held proposing the income tax increase from 1.5% to 2.0%. The measure was overwhelmingly approved with 62.5% of the voters voting in favor of the increase. The 50% tax credit remained intact. The anticipated revenues associated with the income tax increase further stabilize the general fund

Revenues at a Glance...

Source: Audited Financial Statements



INSIDE THIS ISSUE

Letter from the Mayor/Safety Director	1
Where the Money Comes from – Revenue	2
Where the Money Goes – Expenditures	3
City Directory	4

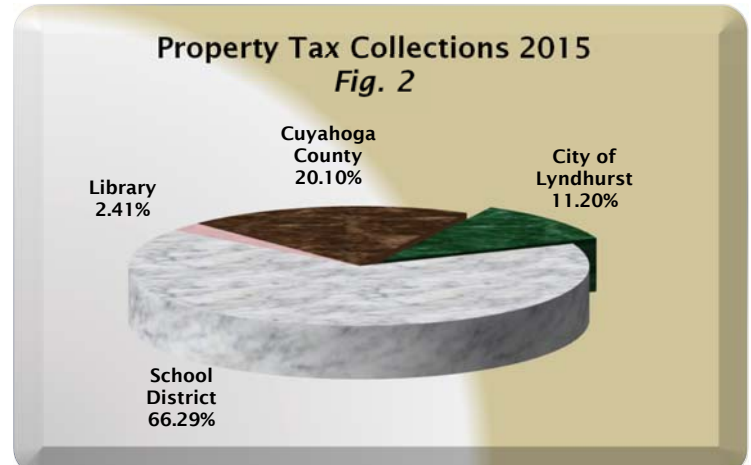
Property Tax

Property Tax in Lyndhurst is administered by Cuyahoga County. The County Fiscal Officer assesses your property on 35% of the appraised market value. This value is updated every three years based on average sale prices of properties sold in the area. Every six years your property is reappraised by the County. The County updated values in 2015. **For each one dollar (\$1.00) in property tax paid** the County distributed those funds as follows: (See Figure 2.)

School District	-	66.29	cents
Cuyahoga County	-	20.10	cents
City of Lyndhurst	-	11.20	cents
Library	-	2.41	cents

The City operates on **11.20 cents for each dollar paid in property tax** and provides most of the government services to you including police, fire, EMS, parks, cultural facilities, street maintenance, tree maintenance, leaf collection, rubbish collection, and neighborhood preservation.

Source: Cuyahoga County Auditor



Where the Money Goes...

Expenditures

Expenditures incurred by the City of Lyndhurst, to provide all City services, are shown by function. (See Figure 3.) By far, **Police, Fire and EMS** are the most important and represent the highest cost of these services. The Police Department consists of 28 sworn in full-time officers and the Fire Department consists of 26 full-time firefighter / paramedics. **General Government** represents numerous Municipal Departments and Court. Technological upgrades combined with the issuance of a 27th pay, which occurs once every decade, accounted for most

"Mission Statement": To protect and to enhance the fiscal integrity and efficient management of the city while maintaining citywide programs and initiatives.

of the increase in general government. **Basic Utility** includes the cost of rubbish, recycling, trees and sewers. **Transportation** is the cost for streets, sidewalks and snow removal. These costs remained stable as continued capital improvements were completed for annual sidewalk programs and over \$1 million dollars in annual street improvements. **Community Environment** is the cost to assist in preserving our neighborhoods comprised of planning, building and housing. The completion of capital improvements including two new roofs resulted in the decline in expenditures for community environment. **Leisure Time Activity** are the costs associated with parks and pools. **Capital Outlay** resulted in \$1,128,644 in new capital. The continued scope of the capital plan is to further services while reducing the costs.

Expenditures by Function	2015	2014
Police, Fire & EMS	8,343,685	8,310,980
Public Health & Welfare	54,884	54,884
Leisure Time Activities	1,176,261	1,183,598
Community Environment	245,587	698,124
Basic Utility Services	3,195,309	2,947,269
Transportation	2,947,500	2,963,238
General Government	4,606,136	4,095,305
Interest and Fiscal Charges	5,761	6,883
Total Expenditures	20,575,123	20,260,281

Debt Management

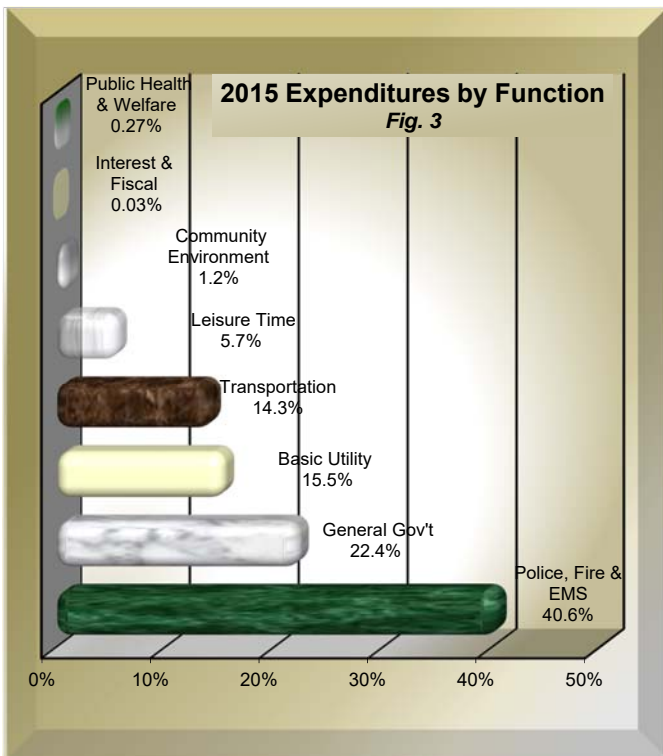
The City of Lyndhurst is long term debt free and as a result holds no current bond rating. This is indicative of strong economic and financial character. Annual debt payments for the City of Lyndhurst include short term principal and interest totaling \$1,007,479 for the year. The City issued \$1,100,000 in short term Street Improvement notes to be paid in full in 2016. State statutes limit the amount of unvoted general obligation debt the City may issue. At December 31, 2015 the City's outstanding debt was well below the legal limit.

Fund Balances

Fund Type	Fund Balance	Fund Balance	Increase (Decrease)
	12/31/2015	12/31/2014	
General	5,189,819	4,833,622	356,197
Bond Retirement	1,341,153	931,430	409,723
Capital Reserve	2,988,074	3,099,024	(110,950)
Other Governmental	5,075,065	6,334,063	(1,258,998)
Total	14,594,111	15,198,139	(604,028)

Expenditures at a Glance...

Source: Audited Financial Statements



CITY OF LYNDHURST

5301 MAYFIELD ROAD, LYNDHURST, OH 44124



Financial Review - 2015 MAYOR, Patrick A. Ward

CITY COUNCIL

David A. Frey	Ward 1
Joseph A. Gambatese	Ward 2
Lane A. Schlessel	Ward 3
Stephen Grushetsky	Ward 4
Jeffrey Price	At Large
Joseph A. Marko	At Large
Charles A. LoPresti	At Large



2015 Financial Review

We're on the Web!
Visit us at:
www.lyndhurst-oh.com

CITY ADMINISTRATION

Mayor/Safety Director	Patrick A. Ward
Finance Director	Mary Kovalchik
Law Director	Paul Murphy
Police Chief	Rick Porrello
Fire Chief	Mike Carroll
Service Director	Rick Glady
Building Commissioner	John Maichle
Community Center	Melissa Weldon
Engineer	Jeff Filarski

PHONE DIRECTORY

Municipal Offices	440-442-5777
Service Department	440-473-5100
Building/Housing Dept	440-473-5108
Police (non emergency)	440-473-5116
Fire (non emergency)	440-473-5139
Community Center	440-449-5011
Municipal Court	440-461-6500
Partnership on Aging	440-473-5138
SELREC	216-382-4300