

Comprehensive Annual Financial Report

North Olmsted, Ohio

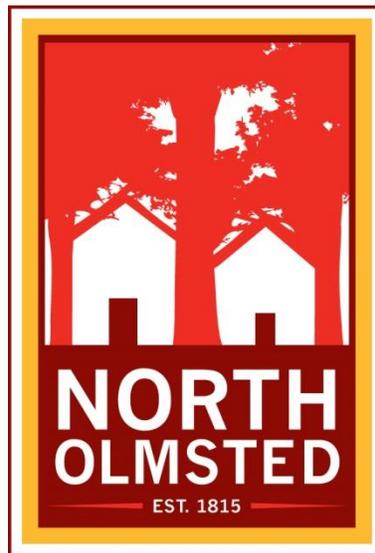
For the Year Ended December 31, 2017



City of North Olmsted, Ohio – 5200 Dover Center Road – North Olmsted, OH 44070
www.north-olmsted.com – 440-777-8000

**INTRODUCTORY
SECTION**

City of North Olmsted, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended
December 31, 2017



Issued by: Department of Finance
Carrie B. Coper, CPA, Director of Finance
Keith J. Sperling, Assistant Director of Finance

City of North Olmsted, Ohio

Comprehensive Annual Financial Report For the Year Ended December 31, 2017

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CITY of NORTH OLMSTED

Carrie B. Copfer, CPA | Director, Department of Finance

A 5200 Dover Center Road | North Olmsted, Ohio 44070 P 440-716-4144 F 440-716-4235

June 28, 2018

Honorable Kevin M. Kennedy
Citizens of North Olmsted, Ohio
And Members of City Council

Ohio law (Ohio Administrative Code Section 117-2-03(B)) requires that all cities file annual audited financial reports prepared on a GAAP (Generally Accepted Accounting Principles) basis with the Auditor of State within six months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended December 31, 2017.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that the City has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Auditor of the State of Ohio, David Yost, an independent auditor, has issued an unmodified (“clean”) opinion on the City of North Olmsted’s financial statements for the year ended December 31, 2017. The Independent Auditor’s Report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the Independent Auditor’s Report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Basic Information

North Olmsted was once a part of the Connecticut Western Reserve, claimed by the state of Connecticut. Investors bought land from the state, sight unseen, and went west to divide it up and sell it to settlers. Aaron Olmstead was one of the early landowners, but he never lived here. His son, Charles Olmstead, owned much of the land along Butternut Ridge and sold plots to the pioneer settlers beginning in 1815. In 1820, Charles Olmstead offered his father’s library of 500 books to the community, then called Lenox, if they would change the name to Olmstead. They agreed, and the books, brought by oxcart from Connecticut, were used as a circulating library. The remaining 153 books are on display in the City’s library. Over the course of the years, the “a” was omitted and the city became known as “North Olmsted.”

In 1908, the residents voted to incorporate, becoming a village. In 1951, North Olmsted became a city because it had a population of over 5,000 people. The rapid growth was attributed to returning World War II veterans looking to provide a suburban living for their families. At one time the City was considered the fastest growing city in Ohio because it more than doubled in size from 1950 to 1960 and doubled again in 1970. Since the 1970 census, the population of North Olmsted has stayed relatively constant. The 2010 census was 32,718, which represents a four percent decline from the 2000 census.

The City is a suburban community located in Cuyahoga County in Northeastern Ohio, approximately 13 miles southwest of the downtown area of the City of Cleveland and approximately 18 miles southeast of the City of Lorain. The City is served by diversified transportation facilities. There is immediate access to three State and U.S. highways and interstate highways I-80 (the Ohio Turnpike) and I-480, with access to interstate highways I-90 and I-71 within five miles of the City. The City is served by Cleveland Hopkins International Airport, located within five miles of the City, and is adjacent to areas served by Conrail and Amtrak railroads.

The City of North Olmsted's primary government consists of all funds and departments, which are not legally separate from the City and provide a full range of services including:

- ◆ Police, Emergency Medical Services and Fire Protection
- ◆ Parks and Recreational Activities and Facilities
- ◆ 18-hole Golf Course and Historic Ballroom
- ◆ Senior Center and Related Programs
- ◆ Local Human Services - ministering to youth, disabled, seniors and needy families
- ◆ Planning and Zoning Committees
- ◆ Building Code Enforcement
- ◆ Waste Water Treatment Plant Processing of Sanitary Sewage
- ◆ Maintenance and Improvement of City Roads and Infrastructure
- ◆ Maintenance and Improvement of Storm and Sanitary Sewer Systems
- ◆ Administrative and Legislative functions including Council, Law, Finance, Human Resources and Information Technology

The City of North Olmsted operates under and is governed by its Charter, first adopted by the voters in 1959. The Charter has been and may be amended by the voters from time to time. The City is also subject to some general laws applicable to all cities. Under the Ohio Constitution, the City may exercise all powers of local self-government, and police powers to the extent not in conflict with applicable general laws. The Charter provides for a mayor-council form of government.

Legislative authority is vested in a seven-member Council, of whom three members are at-large and four members are from wards, all elected to four-year terms. The Council sets compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the President of Council, elected specifically to that office by the voters for a four-year term. The President of Council has no vote except in the event of a tie. The Charter establishes certain administrative departments and the Council may establish divisions of those departments or additional departments and has exercised that authority.

The City's chief executive and administrative officer is the Mayor, elected by the voters specifically to that office for a four-year term. The other elected City officials are the Director of Finance and the Director of Law, each elected to a four-year term. All elected officials, except the Mayor and Director of Finance, serve part-time.

The Mayor has authority to appoint the directors of Public Safety, Public Service, Human Resources, Planning and Economic Development, certain City employees and members of a number of City boards and commissions. The Mayor generally may remove, without the concurrence of Council and in accordance with civil service and collective bargaining agreement requirements, all officers and employees he has appointed, except that directors of the aforementioned departments may only be removed with the concurrence of two-thirds of the members of Council. The Mayor may not remove officers and employees of Council, Finance or the Law departments.

The Mayor may veto any legislation passed by Council. A veto may be overridden by a two-thirds vote of all members of Council.

Component Unit

The North Olmsted Commission on Paratransit, Inc. (N.O.C.O.P.) has been presented as a discretely presented component unit of the primary government, based on the significant services and resources provided by the City. A complete discussion of the City's reporting entity is provided in Notes 1 and 22 of the basic financial statements.

Budgetary Process

A temporary appropriation resolution to control expenditures may be passed on or around January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. Appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriations at any level of control. Any revisions that alter the appropriations at the legal level of budgetary control must first be approved by City Council. Council may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. The City maintains budgetary control on a cash basis by department for salaries, other expenditures and debt service. Estimated expenditure amounts must be encumbered prior to the release of purchase orders to vendors or finalization of other contracts. Encumbrances that would exceed the available appropriation level are identified on an ongoing basis and are not approved or recorded until City Council authorizes additional appropriations or transfers. Unencumbered appropriations lapse at the end of each calendar year.

Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions. Permanent appropriations are adopted by Council and are amended throughout the year by supplemental appropriations, which either reallocate or increase the original appropriated amounts. During the year, supplemental appropriation measures were legally enacted; however, none of these amendments were significant. The budgetary figures, which appear in the statement of budgetary comparisons, represent the original permanent appropriation and the final appropriations amounts, including all amendments and modifications.

FACTORS AFFECTING FINANCIAL CONDITION

Summary of Local Economy

The City is a suburban residential community and a commercial center for the western portion of the County and adjacent Lorain County. The City has actively promoted commercial, residential and light industrial development, and has established a City-wide community reinvestment area and participated in an enterprise zone within the County for that purpose, as hereinafter discussed in more detail.

The largest commercial development in the City includes the Great Northern Mall and the adjacent Great Northern Shopping Center, together constituting a 2.0 million square foot retail complex with approximately 225 stores, professional and medical offices and restaurants; the Great Northern Corporate Center I, II and III, a 267,000 square foot executive office complex; and the Great Northern Technology Center, a 144,000 square foot office complex. All of this development is located adjacent to an interchange on interstate highway I-480. The properties have been developed in phases over the past 40 years, and the businesses located in them now provide employment for approximately 4,800 persons. The local economy has developed and redeveloped around this area.

While the City has several larger taxpayers, it is not dependent on a single revenue source or a single taxpayer, which is a strength during an economic downturn. The City Charter allows for 11.1 charter millage to be levied on property, which also is unique to cities. Additionally, the City, which currently offers residents 100% credit on up to two percent for municipal income taxes paid to their workplace city, can adjust that credit through an ordinance of Council.

While the City and region have been slow to recover from the 2008 global recession, several promising economic indicators occurred in 2017.

- Municipal income tax collections increased by 5.0% from the prior year with both employee withholdings and business net profit increases offset by a decline individual contributions.

- Total property tax collections increased 2.0%, which can be attributed to stronger home sales and business improvements. Delinquencies stayed consistent with previous year at 3.0% of the total tax levy.
- While the dollar amount received for building permits decreased from 2016, the number of permits increased by 4.4% to 1,663. The large school project and several hotel projects caused a spike in the dollar amount of permits in 2016, whereas 2017 showed a continued trend of increases in all other aspects of construction and permit activity. The number of permits in the current year exceeded the average from the previous ten years by 20.1 percent.
- The number of residential property sales increased by 5.7% to 571, which is the highest volume since 2006. In addition, the average sales price of residential properties increased 11.6% to \$142,273, though it is still 3.7% lower than the 2007 pre-recession average prices.
- The average yearly unemployment rate in the county increased only slightly to 5.9% during 2017; the State unemployment rate increased 0.1% to 5.0%; the US rate declined to 4.4%; though this statistic does not account for those persons who are unemployed, but no longer looking for work.

Relevant Financial Policies

Internal Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the government are protected from loss, theft or misuse and adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

All internal controls are designed within the above framework. Accordingly, we believe the City's system of internal controls is adequate to safeguard assets and provide reasonable assurance of proper recording of transactions.

Basis of Accounting

This is the fourteenth year the City has prepared financial statements following GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. GASB 34 creates basic financial statements for reporting the City's financial activities as follows:

Government-wide financial statements - These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the governmental-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

Debt Administration

The debt service funds account for the accumulation of resources for the payment of general long-term obligations. Revenue sources for these funds include receipts from property taxes and transfers from other funds consisting of income taxes, hotel/motel taxes, sewer user charges and golf user charges.

The Mayor and his administration prioritize capital projects for which borrowings are required. City Council approves such borrowings for these purposes. Both the Administration and Council have been committed to borrowing for the prioritized list of current capital needs at an amount less than the City is retiring each year in general obligation debt so that each year the City's total general obligation debt is declining. This is a general policy with the Mayor's and City Council's consideration of the impact of voted tax issues and self-supporting enterprise fund debt.

In April of 2006, the City of North Olmsted received a rating increase to an A1 rating from Moody's Investor Service Inc. for limited tax and an Aa3 rating for unlimited tax. Fitch IBCA affirmed the City's A+ rating in April 2006, and again in August 2009. In April of 2010, under pressure from the federal government, all three rating agencies adjusted the way municipal debts were rated basing it on the likelihood of default, which is the standard for corporate debt. This will increase the market of potential municipal buyers, and theoretically, reduce the cost of borrowing due to the increased competition. Moody's Investor Services raised the City's rating to Aa2 on all outstanding debt, due to the recalibration, while Fitch raised the rating to AA-. Moody's affirmed that rating in July 2010, January 2013, November 2015, and January 2017 for the general obligation bond issue and all of the City's outstanding bonded debt. Fitch reaffirmed the current rating in July 2013 and again in June 2015 during standard surveillance reviews. Fitch withdrew the rating in January 2017 as the remaining portion of the debt they rated was refunded.

Major Initiatives and Capital Improvements

In early 2017, the City issued \$11,765,000 in capital improvement and refunding bonds, for the purpose of financing certain permanent improvements and to refund certain outstanding general obligation bonds and bond anticipation notes previously issued. Additionally, the City issued \$3,065,000 in library improvement refunding bonds, for the purpose of providing funds to refund for debt service savings of the City's outstanding capital improvement bonds related to the 2001 library project. The refunding portions of these issuances will save the City approximately \$342,991 in interest cost.

City Council awarded a Job Creation Grant to CommutAir for a ten-year period which would pay CommutAir a percentage of the gross city income taxes withheld by CommutAir for its employees located in the City. CommutAir employs 132 persons in North Olmsted with an annual payroll of \$5,125,000 and over the next three years they plan to add 84 jobs with an associated annual payroll of \$10,975,000. In addition, they plan to increase the square footage they lease by over 50%.

City Council awarded a Job Retention Grant to Moen, the largest employer in North Olmsted, for a term of seven years giving Moen a percentage of income taxes withheld for the 200 employees retained at their Millennium Place facility on Country Club Boulevard. Moen will use the savings to consolidate operations which are in two leased spaces into one building and to refurbish office space, including required updated technology infrastructure.

One of the Go North Olmsted 2015 Master Plan recommendations was to re-imagine the recreation center, which began in 2016 with a proactive planning process involving community stakeholders. The plan was expanded to include North Olmsted Community Park and Barton-Bradley Park which are actively utilized. The plan builds on existing recreational assets and their age and useful life as well as looks at new opportunities for capital improvements supporting program enhancements. This plan will include the operational requirements to support such enhancements. Due to the significant community investment required to bring this plan to fruition, it was important for the plan to serve all segments of North Olmsted's population and to create long lasting community benefits.

A multi-phase project to implement the Springvale Master Plan to improve the nearly 100-year-old Springvale Ballroom and Golf facilities which began in 2016 saw the construction of a 7,020 square foot maintenance facility during 2017 to house all the grounds keeping equipment and tools eliminating a safety issue as they were previously stored beneath the ballroom. It also includes areas for grounds crew and staff offices and areas to maintain and repair equipment. The next items to be completed in the first phase include a full commercial kitchen that can serve 600 guests in the ballroom and the addition of a pavilion with improved patio areas capable of serving 200 to 400 guests.

A \$10 million new traffic signal system project will improve the traffic flow along Lorain Road in two phases the first of which began in the spring of 2017 and focused on 30 of the City's 52 signaled intersections. The new system will allow the signal operations to be modified as needed to accommodate weekend traffic, holiday traffic as well as normal weekday rush to reduce congestion. The Ohio Department of Transportation will be managing the project that is funded mostly by federal monies. The City will contribute 20% of the construction costs and the cost of engineering for both phases.

The first Great Northern TIF project was improvements to Country Club Boulevard between Victoria Lane and Great Northern Boulevard. The first phase of construction began in the summer of 2017 and included attractive landscaping with brick hardscapes in the medians, new crosswalks, and improved lighting. The second phase involves even more extensive improvements to a 3,500 lineal foot portion of the four-lane road corridor, including road resurfacing, landscape and decorative lighting improvements, installation of ADA compliant curb ramps, and curb and sidewalk replacement where needed.

Long-term Financial Planning

The City does not have a formal long-term capital plan; however, the Mayor and his administration have developed a five-year capital plan and are utilizing it for planning and budgeting purposes.

In 2011, the City established and began reserving with a four-year funding plan for both separation and 27th pay funds to reduce the spikes in an operating budget when these benefits are paid out in future years. The 2017 budget included continued funding of these reserves.

The City has begun to use Tax Increment Financing (TIF) as an economic development tool for the area around Great Northern Boulevard and Country Club Boulevard business corridor. Owners of parcels of real property included in the TIF area will make payments in lieu of taxes on improvements they made on their property into the TIF. These funds will be utilized for future infrastructure improvements that will benefit the TIF business corridor. The improvements will consist of pavement, curbs, drainage facilities, extension, installation, acquisition, relocation of utilities, sidewalks, bike paths, landscaping, lighting, signalization, signage, and other public infrastructure improvements in or near the roadway.

AWARDS AND ACKNOWLEDGEMENTS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of North Olmsted for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This was the eighteenth consecutive year that the city has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The 2017 Comprehensive Annual Financial Report was prepared by the Finance Department with cooperation from all city departments. We would like to express our appreciation to Ciuni & Panichi, Inc. for their guidance in the preparation of this report.

We would also like to thank the Mayor and members of City Council for supporting the preparation of this report, which expresses their commitment to financial integrity. In closing, we are grateful to the residents and taxpayers of the City of North Olmsted for entrusting us with the fiscal administration of their local government.

Respectfully submitted,

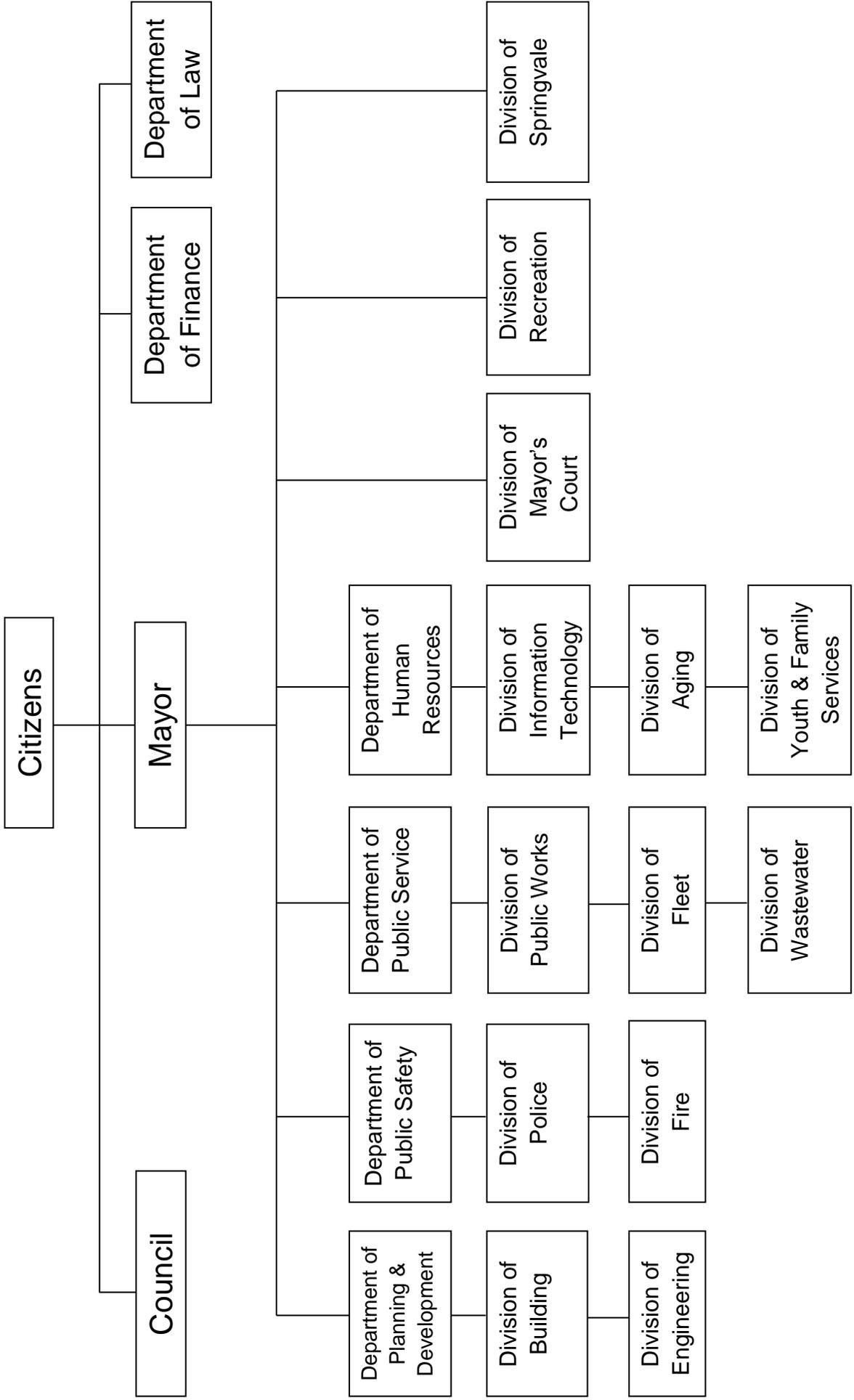


Carrie B. Copfer, CPA
Director of Finance



Keith Sperling
Assistant Director of Finance

CITY OF NORTH OLMSTED ORGANIZATIONAL CHART



City of North Olmsted, Ohio

Principal City Officials

December 31, 2017

Elected Officials

Kevin M. Kennedy	Mayor
Michael R. Gareau, Jr.....	Director of Law
Carrie B. Copfer.....	Director of Finance
Nicole Dailey Jones.....	President of Council
Louis Brossard	Council Ward 1
Daniel H. Rahm.....	Council Ward 2
Paul Schumann.....	Council Ward 3
Mary Ellen Hemann	Council Ward 4
Kevin G. Kearney.....	Council-At-Large
Duane H. Limpert.....	Council-At-Large
Angela Williamson.....	Council-At-Large

Appointed Officials

Marie Gallo	Director of Human Resources
Donald Glauner	Director of Public Safety and Service
Kimberly Wenger.....	Director of Planning Development



Government Finance Officers Association

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

Presented to

**City of North Olmsted
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

**FINANCIAL
SECTION**



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of North Olmsted
Cuyahoga County
5200 Dover Center Road
North Olmsted, Ohio 44070

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Olmsted, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of North Olmsted, Cuyahoga County, Ohio, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2018, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 28, 2018

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City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2017

The Management's Discussion and Analysis of the City of North Olmsted's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2017. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

◆ Key financial highlights for 2017 are as follows:

- The total assets and deferred outflows of resources of the City exceeded total liabilities and deferred inflows of resources at the close of 2017 by \$53,819,925. This is an increase of \$2,341,259 over the 2016 net position. Net position of the City's governmental activities increased \$443,032 from 2016, while net position of the business-type activities increased \$1,898,227.
- Total assets increased by \$7,501,794 and deferred outflows of resources decreased by \$193,928. The main factor affecting the total assets increase was the increase in equity in pooled cash and cash equivalents (up \$6,303,428). The main fluctuation in deferred outflows of resources related to loss on refunding (down \$221,317).
- Total liabilities increased by \$4,557,326 and deferred inflows of resources increased by \$409,281 from 2016. The main factor affecting the total liabilities increase was an increase in net pension liability during 2017 (up \$3,010,883). The deferred inflows of resources were up in 2017 with deferred inflows of resources related to property taxes being the biggest contributor (up \$275,711).
- The General Fund reported a fund balance of \$8,530,479 at the end of the 2017, which is an increase of \$561,325 from 2016. The General Fund expenditures increased \$1,213,765 from 2016 to 2017 and revenues increased \$988,339.

Using This Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the City of North Olmsted as a financial whole or as an entire operating entity. The statements proceed to provide an increasingly detailed look at our specific financial condition.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2017

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

Reporting the City of North Olmsted as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole considers all financial transactions and measures how the City did financially during fiscal year 2017. The *Statement of Net Position* includes assets, deferred outflows of resources, liabilities and deferred inflows of resources and the *Statement of Activities* includes revenues and expenses; however, they both use the accrual basis of accounting similar to the accounting method used by the private sector. 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 the changes in net position. The changes in net position are important because it tells whether, for the City as a whole, the financial position has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of the City's capital assets will also need to be evaluated.

The *Statement of Net Position* and the *Statement of Activities* are divided into the following categories:

- Assets
- Deferred outflows of resources
- Liabilities
- Deferred inflows of resources
- Net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources)
- Program expenses and revenues
- General revenues
- Net position beginning and end of year

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2017

Reporting the City of North Olmsted's Most Significant Funds

Fund Financial Statements

The presentation of the City's major funds begins on page 24. Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of North Olmsted, the major governmental funds are the General Fund, Permanent Improvements Fund, and General Obligation Bond Retirement Fund and the major enterprise funds are the Springvale Golf Course and Ballroom Fund and Sewer Revenue Fund.

Governmental Funds

Most of the City's activities are reported in the 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. Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds is reconciled within the financial statements.

Proprietary Funds

The City of North Olmsted maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities. The City uses enterprise funds to account for the operations of its golf course and ballroom and sanitary sewer plant and system. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains this type of fund for its self-insurance of health related employee benefits and self-insurance of workers' compensation. Because this predominately affects governmental rather than business functions, it has been included within the governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found beginning on page 30 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources are not available to support the City's own programs. The City of North Olmsted has three 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.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2017

Notes to the Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 35 of this report.

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the combining statements referred to earlier in connection with non-major governmental funds are presented, as well as individual detailed budgetary comparisons for all funds. This information can be found starting on page 93 of this report.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2017

The City of North Olmsted as a Whole

The *Statement of Net Position* looks at the City as a whole. Table 1 provides a summary of the City's net position for 2017 compared to 2016.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and other assets	\$ 46,095,954	\$ 42,444,258	\$ 10,151,752	\$ 6,668,538	\$ 56,247,706	\$ 49,112,796
Capital assets, net	48,057,160	47,827,169	71,840,500	71,709,033	119,897,660	119,536,202
Net pension asset	<u>40,631</u>	<u>36,840</u>	<u>12,952</u>	<u>11,317</u>	<u>53,583</u>	<u>48,157</u>
Total assets	<u>94,193,745</u>	<u>90,308,267</u>	<u>82,005,204</u>	<u>78,388,888</u>	<u>176,198,949</u>	<u>168,697,155</u>
Deferred outflows of resources:						
Loss on refunding	128,280	292,461	53,388	110,524	181,668	402,985
Pension	<u>7,907,964</u>	<u>8,275,798</u>	<u>1,379,916</u>	<u>984,693</u>	<u>9,287,880</u>	<u>9,260,491</u>
Total deferred outflows of resources	<u>8,036,244</u>	<u>8,568,259</u>	<u>1,433,304</u>	<u>1,095,217</u>	<u>9,469,548</u>	<u>9,663,476</u>
Liabilities:						
Current liabilities	1,784,374	1,289,562	1,027,264	1,032,050	2,811,638	2,321,612
Long-term liabilities:						
Due within one year	5,254,035	5,435,675	2,943,105	3,184,666	8,197,140	8,620,341
Other amounts due in more than one year	19,703,039	19,600,614	56,041,963	54,664,770	75,745,002	74,265,384
Net pension liability	<u>31,912,423</u>	<u>29,855,265</u>	<u>3,451,446</u>	<u>2,497,721</u>	<u>35,363,869</u>	<u>32,352,986</u>
Total liabilities	<u>58,653,871</u>	<u>56,181,116</u>	<u>63,463,778</u>	<u>61,379,207</u>	<u>122,117,649</u>	<u>117,560,323</u>
Deferred inflows of resources:						
Property taxes	9,040,527	8,764,816	-	-	9,040,527	8,764,816
Payments in lieu of taxes	254,958	170,424	-	-	254,958	170,424
Pension	<u>405,620</u>	<u>328,189</u>	<u>29,818</u>	<u>58,213</u>	<u>435,438</u>	<u>386,402</u>
Total deferred inflows of resources	<u>9,701,105</u>	<u>9,263,429</u>	<u>29,818</u>	<u>58,213</u>	<u>9,730,923</u>	<u>9,321,642</u>
Net position:						
Net investment in capital assets	28,401,591	28,628,989	14,882,798	14,329,123	43,284,389	42,958,112
Restricted	19,888,065	18,058,522	-	-	19,888,065	18,058,522
Unrestricted	<u>(14,414,643)</u>	<u>(13,255,530)</u>	<u>5,062,114</u>	<u>3,717,562</u>	<u>(9,352,529)</u>	<u>(9,537,968)</u>
Total Net Position	\$ <u>33,875,013</u>	\$ <u>33,431,981</u>	\$ <u>19,944,912</u>	\$ <u>18,046,685</u>	\$ <u>53,819,925</u>	\$ <u>51,478,666</u>

The net pension liability (NPL) is one of the larger liabilities reported by the City at December 31, 2017 and is reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. 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 and the net pension asset.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2017

GASB 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 NPL. 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.

The NPL under GASB 68 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 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 NPL. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the NPL, 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 NPL 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 the accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in NPL not accounted for as deferred inflows/outflows.

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

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2017

Net position may serve over time as a useful indicator of a government's financial position. For the City of North Olmsted, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$53,819,925 as of December 31, 2017, which is a \$2,341,259 increase from the prior year. At the end of the current year, the City of North Olmsted is able to report positive balances in the net investment in capital assets and restricted net position. Unrestricted net position is negative as a result of GASB 68.

The largest portion of the City's net position (80.4%) reflects the investments in capital assets (land, construction in progress, buildings, improvements other than buildings, machinery and equipment, furniture and fixtures and infrastructure) less any related debt to acquire those assets that remains outstanding. These capital assets are used to provide services to the City's citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets for 2017 increased \$7,501,794 when compared to 2016 and total liabilities increased by \$4,557,326. The primary contributor to the increase in assets was equity in cash and cash equivalents, which increased due to the proceeds of bonds. The increase in total liabilities is primarily due to an increase in the City's net pension liability.

In order to further understand what makes up the changes in net position for the current year, Table 2 provides further details regarding the results of activities for the current year.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2017

Table 2
Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues:						
Program revenues:						
Charges for services	\$ 5,959,969	\$ 6,440,997	\$ 12,764,000	\$ 11,779,432	\$ 18,723,969	\$ 18,220,429
Operating grants and contributions	1,852,500	1,771,865	-	-	1,852,500	1,771,865
Capital grants and contributions	<u>36,573</u>	<u>3,518</u>	<u>63,424</u>	<u>-</u>	<u>99,997</u>	<u>3,518</u>
Total program revenues	<u>7,849,042</u>	<u>8,216,380</u>	<u>12,827,424</u>	<u>11,779,432</u>	<u>20,676,466</u>	<u>19,995,812</u>
General revenues:						
Property taxes and other taxes	9,813,776	9,622,781	-	-	9,813,776	9,622,781
Municipal income taxes	16,311,456	15,531,341	-	-	16,311,456	15,531,341
Grants and entitlements	2,363,717	2,569,538	-	-	2,363,717	2,569,538
Other	<u>256,013</u>	<u>127,828</u>	<u>-</u>	<u>-</u>	<u>256,013</u>	<u>127,828</u>
Total general revenues	<u>28,744,962</u>	<u>27,851,488</u>	<u>-</u>	<u>-</u>	<u>28,744,962</u>	<u>27,851,488</u>
Total revenues	<u>36,594,004</u>	<u>36,067,868</u>	<u>12,827,424</u>	<u>11,779,432</u>	<u>49,421,428</u>	<u>47,847,300</u>
Program expenses:						
General government	5,512,075	5,299,633	-	-	5,512,075	5,299,633
Security of persons and property	15,348,078	15,959,086	-	-	15,348,078	15,959,086
Public health and welfare	692,738	631,709	-	-	692,738	631,709
Transportation	8,240,799	7,352,641	-	-	8,240,799	7,352,641
Basic utility services	2,192,149	2,063,026	-	-	2,192,149	2,063,026
Leisure time activities	3,171,864	3,191,927	-	-	3,171,864	3,191,927
Economic development	376,806	271,870	-	-	376,806	271,870
Interest and fiscal charges	669,103	668,492	-	-	669,103	668,492
Springvale Golf Course and Ballroom	-	-	2,019,106	1,665,971	2,019,106	1,665,971
Sewer	<u>-</u>	<u>-</u>	<u>8,857,451</u>	<u>8,005,368</u>	<u>8,857,451</u>	<u>8,005,368</u>
Total program expenses	<u>36,203,612</u>	<u>35,438,384</u>	<u>10,876,557</u>	<u>9,671,339</u>	<u>47,080,169</u>	<u>45,109,723</u>
Change in net position before transfers and special item	390,392	629,484	1,950,867	2,108,093	2,341,259	2,737,577
Transfers	52,640	52,640	(52,640)	(52,640)	-	-
Special item - loss on sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,454,506)</u>	<u>-</u>	<u>(3,454,506)</u>
Total general revenue, transfers, and special item	<u>52,640</u>	<u>52,640</u>	<u>(52,640)</u>	<u>(3,507,146)</u>	<u>-</u>	<u>(3,454,506)</u>
Change in net position	443,032	682,124	1,898,227	(1,399,053)	2,341,259	(716,929)
Net position, beginning of year	<u>33,431,981</u>	<u>32,749,857</u>	<u>18,046,685</u>	<u>19,445,738</u>	<u>51,478,666</u>	<u>52,195,595</u>
Net position, end of year	\$ <u>33,875,013</u>	\$ <u>33,431,981</u>	\$ <u>19,944,912</u>	\$ <u>18,046,685</u>	\$ <u>53,819,925</u>	\$ <u>51,478,666</u>

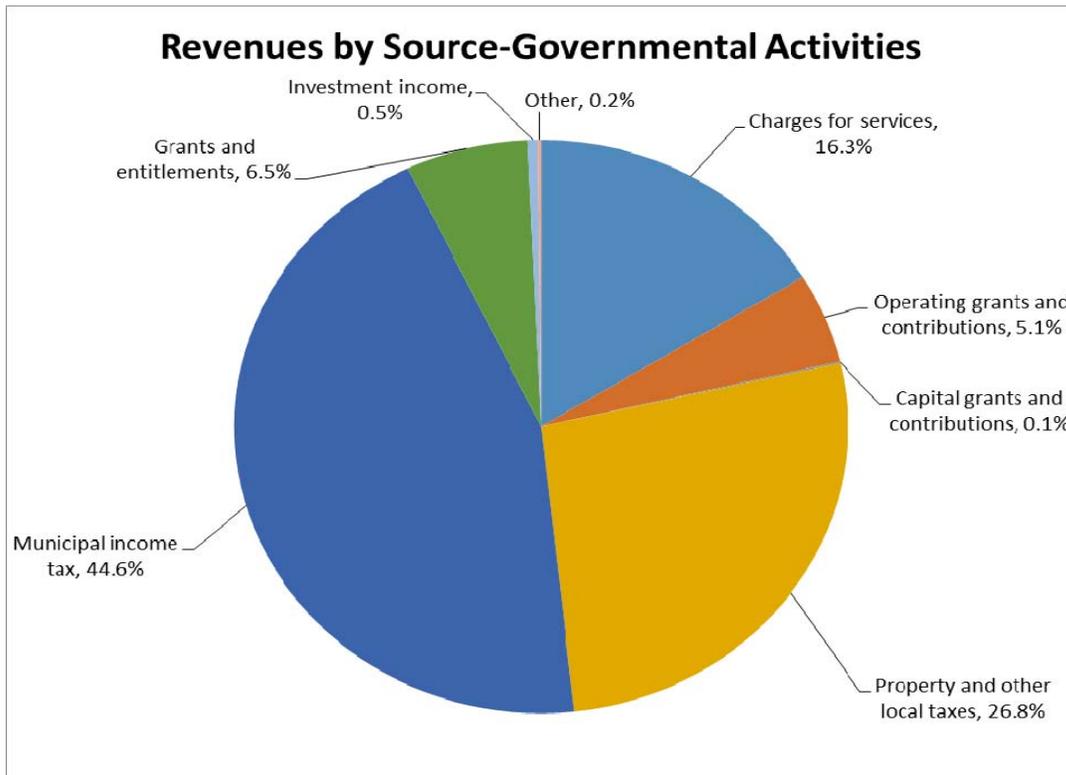
City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2017

Governmental Activities

Overall, total governmental activities revenues increased by \$526,136. Program revenues represent 21.4% of the total governmental activities revenues. This includes charges for services and both operating and capital grants. Program revenues decreased in 2017 by \$367,338, as a result of decreases in charges for services of \$481,028. The decrease in charges for services is primarily due to a decrease in building permits for commercial and residential projects.

General revenues represent the other 78.6% of total governmental activities with municipal income taxes at 44.6%, property and other local taxes at 26.8% and grants, entitlements and other miscellaneous revenues representing 7.2%. General revenues increased in 2017 by \$893,474, a result of an increase in municipal income tax.

Municipal income tax revenue, which comprises the City's largest source of general revenues, which increased \$780,115 from 2016, which is an increase of approximately 5.0%. The increase in income taxes is due to increased amount collected from both withholding collections and net profit collections, which are a result of the gradually improving economy.



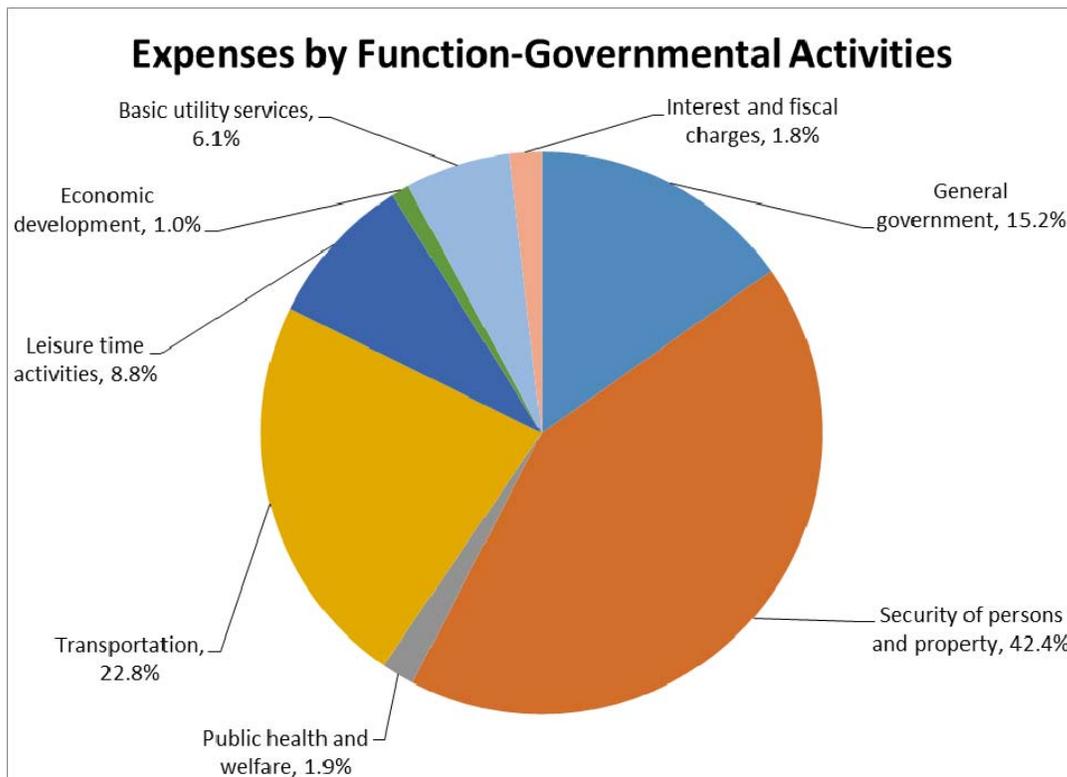
City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2017

In total, the City's governmental activities experienced an increase in 2017 expenses of \$765,228. The majority of the increase was due to increased pension expense as a result of the actuarial estimate of the net pension liability for OPERS and OP&F.

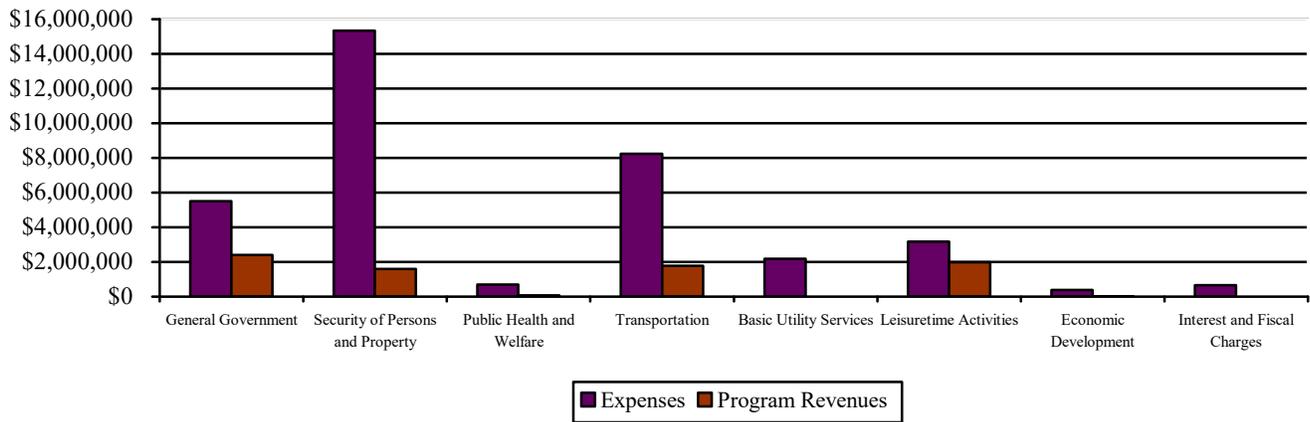
The City's expenses are categorized by function. Security of persons and property is the City's largest program function and represented 42.4% of program expenses in 2017. This includes the cost of providing police, dispatch, fire, and paramedic services. The second largest program function is transportation, which represents 22.8% of program expenses in 2017. This includes the cost of providing all public works services such as street and storm channel maintenance and improvements, public property maintenance, snow removal, brush removal and equipment maintenance. General government represents 15.2% of program expenses. This includes all the general governmental expenses used by the entire City such as council, mayor, administration, finance, law, human resources, information technologies, building, engineering, etc.



City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2017

As can be seen in the chart below, all programs have a heavy reliance on general revenues, with 78.6% of total 2017 revenues coming from general revenues.

Expenses and Program Revenues Governmental Activities



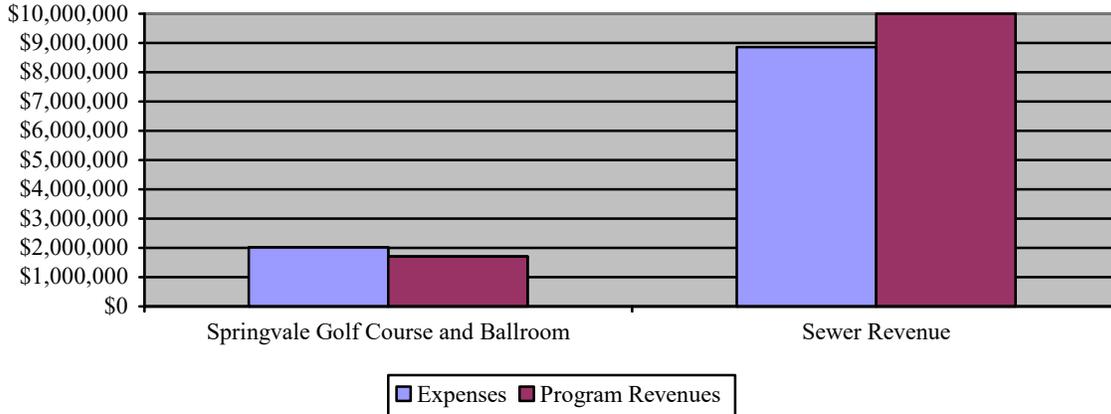
Business-Type Activities

Overall, total business-type activities revenue increased \$1,047,992 in 2017. Charges for services are the primary source of program revenues for the business-type activities. The Springvale Golf Course and Ballroom (Springvale) has both golf and event revenues. The sewer plant and collection system operations (WWTP) represent the largest share of the charges for services. Sewer charges for services increased by 10.2%, which is a primarily a result of the increase in sewer fees in 2017. Springvale charges for services decreased in 2017 by 2.0%, which was primarily due to a decreases in ballroom food sales and golf outings.

Business-type activities expense increased in 2017 by \$1,205,218, from the prior year. Sewer expenses increased by 10.6% while the Springvale expenses increased by 21.2% in 2017. The increase in Sewer expenses was primarily due to GASB 68 and increased depreciation expense, due to prior year additions receiving a full year of depreciation in the current year. The increase in Springvale expenses was due to capital improvements.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2017

Expenses and Program Revenues Business-Type Activities



Financial Analysis of the City's Funds

The City of North Olmsted uses fund accounting as mandated by governmental legal requirements. The importance of accounting and reporting using this method is to demonstrate compliance with these finance related requirements.

Governmental Funds

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

As of December 31, 2017, the City's governmental funds reported combined ending fund balances of \$27,140,687. Of that amount, \$25,699,447 constitutes fund balances in a spendable form. The remaining \$1,441,240 fund balance is reported as nonspendable to indicate that it is not available for spending because it cannot be used to liquidate future liabilities because it will not be in a spendable form in the next year.

All governmental funds had total revenues of \$35,892,641 and expenditures of \$38,883,910, resulting in expenditures over revenues of \$2,991,269. After consideration of \$5,210,286 in net other financing sources, the current year net change in fund balance was \$2,219,017.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2017

The General Fund is the most significant fund as it is the source for providing a significant portion of major governmental activities such as police, fire, service, legislative and administrative functions. In 2017, the General Fund had total revenues of \$21,928,920 and expenditures of \$21,374,436, resulting in an increase in fund balance of \$561,325 after consideration of \$6,841 in net other financing sources, for an ending fund balance at December 31, 2017 of \$8,530,479. General Fund revenues increased \$988,339 from 2016, while expenditures increased by \$1,213,765. The increase in General Fund revenues was due to a reallocation of millage to operating purposes and increase to income tax revenue. The increase in General Fund expenditures was due to the allocation of salaries and benefits from Street Maintenance Fund back to the General Fund in 2017, as well as improvements to the community cabin and other capital improvements.

The Permanent Improvements Fund accounts for 15% of the municipal income tax receipts and is used for the permanent improvement of streets and storm sewer system. In 2017, the Permanent Improvements Fund had total revenues of \$2,385,864 and expenditures of \$4,038,841, resulting in a decrease in fund balance of \$286,675 after consideration of \$1,366,302 in net other financing sources, for an ending fund balance at December 31, 2017 of \$4,158,423. Revenues increased by \$86,327 from the prior year. Expenditures increased from the prior year by \$2,315,918 which was primarily due to an increase in principal expenditures for debt in 2017.

The General Obligation Bond Retirement Fund accounts for resources that are used for payments of principal and interest and fiscal charges on general obligation debt. In 2017, the General Obligation Bond Retirement Fund had total revenues of \$1,492,872 and expenditures of \$2,417,743 resulting in an increase in fund balance of \$915,854 after consideration of \$1,840,725 in net other financing sources, for an ending fund balance at December 31, 2017 of \$7,744,466. The General Obligation Bond Retirement Fund revenues decreased \$1,220,373 in 2017. As debt service requirements decrease the City reduces the property tax millage going to the fund. The expenditures are set by the bond, note and loan payments and decreased from the prior year based on the amortizations schedules of the City's debt.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. The City amended its General Fund budget at various times throughout fiscal year 2017. All recommendations for budget amendments are initially presented to the Finance Committee of City Council for review before they are presented to the whole City Council for Ordinance enactment on the change. Budgetary modifications between the legal level of control categories may only be made by resolution of the City Council. The City allows intra-department budget modifications if they are within the same legal level of control category. The General Fund supports many of the City's major activities such as the police, fire and service departments, as well as most legislative and administrative activities. The General Fund is monitored closely, looking for possible revenue shortfalls or potential overspending by individual departments.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2017

For the General Fund, the original budgeted revenues and other financing sources were \$20,867,882. The final budgeted revenues and other financing sources were \$21,137,782. The City actually received \$22,024,727 in 2017. While the excess was a result of greater than anticipated revenues across several revenue types, the more significant variances were municipal income tax and property and other taxes. The City's revenues were greater than expected due to the City receiving approximately \$393,541 and \$320,759 more in municipal income and property and other tax revenues, respectively.

The original appropriations, including other financing uses for the General Fund were \$24,263,120. The final appropriations, including other financing uses, were \$24,557,038. Actual expenditures, including other financing uses ended \$2,392,031 below the final budgeted amount. Security of persons and property expenditures were less than budgeted across all areas in 2017, but the greatest variance was for benefits due to decreased expenses for hospitalization allocated to the departments. Revenues exceeded expenditures by \$420,233 before \$560,513 in net other financing uses. This resulted in a net decrease of the General Fund balance of \$140,280.

Capital Assets and Debt Administration

Capital Assets

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	\$ 4,610,992	\$ 4,445,992	\$ 2,340,714	\$ 2,340,714	\$ 6,951,706	\$ 6,786,706
Construction in progress	3,183,086	856,250	2,457,533	227,128	5,640,619	1,083,378
Other non-depreciable assets	23,000	23,000	-	-	23,000	23,000
Land improvements	1,149,665	991,131	2,615,058	2,731,938	3,764,723	3,723,069
Buildings and improvements	15,231,317	15,091,184	29,957,196	30,786,051	45,188,513	45,877,235
Furniture and fixtures	87,896	94,171	11,338	12,120	99,234	106,291
Vehicles and equipment	2,924,198	2,718,702	26,457,808	27,261,956	29,382,006	29,980,658
Infrastructure	20,847,006	23,606,739	8,000,853	8,349,126	28,847,859	31,955,865
Total	\$ <u>48,057,160</u>	\$ <u>47,827,169</u>	\$ <u>71,840,500</u>	\$ <u>71,709,033</u>	\$ <u>119,897,660</u>	\$ <u>119,536,202</u>

Total governmental activities capital assets, net of depreciation, as of December 31, 2017, were \$48,057,160, which was \$229,991 higher than December 31, 2016. The most significant additions were in construction in progress of \$2,949,596 and roads of \$864,862. The capital asset additions were offset by annual depreciation expense of \$4,812,207.

Business-type activities net capital assets increased by \$131,467 from 2016. The most significant additions were in construction in progress of \$2,230,405. The capital asset additions were offset by annual depreciation expense of \$2,545,131.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2017

Debt and Other Long-Term Obligations

As of December 31, 2017, the City of North Olmsted had \$119,306,011 in total debt and other long-term obligations outstanding with \$8,197,140 due within one year.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General obligation bonds	\$ 19,838,209	\$ 17,790,965	\$ 6,446,570	\$ 2,943,063	\$ 26,284,779	\$ 20,734,028
OWDA loan	-	-	52,065,290	54,453,420	52,065,290	54,453,420
Police pension liability	70,291	74,088	-	-	70,291	74,088
Long-term notes	-	1,605,000	-	-	-	1,605,000
Compensated absences	4,673,528	4,951,974	470,533	440,063	5,144,061	5,392,037
Claims payable	339,718	519,586	-	-	339,718	519,586
Capital lease payable	35,328	94,676	2,675	12,890	38,003	107,566
Net pension liability	<u>31,912,423</u>	<u>29,855,265</u>	<u>3,451,446</u>	<u>2,497,721</u>	<u>35,363,869</u>	<u>32,352,986</u>
Total	<u>\$ 56,869,497</u>	<u>\$ 54,891,554</u>	<u>\$ 62,436,514</u>	<u>\$ 60,347,157</u>	<u>\$ 119,306,011</u>	<u>\$ 115,238,711</u>

The general obligation bonds are composed of many various purposes which include street and storm improvements, sanitary sewer improvements, equipment, computerization, golf course purchase and improvements, recreation center and parks improvements, city building improvements and new library and fire station construction. Many revenue sources assist in the payment of debt service.

The City has two OWDA loans outstanding for the WWTP and collection system improvements with the debt service being paid with user charges.

The State of Ohio statute limits the amount of general obligation debt a governmental entity may issue to 10.5% of the total assessed valuation. The City's overall legal debt margin was \$65,919,815 at December 31, 2017. This represents the aggregate principal amount of additional voted and unvoted debt which the City may issue over and above what the City currently has outstanding without exceeding the limitation. This calculation does not take into account the City's ability to repay such debt levels within current resources. Additional information concerning the City's debt can be found in Notes 10, 13, 14 and 15 to the basic financial statements.

Economic Factors and Next Year's Budget

The City of North Olmsted, as well as the rest of our region, has seen some positive economic indicators in 2017. Municipal income tax collections have increased, specifically in the withholding and net profit collections, 2.5% and 20.0%, respectively. The housing market showed continued improvements with increases in both the volume of homes sold as well as the average sales price. The number of sales increased 5.7% to 571, while the average sale price increases 11.6% to \$142,273. Though the size of the building permitted projects decreased from 2016, the number of permits increased by 4.4% to 1,663. In 2018's budget the city addressed the rising cost of healthcare and significant retirements in the police division, in addition to maintaining city services, capital replacement, and funding reserves. The city successfully negotiated with the majority of the employee groups a high deductible healthcare plan option and greater employee contributions, deductibles and maximums in an effort to contain the cost of healthcare. Additionally, the police staffing was temporarily increased by three officers to address the transition period of upcoming retirements and the time it takes new officers to be fully trained.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2017

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends, or invests. If you have any questions about this report or need financial information, contact the Director of Finance, City of North Olmsted, 5200 Dover Center Road, North Olmsted, Ohio, 44070; telephone 440-777-8000 or e-mail at finance@north-olmsted.com.

City of North Olmsted, Ohio

Statement of Net Position

December 31, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	North Olmsted Commission on Paratransit, Inc.
Assets:				
Equity in pooled cash and cash equivalents	\$ 23,268,853	\$ 13,108,495	\$ 36,377,348	\$ 40,105
Accounts receivable	430,686	-	430,686	-
Materials and supplies inventory	287,246	199,063	486,309	-
Prepaid items	131,960	78,673	210,633	-
Internal balances	5,524,781	(5,524,781)	-	-
Intergovernmental receivable	2,198,897	2,290,302	4,489,199	-
Income taxes receivable	4,834,420	-	4,834,420	-
Taxes receivable - property and other	9,419,111	-	9,419,111	-
Non-depreciable capital assets	7,817,078	4,798,247	12,615,325	-
Depreciable capital assets, net	40,240,082	67,042,253	107,282,335	-
Net pension asset	40,631	12,952	53,583	-
Total assets	<u>94,193,745</u>	<u>82,005,204</u>	<u>176,198,949</u>	<u>40,105</u>
Deferred outflows of resources:				
Deferred loss on refunding	128,280	53,388	181,668	-
Pension	<u>7,907,964</u>	<u>1,379,916</u>	<u>9,287,880</u>	<u>-</u>
Total deferred outflows or resources	<u>8,036,244</u>	<u>1,433,304</u>	<u>9,469,548</u>	<u>-</u>
Liabilities:				
Accounts and contracts payable	940,625	127,964	1,068,589	-
Accrued wages and benefits	687,464	79,696	767,160	-
Intergovernmental payable	6,544	5,687	12,231	-
Retainage payable	33,224	111,728	144,952	-
Accrued interest payable	47,946	702,189	750,135	-
Matured compensated absences	68,571	-	68,571	-
Long-term liabilities:				
Due within one year	5,254,035	2,943,105	8,197,140	-
Due in more than one year	19,703,039	56,041,963	75,745,002	-
Net pension liability	<u>31,912,423</u>	<u>3,451,446</u>	<u>35,363,869</u>	<u>-</u>
Total liabilities	<u>58,653,871</u>	<u>63,463,778</u>	<u>122,117,649</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes	9,040,527	-	9,040,527	-
Payments in lieu of taxes	254,958	-	254,958	-
Pension	<u>405,620</u>	<u>29,818</u>	<u>435,438</u>	<u>-</u>
Total deferred inflows of resources	<u>9,701,105</u>	<u>29,818</u>	<u>9,730,923</u>	<u>-</u>
Net position:				
Net investment in capital assets	28,401,591	14,882,798	43,284,389	-
Restricted for:				
Debt service	9,360,400	-	9,360,400	-
Capital projects	4,699,150	-	4,699,150	-
Highways and streets	2,829,310	-	2,829,310	-
Public safety	562,154	-	562,154	-
Solid waste management	1,861,445	-	1,861,445	-
Federal and other grants	575,606	-	575,606	-
Unrestricted	<u>(14,414,643)</u>	<u>5,062,114</u>	<u>(9,352,529)</u>	<u>40,105</u>
Total net position	<u>\$ 33,875,013</u>	<u>\$ 19,944,912</u>	<u>\$ 53,819,925</u>	<u>\$ 40,105</u>

The accompanying notes are an integral part of these financial statements.

City of North Olmsted, Ohio

Statement of Activities

For the Year Ended December 31, 2017

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 5,512,075	\$ 2,361,850	\$ 10	\$ 32,765
Security of persons and property	15,348,078	1,446,643	149,160	3,808
Public health and welfare	692,738	7,923	73,571	-
Transportation	8,240,799	159,121	1,624,759	-
Basic utility services	2,192,149	-	5,000	-
Leisure time activities	3,171,864	1,973,255	-	-
Economic development	376,806	11,177	-	-
Interest and fiscal charges	669,103	-	-	-
Total governmental activities	<u>36,203,612</u>	<u>5,959,969</u>	<u>1,852,500</u>	<u>36,573</u>
Business-type activities:				
Springvale golf course and ballroom	2,019,106	1,704,829	-	-
Sewer revenue	<u>8,857,451</u>	<u>11,059,171</u>	<u>-</u>	<u>63,424</u>
Total business-type activities	<u>10,876,557</u>	<u>12,764,000</u>	<u>-</u>	<u>63,424</u>
Total primary government	<u>\$ 47,080,169</u>	<u>\$ 18,723,969</u>	<u>\$ 1,852,500</u>	<u>\$ 99,997</u>
Component unit:				
North Olmsted Commission on Paratransit, Inc.	\$ <u>36</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

General revenues:

- Property taxes levied for:
 - General purposes
 - Recreation
 - Fire pension
 - Police pension
 - Debt service
- Municipal income taxes levied for:
 - General purposes
 - Solid waste management
 - Capital outlay
- Grants and entitlements not restricted to specific programs
- Investment income
- Miscellaneous income
- Total general revenues

Transfers

- Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business- Type Activities	Total	North Olmsted Commission on Paratransit, Inc.
\$ (3,117,450)	\$ -	\$ (3,117,450)	\$ -
(13,748,467)	-	(13,748,467)	-
(611,244)	-	(611,244)	-
(6,456,919)	-	(6,456,919)	-
(2,187,149)	-	(2,187,149)	-
(1,198,609)	-	(1,198,609)	-
(365,629)	-	(365,629)	-
(669,103)	-	(669,103)	-
<u>(28,354,570)</u>	<u>-</u>	<u>(28,354,570)</u>	<u>-</u>
-	(314,277)	(314,277)	-
-	2,265,144	2,265,144	-
-	1,950,867	1,950,867	-
<u>(28,354,570)</u>	<u>1,950,867</u>	<u>(26,403,703)</u>	<u>-</u>
-	-	-	(36)
6,284,588	-	6,284,588	-
839,292	-	839,292	-
209,814	-	209,814	-
242,275	-	242,275	-
2,237,807	-	2,237,807	-
11,418,020	-	11,418,020	-
2,446,718	-	2,446,718	-
2,446,718	-	2,446,718	-
2,363,717	-	2,363,717	-
194,422	-	194,422	-
61,591	-	61,591	-
28,744,962	-	28,744,962	-
52,640	(52,640)	-	-
<u>28,797,602</u>	<u>(52,640)</u>	<u>28,744,962</u>	<u>-</u>
443,032	1,898,227	2,341,259	(36)
<u>33,431,981</u>	<u>18,046,685</u>	<u>51,478,666</u>	<u>40,141</u>
\$ <u>33,875,013</u>	\$ <u>19,944,912</u>	\$ <u>53,819,925</u>	\$ <u>40,105</u>

City of North Olmsted, Ohio

Balance Sheet Governmental Funds

December 31, 2017

	<u>General</u>	<u>Permanent Improvements</u>	<u>General Obligation Bond Retirement</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 5,962,788	\$ 3,849,927	\$ 2,697,105	\$ 6,619,114	\$ 19,128,934
Income taxes receivable	3,384,094	725,163	-	725,163	4,834,420
Taxes receivable - property and other	5,809,777	-	1,234,707	2,374,627	9,419,111
Intergovernmental receivable	720,595	1,115	146,624	1,330,563	2,198,897
Accounts receivable	406,338	-	-	24,348	430,686
Materials and supplies inventory	249,745	-	-	37,501	287,246
Prepaid items	105,382	-	-	26,578	131,960
Interfund receivable	150,000	-	-	-	150,000
Non-current assets:					
Advances to other funds	<u>1,022,034</u>	<u>-</u>	<u>5,047,361</u>	<u>-</u>	<u>6,069,395</u>
Total assets	<u>\$ 17,810,753</u>	<u>\$ 4,576,205</u>	<u>\$ 9,125,797</u>	<u>\$ 11,137,894</u>	<u>\$ 42,650,649</u>
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Accounts and contracts payable	\$ 342,083	\$ 71,962	\$ -	\$ 474,930	\$ 888,975
Accrued wages and benefits	626,332	-	-	61,132	687,464
Matured compensated absences	68,571	-	-	-	68,571
Retainage payable	28,182	-	-	5,042	33,224
Interfund payable	-	-	-	150,000	150,000
Intergovernmental payable	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>1,614</u>	<u>2,814</u>
Total liabilities	<u>1,066,368</u>	<u>71,962</u>	<u>-</u>	<u>692,718</u>	<u>1,831,048</u>
Deferred inflows or resources:					
Property taxes	5,641,834	-	1,155,556	2,243,137	9,040,527
Payments in lieu of taxes	-	-	-	254,958	254,958
Unavailable revenues	<u>2,572,072</u>	<u>345,820</u>	<u>225,775</u>	<u>1,239,762</u>	<u>4,383,429</u>
Total deferred inflows of resources	<u>8,213,906</u>	<u>345,820</u>	<u>1,381,331</u>	<u>3,737,857</u>	<u>13,678,914</u>
Fund balances:					
Nonspendable	1,377,161	-	-	64,079	1,441,240
Restricted	-	4,158,423	7,744,466	6,504,859	18,407,748
Committed	114,747	-	-	269,040	383,787
Assigned	4,941,368	-	-	-	4,941,368
Unassigned	<u>2,097,203</u>	<u>-</u>	<u>-</u>	<u>(130,659)</u>	<u>1,966,544</u>
Total fund balances	<u>8,530,479</u>	<u>4,158,423</u>	<u>7,744,466</u>	<u>6,707,319</u>	<u>27,140,687</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,810,753</u>	<u>\$ 4,576,205</u>	<u>\$ 9,125,797</u>	<u>\$ 11,137,894</u>	<u>\$ 42,650,649</u>

The accompanying notes are an integral part of these financial statements.

City of North Olmsted, Ohio

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

December 31, 2017

Total governmental fund balances \$ 27,140,687

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. 48,057,160

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Property and other taxes	\$ 319,004	
Municipal income taxes	2,298,032	
Intergovernmental	1,559,444	
Charges for services	<u>206,949</u>	
Total		4,383,429

In the Statement of Activities, interest is accrued on outstanding long-term obligations, whereas in governmental funds, an interest expenditure is reported when due. (47,946)

Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.

Police pension liability	(70,291)	
General obligation bonds	(19,838,209)	
Deferred charge on refunding	128,280	
Capital leases payable	(35,328)	
Compensated absences	<u>(4,673,528)</u>	
Total		(24,489,076)

Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

Net position	3,744,821	
Internal balances	<u>(544,614)</u>	
Total		3,200,207

The net pension liability / asset are not due and payable / receivable in the current period; therefore, the liability / asset and related deferred inflows / outflows are not reported in governmental funds.

Net Pension Asset	40,631	
Deferred Outflows	7,907,964	
Net Pension Liability	(31,912,423)	
Deferred Inflows	<u>(405,620)</u>	
Total		<u>(24,369,448)</u>

Net position of governmental activities \$ 33,875,013

The accompanying notes are an integral part of these financial statements.

City of North Olmsted, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

For the Year Ended December 31, 2017

	<u>General</u>	<u>Permanent Improvements</u>	<u>General Obligation Bond Retirement</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property and other local taxes	\$ 5,940,373	\$ -	\$ 1,189,325	\$ 2,686,596	\$ 9,816,294
Municipal income taxes	11,123,629	2,383,634	-	2,383,634	15,890,897
Payments in lieu of taxes	-	-	-	287,273	287,273
Charges for services	1,401,436	-	-	2,415,584	3,817,020
Fines, licenses and permits	1,617,603	-	-	304,714	1,922,317
Intergovernmental	1,643,001	2,230	293,247	1,924,707	3,863,185
Investment income	178,320	-	10,300	5,802	194,422
Miscellaneous income	24,558	-	-	76,675	101,233
Total revenues	<u>21,928,920</u>	<u>2,385,864</u>	<u>1,492,872</u>	<u>10,084,985</u>	<u>35,892,641</u>
Expenditures:					
Current:					
General government	4,507,122	-	5,176	121,573	4,633,871
Security of persons and property	13,073,116	-	-	1,160,970	14,234,086
Public health and welfare	473,655	-	-	1,201,656	1,675,311
Transportation	2,955,806	2,416,955	-	1,629,380	7,002,141
Basic utility services	-	-	-	2,193,395	2,193,395
Leisure time activities	3,837	-	-	2,887,217	2,891,054
Economic development	315,800	-	-	157,694	473,494
Capital outlay	28,182	-	-	474,955	503,137
Debt service:					
Principal	12,029	1,605,000	1,861,000	1,016,116	4,494,145
Interest and fiscal charges	4,889	16,886	462,150	150,662	634,587
Issuance costs	-	-	89,417	59,272	148,689
Total expenditures	<u>21,374,436</u>	<u>4,038,841</u>	<u>2,417,743</u>	<u>11,052,890</u>	<u>38,883,910</u>
Excess (deficiency) of revenues over expenditures	<u>554,484</u>	<u>(1,652,977)</u>	<u>(924,871)</u>	<u>(967,905)</u>	<u>(2,991,269)</u>
Other financing sources (uses):					
Issuance of bonds	-	2,710,000	571,000	5,090,000	8,371,000
Premium on issuance of bonds	-	-	355,837	108,302	464,139
Payment refunded to escrow agent	-	-	(576,527)	(3,112,607)	(3,689,134)
Sale of capital assets	11,641	-	-	-	11,641
Transfers - in	60,200	-	1,490,415	65,000	1,615,615
Transfers - out	(65,000)	(1,343,698)	-	(154,277)	(1,562,975)
Total other financing sources (uses)	<u>6,841</u>	<u>1,366,302</u>	<u>1,840,725</u>	<u>1,996,418</u>	<u>5,210,286</u>
Net change in fund balances	561,325	(286,675)	915,854	1,028,513	2,219,017
Fund balances, beginning of year	<u>7,969,154</u>	<u>4,445,098</u>	<u>6,828,612</u>	<u>5,678,806</u>	<u>24,921,670</u>
Fund balances, end of year	\$ <u>8,530,479</u>	\$ <u>4,158,423</u>	\$ <u>7,744,466</u>	\$ <u>6,707,319</u>	\$ <u>27,140,687</u>

The accompanying notes are an integral part of these financial statements.

City of North Olmsted, 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, 2017

Net change in fund balances - total governmental funds \$ 2,219,017

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

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

Capital outlay	\$ 5,042,198	
Depreciation expense	<u>(4,812,207)</u>	
Total		229,991

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

Property and local taxes	(2,518)	
Municipal income taxes	420,559	
Charges for services	59,650	
Intergovernmental	<u>212,031</u>	
Total		689,722

Other financing sources in the governmental funds increase long-term liabilities in the Statement of Net Position.

General obligation bonds	(8,371,000)	
Premium on general obligation bonds	<u>(464,139)</u>	
Total		(8,835,139)

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

General obligation bonds	2,826,000	
Payment refunded to escrow agent	3,689,134	
Long-term notes	1,605,000	
Police pension liability	3,797	
Capital leases	<u>59,348</u>	
Total		8,183,279

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.

Accrued interest on bonds	5,593	
Compensated absences	278,446	
Amortization of premium	131,401	
Amortization of deferred loss on refunding	<u>(22,821)</u>	
Total		392,619

(Continued)

The accompanying notes are an integral part of these financial statements.

City of North Olmsted, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Continued)

For the Year Ended December 31, 2017

Internal service funds used by management to charge the costs of insurance to individual funds are 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 funds are allocated among governmental activities.

Change in net position	78,249	
Internal balances	<u>(16,074)</u>	
Total		62,175

Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.

2,376,765

Except for amounts reported as deferred outflows/inflows, changes in the net position liability are reported as pension expense in the Statement of Activities.

(4,875,397)

Change in net position of governmental activities

\$ 443,032

The accompanying notes are an integral part of these financial statements.

City of North Olmsted, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual - General Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 10,532,500	\$ 10,532,500	\$ 10,926,041	\$ 393,541
Property and other local taxes	5,544,859	5,544,859	5,865,618	320,759
Charges for services	1,441,426	1,436,426	1,542,646	106,220
Licenses and permits	1,276,039	1,276,039	1,384,299	108,260
Fines, licenses and permits	249,567	249,567	236,620	(12,947)
Intergovernmental	1,459,491	1,459,391	1,484,546	25,155
Investment income	60,000	185,000	297,603	112,603
Miscellaneous income	<u>24,000</u>	<u>24,000</u>	<u>22,067</u>	<u>(1,933)</u>
Total revenues	<u>20,587,882</u>	<u>20,707,782</u>	<u>21,759,440</u>	<u>1,051,658</u>
Expenditures:				
Current:				
General government	4,933,629	4,938,191	4,462,007	476,184
Security of persons and property	13,416,453	13,394,949	12,418,562	976,387
Public health and welfare	542,326	542,326	482,451	59,875
Transportation	4,399,831	4,462,691	3,611,982	850,709
Basic utility services	25,500	25,500	23,814	1,686
Economic development	<u>319,581</u>	<u>367,581</u>	<u>340,391</u>	<u>27,190</u>
Total expenditures	<u>23,637,320</u>	<u>23,731,238</u>	<u>21,339,207</u>	<u>2,392,031</u>
(Deficiency) excess of revenues over expenditures	<u>(3,049,438)</u>	<u>(3,023,456)</u>	<u>420,233</u>	<u>3,443,689</u>
Other financing sources (uses):				
Sales of capital assets	30,000	30,000	15,287	(14,713)
Advances - in	-	150,000	-	(150,000)
Transfers - in	250,000	250,000	250,000	-
Advances - out	-	(150,000)	(150,000)	-
Transfers - out	<u>(625,800)</u>	<u>(675,800)</u>	<u>(675,800)</u>	<u>-</u>
Total other financing sources (uses)	<u>(345,800)</u>	<u>(395,800)</u>	<u>(560,513)</u>	<u>(164,713)</u>
Net change in fund balance	(3,395,238)	(3,419,256)	(140,280)	3,278,976
Prior year encumbrances	245,698	245,698	245,698	-
Fund balance, beginning of year	<u>3,799,524</u>	<u>3,799,524</u>	<u>3,799,524</u>	<u>-</u>
Fund balance, end of year	\$ <u>649,984</u>	\$ <u>625,966</u>	\$ <u>3,904,942</u>	\$ <u>3,278,976</u>

The accompanying notes are an integral part of these financial statements.

City of North Olmsted, Ohio

Statement of Fund Net Position Proprietary Funds

December 31, 2017

	Business-Type Activities – Enterprise Funds			Governmental
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Assets:				
Current assets:				
Equity in pooled cash and equivalents	\$ 2,143,959	\$ 10,964,536	\$ 13,108,495	\$ 4,139,919
Materials and supplies inventory	36,478	162,585	199,063	-
Prepaid items	10,285	68,388	78,673	-
Intergovernmental receivable	-	<u>2,290,302</u>	<u>2,290,302</u>	-
Total current assets	<u>2,190,722</u>	<u>13,485,811</u>	<u>15,676,533</u>	<u>4,139,919</u>
Non-current assets:				
Non-depreciable capital assets	3,880,638	917,609	4,798,247	-
Depreciable capital assets, net	2,415,040	64,627,213	67,042,253	-
Net pension asset	<u>2,908</u>	<u>10,044</u>	<u>12,952</u>	-
Total non-current assets	<u>6,298,586</u>	<u>65,554,866</u>	<u>71,853,452</u>	-
Total assets	<u>8,489,308</u>	<u>79,040,677</u>	<u>87,529,985</u>	<u>4,139,919</u>
Deferred outflows or resources:				
Deferred loss on refunding	53,388	-	53,388	-
Pension	<u>309,791</u>	<u>1,070,125</u>	<u>1,379,916</u>	-
Total deferred outflows or resources	<u>363,179</u>	<u>1,070,125</u>	<u>1,433,304</u>	-
Liabilities:				
Current:				
Accounts and contracts payable	25,800	102,164	127,964	51,650
Accrued wages and benefits	11,214	68,482	79,696	-
Intergovernmental payable	47	5,640	5,687	3,730
Retainage payable	111,728	-	111,728	-
Accrued interest payable	14,292	687,897	702,189	-
Claims payable	-	-	-	325,291
Accrued compensated absences	20,104	152,672	172,776	-
Capital lease payable	-	862	862	-
General obligation bond payable	525,000	125,000	650,000	-
OWDA loan payable	-	<u>2,119,467</u>	<u>2,119,467</u>	-
Total current liabilities	<u>708,185</u>	<u>3,262,184</u>	<u>3,970,369</u>	<u>380,671</u>
Long-term liabilities (net of current portion):				
Advances from other funds	4,700,451	1,368,944	6,069,395	-
Claims payable	-	-	-	14,427
Accrued compensated absences	25,784	271,973	297,757	-
Capital lease payable	-	1,813	1,813	-
General obligation bonds payable	4,952,756	843,814	5,796,570	-
OWDA loan payable	-	49,945,823	49,945,823	-
Net pension liability	<u>774,847</u>	<u>2,676,599</u>	<u>3,451,446</u>	-
Total long-term liabilities	<u>10,453,838</u>	<u>55,108,966</u>	<u>65,562,804</u>	<u>14,427</u>
Total liabilities	<u>11,162,023</u>	<u>58,371,150</u>	<u>69,533,173</u>	<u>395,098</u>
Deferred inflows of resources:				
Pension	<u>6,696</u>	<u>23,122</u>	<u>29,818</u>	-
Net position:				
Net investment in capital assets	2,374,755	12,508,043	14,882,798	-
Unrestricted (deficit)	<u>(4,690,987)</u>	<u>9,208,487</u>	<u>4,517,500</u>	<u>3,744,821</u>
Total net position	\$ <u>(2,316,232)</u>	\$ <u>21,716,530</u>	<u>19,400,298</u>	\$ <u>3,744,821</u>
Net position reported for business-type activities in the Statement of Net Position are different because they include accumulated overpayments to the internal service funds:				
			<u>544,614</u>	
		Net position business-type activities	\$ <u>19,944,912</u>	

The accompanying notes are an integral part of these financial statements.

City of North Olmsted, Ohio

Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds

For the Year Ended December 31, 2017

	Business-Type Activities – Enterprise Funds			Governmental
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Operating revenues:				
Charges for services	\$ 1,704,829	\$ 11,059,171	\$ 12,764,000	\$ 3,312,801
Operating expenses:				
Salaries	483,686	1,709,386	2,193,072	-
Benefits	219,771	1,038,660	1,258,431	-
Contractual services	496,926	1,915,164	2,412,090	615,598
Materials and supplies	335,325	469,727	805,052	-
Claims	-	-	-	2,618,954
Depreciation	<u>228,155</u>	<u>2,316,976</u>	<u>2,545,131</u>	<u>-</u>
Total operating expenses	<u>1,763,863</u>	<u>7,449,913</u>	<u>9,213,776</u>	<u>3,234,552</u>
Operating (loss) income	(59,034)	3,609,258	3,550,224	78,249
Non-operating (expenses) revenues:				
Issuance costs	(94,085)	(16,849)	(110,934)	-
Interest and fiscal charges	(161,280)	(1,407,491)	(1,568,771)	-
Capital contributions	-	63,424	63,424	-
Gain on disposal of capital assets	-	850	850	-
Transfers - out	<u>(4,280)</u>	<u>(48,360)</u>	<u>(52,640)</u>	<u>-</u>
Total non-operating (expenses) revenues	<u>(259,645)</u>	<u>(1,408,426)</u>	<u>(1,668,071)</u>	<u>-</u>
Change in net position	(318,679)	2,200,832	1,882,153	78,249
Net position, beginning of year	<u>(1,997,553)</u>	<u>19,515,698</u>		<u>3,666,572</u>
Net position, end of year	\$ <u>(2,316,232)</u>	\$ <u>21,716,530</u>		\$ <u>3,744,821</u>
Some amounts reported for business-type activities in the Statement of Activities are different because a portion of the net expense of the internal service funds are reported with business-type activities:			<u>16,074</u>	
Change in net position business-type activities			\$ <u>1,898,227</u>	

The accompanying notes are an integral part of these financial statements.

City of North Olmsted, Ohio

Statement of Cash Flows Proprietary Funds

For the Year Ended December 31, 2017

	Business-Type Activities – Enterprise Funds			Governmental
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ 1,704,829	\$ 11,586,224	\$ 13,291,053	\$ 3,312,801
Cash paid for goods and services	(499,689)	(1,994,744)	(2,494,433)	(616,797)
Cash paid for materials and supplies	(332,816)	(440,270)	(773,086)	-
Cash paid for employee services and benefits	(588,866)	(2,302,758)	(2,891,624)	-
Cash paid for claims	-	-	-	(2,798,822)
Net cash provided (used) by operating activities	<u>283,458</u>	<u>6,848,452</u>	<u>7,131,910</u>	<u>(102,818)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(1,438,569)	(1,162,063)	(2,600,632)	-
Proceeds from sale of capital assets	-	850	850	-
Premium	138,529	60,995	199,524	-
Contributed capital	-	63,424	63,424	-
Proceeds from capital debt - bonds	5,478,000	981,000	6,459,000	-
Proceeds from capital debt - loans	-	81,061	81,061	-
Capital lease principal paid	(9,416)	(800)	(10,216)	-
Capital lease interest paid	-	(227)	(227)	-
Bond issuance costs	(94,085)	(16,849)	(110,934)	-
Payment refunded to escrow agent	(2,259,713)	(263,523)	(2,523,236)	-
Loan principal paid - OWDA	-	(2,469,191)	(2,469,191)	-
Loan interest paid	-	(1,417,126)	(1,417,126)	-
General obligation bonds principal paid	(493,000)	(66,000)	(559,000)	-
General obligation bonds interest paid	<u>(162,306)</u>	<u>(28,586)</u>	<u>(190,892)</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>1,159,440</u>	<u>(4,237,035)</u>	<u>(3,077,595)</u>	<u>-</u>
Cash flows from noncapital financing activities:				
Transfers - in	-	151,715	151,715	-
Advances - in	244,896	674,894	919,790	-
Transfers - out	<u>(4,280)</u>	<u>(200,075)</u>	<u>(204,355)</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>240,616</u>	<u>626,534</u>	<u>867,150</u>	<u>-</u>
Net increase in cash and cash equivalents	1,683,514	3,237,951	4,921,465	(102,818)
Cash and cash equivalents, beginning of year	<u>460,445</u>	<u>7,726,585</u>	<u>8,187,030</u>	<u>4,242,737</u>
Cash and cash equivalents, end of year	\$ <u>2,143,959</u>	\$ <u>10,964,536</u>	\$ <u>13,108,495</u>	\$ <u>4,139,919</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

City of North Olmsted, Ohio

Statement of Cash Flows (Continued) Proprietary Funds

For the Year Ended December 31, 2017

	Business-Type Activities – Enterprise Funds			Governmental
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Reconciliation of operating (loss) income to net cash from operating activities:				
Operating (loss) income	\$ (59,034)	\$ 3,609,258	\$ 3,550,224	\$ 78,249
Adjustments:				
Depreciation	228,155	2,316,976	2,545,131	-
Changes in assets and liabilities:				
Materials and supplies inventory	(3,249)	10,293	7,044	-
Intergovernmental receivable	-	527,053	527,053	-
Prepaid items	195	243	438	-
Net pension asset	(342)	(1,293)	(1,635)	-
Deferred outflows - pension	(86,619)	(308,604)	(395,223)	-
Accounts and contracts payable	2,907	(53,040)	(50,133)	3,783
Accrued wages and benefits	(107)	1,044	937	-
Intergovernmental payable	(107)	(7,619)	(7,726)	(4,982)
Claims payable	-	-	-	(179,868)
Accrued compensated absences	(605)	31,075	30,470	-
Net pension liability	208,763	744,962	953,725	-
Deferred inflows - pension	(6,499)	(21,896)	(28,395)	-
Net cash provided (used) by operating activities	\$ <u>283,458</u>	\$ <u>6,848,452</u>	\$ <u>7,131,910</u>	\$ <u>(102,818)</u>
Non-cash capital financing activities:				
Change in capital assets purchased on credit	\$ (18,715)	\$ (17,047)	\$ (35,762)	\$ -
Amortization of premium on bonds classified as interest expense	(20,073)	(7,180)	(27,253)	-
Amortization of deferred loss on refunding classified as interest expense	13,347	-	13,347	-

The accompanying notes are an integral part of these financial statements.

City of North Olmsted, Ohio

Statement of Fiduciary Assets and Liabilities
Agency Funds

December 31, 2017

Assets:	
Equity in pooled cash and cash equivalents	\$ <u>853,804</u>
Liabilities:	
Deposits held and due to others	\$ <u>853,804</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2017

Note 1: Description of the City and Reporting Entity

The City of North Olmsted, Ohio, (the “City”) was chartered in 1959 under the laws of the State of Ohio. The City operates a Mayor-Council form of government.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading.

The City’s primary government consists of all funds and departments which are not legally separate from the City. They include police and fire fighting forces, sewer services, a golf course, a street maintenance service, planning and zoning, and a staff to provide necessary support to these service providers.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes.

A discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize it is legally separated from the City.

North Olmsted Commission on Paratransit, Inc. (N.O.C.O.P.) was formed to provide transportation to the residents of the City of North Olmsted, the City of Olmsted Falls and Olmsted Township who were 60 years of age or older or disabled. N.O.C.O.P. was formed in 1992 and was governed by a Board of Trustees which consisted of nine members. The following four members were automatic members of the Board of Trustees: The Mayor of the City of North Olmsted or designee, the Finance Director of the City of North Olmsted or designee, a member of the Finance Committee of the North Olmsted City Council as designated by the Chairman of the Committee and the President of the North Olmsted City Council. The remaining members of the Board of Trustees were elected by the membership as provided in its by-laws. N.O.C.O.P. utilized the services of a third-party provider, Senior Transportation Connection, to provide transportation services to the residents. Fares were collected by the provider based on the destination and frequency that the service was used. The three communities shared costs or deficits on a prorated agreement based on each community’s population. Effective September 1, 2013, Olmsted Township terminated its membership with NOCOP. In 2013, the formula was as follows for January through August: the City of North Olmsted contributed 65.46%, the City of Olmsted Falls contributed 10.39% and Olmsted Township contributed 24.15%. As of September 1, 2013, the City of North Olmsted contributed 86.3% and the City of Olmsted Falls contributed 13.7%. Effective January 1, 2014, the City of North Olmsted and the City of Olmsted Falls each entered into individual contracts with Senior Transportation Connection, and no longer shared the transportation costs on a pro-rated basis. N.O.C.O.P. operates on a fiscal year ending December 31. The N.O.C.O.P. is currently in the process of winding up operations. Complete financial statements for N.O.C.O.P. may be obtained by writing the North Olmsted Commission on Paratransit, Inc., 5200 Dover Center Road, North Olmsted, Ohio 44070.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 1: Description of the City and Reporting Entity (continued)

Information in the following notes to the basic financial statements is applicable to the primary government. Information relative to the component unit is presented in Note 22.

The City is associated with one jointly governed organization, the West Shore Council of Governments. This organization is presented in Note 19 to the basic financial statements.

Note 2: Summary of Significant Accounting Policies

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

A. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

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 statements distinguish between those activities of the City that are governmental and those that are considered business-type. The activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses.

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the City at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient 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 which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

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. Internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

B. Fund Accounting

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

Governmental Funds

Governmental funds are those through which most governmental functions 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 - The General Fund is the operating fund of the City and is used 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 of North Olmsted and/or the general laws of Ohio.

Permanent Improvements Fund – The Permanent Improvements Capital Projects Fund accounts for 15% of the municipal income tax receipts and expenditures for the permanent improvement of streets and the storm sewer system.

General Obligation Bond Retirement Fund - The General Obligation Bond Retirement Debt Service Fund accounts for resources that are used for payment of principal and interest and fiscal charges on general obligation debt.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

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

Proprietary Funds

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

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City’s major enterprise funds are:

Springvale Golf Course and Ballroom Fund – The Springvale Golf Course and Ballroom Fund accounts for revenues and expenses of the City-owned golf course and ballroom facility.

Sewer Revenue Fund – The Sewer Revenue Fund accounts for the revenues and expenses of the sanitary sewer system and wastewater treatment plant facilities.

Internal Service Funds – Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. One internal service fund accounts for a self-insurance program for employee medical, dental and vision benefits. The other internal service fund accounts for assets set aside for claim settlements and related liabilities associated with the workers’ compensation self-insurance program.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City’s own programs. The City has no trust funds. Agency funds are purely custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations. The City’s agency funds account for the activities of the Mayor’s Court and for deposits from contractors, developers and individuals to ensure compliance with City ordinances.

C. Measurement Focus

Government-wide Financial Statements

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 2: Summary of Significant Accounting Policies (continued)

C. Measurement Focus (continued)

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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources 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 finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within 60 days of year-end.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Revenues - Exchange and Nonexchange Transactions (continued)

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (Note 8).

Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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, 2017, the City does not have unearned revenue.

Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements may 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.

At December 31, 2017, the City had deferred outflows of resources for deferred losses on refunding and pensions reported in the government-wide Statement of Net Position and the proprietary funds Statement of Fund Net Position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pensions are explained in Note 10.

In addition to liabilities, the financial statements may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as inflow of resources (revenue) until that time.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Deferred Outflows/Inflows of Resources (continued)

For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, unavailable revenue and amounts for the pension. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance fiscal year 2018 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental funds Balance Sheet. 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, income taxes, charges for services and intergovernmental 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 pensions are reported on the government-wide Statement of Net Position and in the proprietary funds Statement of Fund Net Position.

Expenses/Expenditures

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

E. Budgetary Data

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount City Council may appropriate. The appropriations resolution is City Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by City Council. The legal level of control has been established by City Council at the category level (salaries, benefits, materials and supplies, contractual services, capital outlay, etc.). Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 2: Summary of Significant Accounting Policies (continued)

E. Budgetary Data (continued)

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

F. Pooled Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents". During 2017, investments were limited to STAR Ohio, negotiable certificates of deposit, money market accounts, and U.S. agency securities.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts and nonnegotiable certificate of deposits are reported at cost.

STAR Ohio, is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but the City has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at amortized cost.

For the year ended 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2017 amounted to \$178,320, which includes \$145,176 assigned from other City funds.

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 2: Summary of Significant Accounting Policies (continued)

G. Materials and Supplies Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2017 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

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 acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All capital assets are depreciated except for land, art, 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 estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	5 to 40 years
Buildings and improvements	8 to 40 years
Furniture and fixtures	10 to 20 years
Vehicles and equipment	2 to 25 years
Roads	10 to 30 years
Bridges and culverts	35 to 50 years
Sanitary sewer lines	50 years

The City's infrastructure consists of roads, bridges, culverts and sanitary sewer lines.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 2: Summary of Significant Accounting Policies (continued)

J. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables”. Long-term interfund loans are classified as “advances to/from other funds” on the Balance Sheet and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources. Interfund balance amounts are eliminated in the Statement of Net Position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year-end taking into consideration any limits specified in the City’s termination policy.

L. 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 and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 2: Summary of Significant Accounting Policies (continued)

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. It also includes the long-term amount of interfund loans receivable.

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 are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance. The City’s delegated official is the Finance Director.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 2: Summary of Significant Accounting Policies (continued)

M. Fund Balance (continued)

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.

The City, through Council ordinance, has established a reserve balance account for the purpose of budget stabilization in accordance with Ohio Revised Code Section 5705.13. The amount reserved may not exceed 5% of the General Fund's revenues in the prior year. Council may appropriate expenditures out of the reserve account to stabilize the City's budget. As the required circumstances determining when the balance can be appropriated are not sufficiently detailed, the balance of \$623,000 is reported as unassigned fund balance.

N. Net Position

Net position represents the difference between assets and liabilities. 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 its use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide Statement of Net Position reports \$19,888,065 of restricted net position, none of which is restricted by enabling legislation.

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

O. 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 sewer, golf and self-insurance programs. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 2: Summary of Significant Accounting Policies (continued)

P. Deferred Loss on Refunding

The difference between the reacquisition price (funds required to refund the old debt) of various refunding bonds and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense over the remaining life of the new debt. On fund financial statements, the deferred loss on refunding decreases the fund balance in the year the refunding bonds are issued.

Q. Bond Premiums

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On fund financial statements, bond premiums increase the fund balance in the year the bonds are issued.

R. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. The City had \$63,424 contributions of capital for the year ended December 31, 2017.

S. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

T. Pensions

For purposes of measuring the net pension 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 position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 2: Summary of Significant Accounting Policies (continued)

U. Estimates

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

V. Comparative Data/Reclassifications

Prior year data presented in 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 the 2016 financial statements in order to conform to the 2017 presentation.

Note 3: Change in Accounting Principles

Pronouncements Issued but Not Effective GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* was issued in June 2015. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. This replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The City has not determined the impact, if any that this Statement will have on its financial statements or disclosures.

Note 4: 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 non-major governmental funds are presented below:

<u>Fund Balances</u>	<u>General</u>	<u>Permanent Improvements</u>	<u>General Obligation Bond Retirement</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Long-term advances	\$ 1,022,034	\$ -	\$ -	\$ -	\$ 1,022,034
Inventory	249,745	-	-	37,501	287,246
Prepays	<u>105,382</u>	<u>-</u>	<u>-</u>	<u>26,578</u>	<u>131,960</u>
Total nonspendable	<u>1,377,161</u>	<u>-</u>	<u>-</u>	<u>64,079</u>	<u>1,441,240</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 4: Fund Balances (continued)

<u>Fund Balances</u>	<u>General</u>	<u>Permanent Improvements</u>	<u>General Obligation Bond Retirement</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Restricted for:					
Community diversion	-	-	-	11,463	11,463
Recreation	-	-	-	19,487	19,487
Court computer	-	-	-	14,544	14,544
Alcohol education	-	-	-	26,741	26,741
Drug and law enforcement	-	-	-	43,791	43,791
Police and fire pension	-	-	-	34,748	34,748
Emergency medical services	-	-	-	389,837	389,837
Motor vehicle license tax	-	-	-	199,313	199,313
State highway	-	-	-	341,139	341,139
Street maintenance	-	-	-	313,273	313,273
Public way management	-	-	-	16,923	16,923
Solid waste management	-	-	-	1,515,625	1,515,625
Great Northern TIF	-	-	-	1,618,978	1,618,978
Endowments and grants	-	-	-	245,084	245,084
Title III grant	-	-	-	41,798	41,798
Fair capacity housing	-	-	-	104,176	104,176
FEMA grant	-	-	-	18,500	18,500
Federal grants	-	-	-	15,044	15,044
Debt service payments	-	-	7,744,466	1,335,036	9,079,502
Permanent improvements	-	4,158,423	-	-	4,158,423
Capital improvements	-	-	-	199,359	199,359
Total restricted	<u>-</u>	<u>4,158,423</u>	<u>7,744,466</u>	<u>6,504,859</u>	<u>18,407,748</u>
Committed to:					
Casualty loss	-	-	-	26,317	26,317
Economic development	-	-	-	29,542	29,542
Senior center	-	-	-	9,807	9,807
Clague Park	-	-	-	3,065	3,065
Hotel/motel tax	-	-	-	73,028	73,028
STOP program	-	-	-	127,281	127,281
Purchases on order	114,747	-	-	-	114,747
Total committed	<u>114,747</u>	<u>-</u>	<u>-</u>	<u>269,040</u>	<u>383,787</u>
Assigned to:					
Separation pay	1,381,317	-	-	-	1,381,317
27 th pay	152,000	-	-	-	152,000
Year 2018 appropriations	3,152,535	-	-	-	3,152,535
Purchases on order	255,516	-	-	-	255,516
Total assigned	<u>4,941,368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,941,368</u>
Unassigned	<u>2,097,203</u>	<u>-</u>	<u>-</u>	<u>(130,659)</u>	<u>1,966,544</u>
Total fund balance	\$ <u>8,530,479</u>	\$ <u>4,158,423</u>	\$ <u>7,744,466</u>	\$ <u>6,707,319</u>	\$ <u>27,140,687</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 5: Accountability

There is a deficit in the CDBG Fund of \$130,659. The deficit is the result of an interfund payable for the Burns Road Sidewalk project. The General Fund is liable for a deficit in this fund and provides transfers when cash is required, not when accruals occur.

Note 6: Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis, as provided by law, is based upon accounting for transactions on a basis of cash receipts, disbursements and encumbrances. A Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual is presented for the general fund on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with State statute.

The major difference between the budgetary basis and the GAAP basis are:

- 1) Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- 2) Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP).
- 3) Encumbrances are treated as expenditures (budgetary) rather than as restricted, committed, or assigned fund balance (GAAP).
- 4) Short-term note proceeds, short-term note principal retirements, advances-in, and advances-out for governmental funds are operating transactions (budgetary) as opposed to balance sheet transactions (GAAP).
- 5) State statute requires short-term note debt to be repaid from the debt service fund (budgetary) as opposed to the fund that received the proceeds (GAAP). Debt service fund resources used to pay both principal and interest have been allocated accordingly.
- 6) Investments are reported at fair value (GAAP) rather than cost (budgetary).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budget basis statements for the General Fund.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 6: Budgetary Basis of Accounting (continued)

	<u>Net Change in Fund Balance</u>
	<u>General</u>
GAAP basis	\$ 561,325
Increase (decrease) due to:	
Revenue accruals	(46,806)
Expenditure accruals	(434,005)
Outstanding encumbrances	(586,930)
Fair value adjustment for investments	130,972
Advances - out	(150,000)
To reclassify the net change in fund balance for funds combined with the General Fund for GASB 54	<u>385,164</u>
Budget basis	\$ <u>(140,280)</u>

Note 7: Deposits and Investments

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

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

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

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

Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 7: Deposits and Investments (continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40% of the interim monies available for investment at any one time if training requirements have been met; and
8. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.

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.

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, if the securities are not represented by certificate, upon receipt of confirmation of transfer from the custodian.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 7: Deposits and Investments (continued)

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it.

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

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or

Effective July 1, 2017, participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

At year-end, the carrying amount of the City's deposits was \$8,549,582 and the bank balance was \$9,275,848. Of the bank balance \$1,056,589 was covered by the Federal Depository Insurance Corporation and \$8,219,259 was uninsured and collateralized with securities held by the pledging institution's trust department, not in the City's name. The City also has cash on hand of \$4,550.

Investments

As of December 31, 2017, the City had the following investments:

	<u>Fair Value</u>	<u>Maturities (in years) Less than 1</u>	<u>Maturities (in years) More than 1</u>
Money market	\$ 3,729	\$ 3,729	\$ -
U.S. agency securities:			
Federal Home Loan Bank	264,131	-	264,131
Federal Home Loan Mortgage Corporation	1,068,217	-	1,068,217
Federal National Mortgage Association	900,460	-	900,460
Negotiable certificates of deposit	5,723,501	1,492,997	4,230,504
STAR Ohio	<u>20,716,982</u>	<u>20,716,982</u>	<u>-</u>
Total	<u>\$ 28,677,020</u>	<u>\$ 22,213,708</u>	<u>\$ 6,463,312</u>

The entire balance of the negotiable certificates of deposit is covered by FDIC insurance.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 7: Deposits and Investments (continued)

Investments (continued)

The City has the following recurring fair value measurements as of December 31, 2017:

- Money market is valued amortized cost, which approximates fair value.
- U.S. agency securities are valued based on Level 2 inputs using matrix pricing techniques.
- Negotiable certificates of deposit are measure based on Level 2 inputs, using a matric or model pricing method.
- STAR Ohio is measured based on amortized cost, which approximates fair value.

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 that 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 no later than five years from purchase unless specifically matched to a specific cash flow.

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. The securities underlying the repurchase agreements are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that requires securities shall be delivered into the custody of the Finance Director or governing board or an agent designated by the Finance Director or governing board. 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 by 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. The City's investment in Star Ohio and money market carries an "AAAm" money market rating by Standard & Poor's. The U.S. agency securities carry an "AAA" rating by Moody's and the negotiable certificate of deposits are unrated.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 7: Deposits and Investments (continued)

Investments (continued)

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as 5% 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 following is the City's allocation as of December 31, 2017:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Money market	<0.1%
U.S. agency securities:	
Federal Home Loan Bank	0.9%
Federal Home Loan Mortgage Corporation	3.7%
Federal National Mortgage Association	3.2%
Negotiable certificates of deposit	20.0%
STAR Ohio	72.2%

Note 8: Receivables

Receivables at December 31, 2017, consisted primarily of municipal income taxes, property and other taxes, accounts (billings for user charged services and court fines), and intergovernmental receivables arising from grants, entitlements and shared revenues.

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

A. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2017 for real and public utility property taxes represents collections of the 2016 taxes.

Real property taxes are levied after October 1, 2017, on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35% of appraised market value. 2017 real property taxes are collected in and intended to finance 2018. 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. 2017 public utility property taxes which became a lien on December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 8: Receivables (continued)

A. Property Taxes (continued)

The full tax rate for all City operations for the year ended December 31, 2017, was \$13.30 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2017 property tax receipts were based as follows:

Real estate	
Residential/Agriculture	\$ 529,585,290
Commercial/Industrial/Mineral	238,946,490
Public utility tangible personal property	<u>16,756,670</u>
Total valuation	\$ <u>785,288,450</u>

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

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of North Olmsted. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2017 and for which there is an enforceable legal claim. In the General Fund; Recreation, Fire Pension and Police Pension Special Revenue Funds; and General Obligation Bond Retirement, Library Bond Retirement and Fire Station Bond Retirement Debt Service Funds; the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2017 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, delinquent property taxes have been recorded as revenue while the remainder of the receivable is offset by deferred inflows of resources.

B. Income Taxes

The City levies and collects an income tax of 2% on all income earned within the City as well as income of residents earned outside the City. The City allows a credit of 100% of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file an annual return.

Income tax revenues are distributed by a 1991 vote of the people as follows: 70% to the General Fund; 15% for solid waste management, recycling and disposal (Solid Waste Management Fund); and 15% for maintaining and equipping streets, storm water drainage systems and other permanent improvements, including debt charges on obligations issued after 1990 for those purposes (Permanent Improvements Fund).

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 8: Receivables (continued)

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental activities:	
Local government	\$ 287,681
Homestead and rollback	590,465
Gasoline tax	545,078
CAT tax reimbursement	71,151
Permissive tax	113,922
Auto registration	104,733
Miscellaneous	35,809
Peace officer training reimbursement	17,200
Title III (C) grant	2,250
Burns road sidewalk grant	150,000
Community Diversion grant	12,000
Drug use prevention grant	13,650
Payments in lieu of taxes	<u>254,958</u>
Total governmental activities	2,198,897
Business-type activities:	
Sewer charges	1,888,302
City of Fairview Park	<u>402,000</u>
Total business-type activities	<u>2,290,302</u>
Total	\$ <u>4,489,199</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 9: Capital Assets

A summary of changes in capital assets during 2017 follows:

	Balance 12/31/16	Additions	Disposals	Transfers	Balance 12/31/17
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 4,445,992	\$ 165,000	\$ -	\$ -	\$ 4,610,992
Art	23,000	-	-	-	23,000
Construction in progress	<u>856,250</u>	<u>2,949,596</u>	<u>(622,760)</u>	<u>-</u>	<u>3,183,086</u>
Total capital assets not being depreciated	<u>5,325,242</u>	<u>3,114,596</u>	<u>(622,760)</u>	<u>-</u>	<u>7,817,078</u>
Capital assets, being depreciated:					
Land improvements	1,998,553	236,606	-	-	2,235,159
Buildings and improvements	33,353,283	847,724	-	-	34,201,007
Furniture and fixtures	604,579	-	-	-	604,579
Vehicles and equipment	10,901,740	601,170	(189,834)	41,843	11,354,919
Infrastructure:					
Roads	142,721,783	864,862	-	-	143,586,645
Bridges and culverts	<u>3,547,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,547,719</u>
Total capital assets, being depreciated	<u>193,127,657</u>	<u>2,550,362</u>	<u>(189,834)</u>	<u>41,843</u>	<u>195,530,028</u>
Less accumulated depreciation:					
Land improvements	(1,007,422)	(78,072)	-	-	(1,085,494)
Buildings and improvements	(18,262,099)	(707,591)	-	-	(18,969,690)
Furniture and fixtures	(510,408)	(6,275)	-	-	(516,683)
Vehicles and equipment	(8,183,038)	(395,674)	189,834	(41,843)	(8,430,721)
Infrastructure:					
Roads	(120,643,194)	(3,539,128)	-	-	(124,182,322)
Bridges and culverts	<u>(2,019,569)</u>	<u>(85,467)</u>	<u>-</u>	<u>-</u>	<u>(2,105,036)</u>
Total accumulated depreciation	<u>(150,625,730)</u>	<u>(4,812,207)</u>	<u>189,834</u>	<u>(41,843)</u>	<u>(155,289,946)</u>
Total capital assets, being depreciated, net	<u>42,501,927</u>	<u>(2,261,845)</u>	<u>-</u>	<u>-</u>	<u>40,240,082</u>
Total governmental capital assets, net	\$ <u>47,827,169</u>	\$ <u>852,751</u>	\$ <u>(622,760)</u>	\$ <u>-</u>	\$ <u>48,057,160</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 414,156
Security of persons and property	409,328
Transportation	3,780,744
Public health and welfare	9,833
Leisure time activities	193,886
Economic development	<u>4,260</u>
Total depreciation expense	\$ <u>4,812,207</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 9: Capital Assets (continued)

	Balance 12/31/16	Additions	Disposals	Reclassifications and Transfers	Balance 12/31/17
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 2,340,714	\$ -	\$ -	\$ -	\$ 2,340,714
Construction in progress	<u>227,128</u>	<u>2,230,405</u>	<u>-</u>	<u>-</u>	<u>2,457,533</u>
Total capital assets not being depreciated	<u>2,567,842</u>	<u>2,230,405</u>	<u>-</u>	<u>-</u>	<u>4,798,247</u>
Capital assets, being depreciated:					
Land improvements	4,173,021	21,125	-	-	4,194,146
Buildings and improvements	45,154,334	150,965	-	-	45,305,299
Furniture and fixtures	81,047	-	-	-	81,047
Vehicles and equipment	33,864,015	274,103	(40,190)	(41,843)	34,056,085
Sanitary sewer lines	<u>18,305,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,305,664</u>
Total capital assets, being depreciated	<u>101,578,081</u>	<u>446,193</u>	<u>(40,190)</u>	<u>(41,843)</u>	<u>101,942,241</u>
Less accumulated depreciation:					
Land improvements	(1,441,083)	(138,005)	-	-	(1,579,088)
Buildings and improvements	(14,368,283)	(979,820)	-	-	(15,348,103)
Furniture and fixtures	(68,927)	(782)	-	-	(69,709)
Vehicles and equipment	(6,602,059)	(1,078,251)	40,190	41,843	(7,598,277)
Sanitary sewer lines	<u>(9,956,538)</u>	<u>(348,273)</u>	<u>-</u>	<u>-</u>	<u>(10,304,811)</u>
Total accumulated depreciation	<u>(32,436,890)</u>	<u>(2,545,131)</u>	<u>40,190</u>	<u>41,843</u>	<u>(34,899,988)</u>
Total capital assets, being depreciated, net	<u>69,141,191</u>	<u>(2,098,938)</u>	<u>-</u>	<u>-</u>	<u>67,042,253</u>
Total business-type capital assets, net	\$ <u>71,709,033</u>	\$ <u>131,467</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>71,840,500</u>

During the year, the City transferred vehicles from the Sewer Revenue Fund to Governmental Activities. The vehicles had a cost basis of \$41,843 and accumulated depreciation of \$41,843. This transfer is reported in the transfers column in the tables above.

Note 10: Defined Benefit Pension Plans

A. Net Pension Liability

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 10: Defined Benefit Pension Plans (continued)

A. Net Pension Liability (continued)

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

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

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

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

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

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed plan is a defined contribution plan and the Combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the Member-Directed plan, substantially all employee members are in OPERS' Traditional or Combined plans; therefore, the following disclosure focuses on the Traditional and Combined 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 614-222-5601 or 800-222-7377.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 10: Defined Benefit Pension Plans (continued)

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. Final average salary (FAS) represents the average of the three highest years of earnings over the member’s career for Groups A and B. Group C is based on the average of the five highest years of earning 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.

The Traditional plan is a defined benefit plan in which a member’s retirement benefits are calculated on a formula that considers years of service and FAS. Pension benefits are funded by both member and employer contributions and investment earnings on those contributions.

The following table provides age and service requirements for retirement and the retirement formula applied to the FAS for the three member groups under the Traditional plan (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
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

When a benefit recipient retiring under the Traditional pension plan has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided on the member’s base benefit. 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% 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%. Additionally, a death benefit of \$500-\$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional pension plan.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 10: Defined Benefit Pension Plans (continued)

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

The Combined plan is a defined benefit plan with elements of a defined contribution plan. Members earn a formula benefit similar to, but at a factor less than the Traditional pension plan benefit. This defined benefit is funded by employer contributions and associated investment earnings. Member contributions are deposited into a defined contribution account in which the member self-directs the investment. Upon retirement, the member may choose a defined contribution distribution that is equal to the member's contributions to the plan and investment earnings (or losses). Members may also elect to use their defined contribution account balances to purchase a defined benefit annuity administered by OPERS.

Benefits in the Combined plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined plan is the same as the Traditional pension plan.

The subsequent table provides age and service requirements for retirement and the retirement formula applied to the FAS for the three member groups under the Combined plan (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
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: 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Formula: 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Formula: 1.0% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Members retiring under the Combined plan receive a 3% COLA on the defined benefit portion of their benefit. 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% 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%. Additionally, a death benefit of \$500-\$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Combined plan.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 10: Defined Benefit Pension Plans (continued)

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

The Member-Directed plan is a defined contribution plan in which members self-direct the investment of both member and employer contributions. The distribution upon retirement is equal to the sum of member and vested employer contributions plus investment earnings (or losses). Employer contributions and associated investment earnings vest over a five-year period at a rate of 20% per year. Members may also elect to use their defined contribution account balances to purchase a defined benefit annuity administered by OPERS.

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

	<u>State and Local</u>
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	<u>1.0 %</u>
Total Employer	<u>14.0 %</u>
Employee	10.0 %

In 2017, the City's contractually required contribution, net of post-employment health care benefits, was \$1,126,471. Of this amount, \$153,002 is reported as accrued wages and benefits at December 31, 2017.

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

Plan Description - the City's full-time police and fire participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 10: Defined Benefit Pension Plans (continued)

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

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

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before 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% for each of the first 20 years of service credit, 2.0% for each of the next five years of service credit and 1.5% for each year of service credit in excess of 25 years. The maximum pension of 72% of the allowable average annual salary is paid after 33 years of service credit.

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

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

Funding Policy - The ORC provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighter</u>
2017 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:	12.25 %	12.25 %
2017 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:	12.25 %	12.25 %

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 10: Defined Benefit Pension Plans (continued)

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

In 2017, the City's contractually required contribution, net of post-employment health care benefits was \$1,522,576. Of this amount, \$226,478 is reported as accrued wages and benefits at December 31, 2017.

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

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS Traditional</u>	<u>OPERS Combined</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.061367%	0.098960%	0.337684%	
Proportion of the net pension liability/asset current measurement date	<u>0.062881%</u>	<u>0.096272%</u>	<u>0.332886%</u>	
Change in Proportionate Share	0.001514%	(0.002688%)	(0.004798%)	
Proportionate share of the net pension liability/(asset)	\$ 14,279,205	\$ (53,583)	\$ 21,084,664	\$ 35,310,286
Pension expense	\$ 3,088,193	\$ 39,745	\$ 2,548,208	\$ 5,676,146

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS Traditional</u>	<u>OPERS Combined</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflow of resources				
City contributions subsequent to the measurement date	\$ 1,074,104	\$ 52,367	\$ 1,522,576	\$ 2,649,047
Differences in employer contributions and change in proportionate share	137,846	7,783	-	145,629
Difference between expected and actual experience	19,353	-	5,965	25,318
Change in assumptions	2,264,857	13,059	-	2,277,916
Net difference between projected and actual earnings on pension plan investments	<u>2,126,503</u>	<u>13,076</u>	<u>2,050,391</u>	<u>4,189,970</u>
Total deferred outflow of resources	\$ <u>5,622,663</u>	\$ <u>86,285</u>	\$ <u>3,578,932</u>	\$ <u>9,287,880</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 10: Defined Benefit Pension Plans (continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Deferred inflow of resources

Differences in employer contributions and change in proportionate share	\$	10,981	\$	-	\$	263,523	\$	274,504
Difference between expected and actual experience		<u>84,984</u>		<u>27,404</u>		<u>48,546</u>		<u>160,934</u>
Total deferred inflow of resources	\$	<u>95,965</u>	\$	<u>27,404</u>	\$	<u>312,069</u>	\$	<u>435,438</u>

The \$2,649,047 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 in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending December 31:	OPERS		OPERS		OP&F	Total		
	Traditional		Combined					
2018	\$	1,840,971	\$	3,573	\$	723,750	\$	2,568,294
2019		1,912,374		3,573		723,750		2,639,697
2020		761,585		3,008		537,940		1,302,533
2021		(62,336)		(1,625)		(194,079)		(258,040)
2022		-		(1,136)		(43,254)		(44,390)
2023-2026		-		(879)		(3,820)		(4,699)
	\$	<u>4,452,594</u>	\$	<u>6,514</u>	\$	<u>1,744,287</u>	\$	<u>6,203,395</u>

E. Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The active member population which consists of members in the Traditional and Combined plans is assumed to remain constant. For purposes of financing the unfunded actuarial accrued liabilities, total payroll is assumed to grow at the wage inflation rate indicated below.

In 2016, OPERS' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporated both a historical review and forward-looking projection to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0% down to 7.5%.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 10: Defined Benefit Pension Plans (continued)

E. Actuarial Assumptions – OPERS (continued)

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.50%	7.50%
Wage Inflation	3.25%	3.25%
Projected Salary Increases, including 3.25% inflation	3.25 to 10.75%	3.25 to 8.25%
COLA	3% Simple	3% Simple

Mortality rates were based on the RP-2014 Health Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables were determined by applying the MP-2015 mortality improvement scale to the above described tables.

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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 10: Defined Benefit Pension Plans (continued)

E. Actuarial Assumptions – OPERS (continued)

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional pension plan, the defined benefit component of the Combined plan and the annuitized accounts of the Member-Directed plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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 annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board 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 2016 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other Investments	18.00	4.92
Total	<u>100.00%</u>	<u>5.66%</u>

Discount Rate The discount rate used to measure the total pension liability was 7.5%. 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, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 10: Defined Benefit Pension Plans (continued)

E. Actuarial Assumptions – OPERS (continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5%) or one-percentage-point higher (8.5%) than the current rate:

	1% Decrease <u>(6.5%)</u>	Discount Rate <u>(7.5%)</u>	1% Increase <u>(8.5%)</u>
City's proportionate share of the net pension liability – Traditional	\$ 21,814,677	\$ 14,279,205	\$ 7,999,721
City's proportionate share of the net pension liability/(asset) – Combined	\$ 3,851	\$ (53,583)	\$ (98,197)

F. Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

Actuarial cost method	Entry age normal
Investment rate of return	8.25%
Projected salary increases	4.25% - 11.00%
Payroll increases	3.75%
Inflation assumptions	3.25%
Cost of living adjustments	2.60% and 3.00% simple

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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 10: Defined Benefit Pension Plans (continued)

F. Actuarial Assumptions – OP&F (continued)

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 OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2016 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income*	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Real Assets	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	<u>120.00%</u>	

*Levered 2x

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

Discount Rate The total pension liability was calculated using the discount rate of 8.25%. 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%. 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 10: Defined Benefit Pension Plans (continued)

F. Actuarial Assumptions – OP&F (continued)

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%, 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%), or one-percentage-point higher (9.25%) than the current rate.

	<u>1% Decrease (7.25%)</u>	<u>Discount Rate (8.25%)</u>	<u>1% Increase (9.25%)</u>
City's proportionate share of the net pension liability	\$ 28,082,275	\$ 21,084,664	\$ 15,154,095

Changes between Measurement Date and Report Date In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2016. The most significant change is the reduction in the discount rate from 8.25% to 8.00%. Although the exact amount of these changes is not known, the impact to the City's net position liability is expected to be significant.

Note 11: Post-Employment Benefits

A. Ohio Public Employees Retirement System

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 a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional pension and Combined plans. This trust is also used to fund health care for Member-Directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed plan participants may be eligible for reimbursement for qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 11: Post-Employment Benefits (continued)

A. Ohio Public Employees Retirement System (continued)

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

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

The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS may be set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, State and Local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board 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 1.0% during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0% for both plans. The OPERS 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 for Member-Directed plan participants for 2017 was 4.0%.

The City's contributions for health care for the years ended December 31, 2017, 2016, and 2015 were \$89,480, \$178,021, and \$175,721, respectively. The full amount has been contributed for 2016 and 2015. For 2017, 87% has been contributed for 2017 with the remainder being reported as a liability.

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 11: Post-Employment Benefits (continued)

B. Ohio Police and Fire Pension Fund (continued)

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 E. Town St., Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 0.5% of covered payroll from January 1, 2017 through December 31, 2017. 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 OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F for police and fire allocated to the health care plan for the years ending December 31, 2017, 2016, and 2015 were \$20,018 and \$16,566, \$20,228 and \$16,645, and \$20,652 and \$16,704, respectively. The full amount has been contributed for 2016 and 2015. For 2017, 86% for police and 85% for firefighters has been contributed, with the remainder being reported as a liability.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 12: Risk Management

A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. By maintaining comprehensive insurance coverage with private carriers, the City has addressed these various types of risk. There were no reductions in insurance coverage from the previous year. Settled claims have not exceeded this commercial coverage in any of the past three years.

B. Health Insurance Benefits

The City provides health, dental and vision insurance to its employees through a self-insurance plan. The City pays a monthly premium for the self-insurance plan. The City contracts with a third-party administrator to direct this program. During 2017, self-insurance was in effect for claims up to \$100,000 per covered individual and \$3,401,758 in aggregate. This aggregate includes both medical and drug coverage. Claims in excess of this aggregated amount are insured by private carriers.

The claims liability of \$282,011 as estimated by the third-party administrator and reported in the Hospitalization Internal Service Fund at December 31, 2017, is based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements 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. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the Fund's claims liability amount in 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
Unpaid claims, beginning of year	\$ 484,046	\$ 48,654
Incurred claims and adjustments	2,531,794	2,988,755
Claims payments	<u>(2,733,829)</u>	<u>(2,553,363)</u>
Unpaid claims, end of year	\$ <u>282,011</u>	\$ <u>484,046</u>

C. Workers' Compensation Program

On January 1, 2009, the City was approved for self-insurance status by the Bureau of Workers' Compensation and began to administer its own workers' compensation program (the program). The City established the Workers' Compensation Self-Insurance Internal Service Fund to account for assets set aside for claim settlements and related liabilities associated with the program. Liabilities of the fund are reported when an employee injury has occurred, it is probable that a claim will be filed under the program, and the amount of the claim can be reasonably estimated. The City utilizes the services of Care Works Consultants, Inc., the third-party administrator, to review, process, and pay employee claims. The City also maintains excess insurance coverage which would pay the portion of claims that exceed \$500,000 per occurrence, up to a maximum of an additional \$1,000,000 per occurrence.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 12: Risk Management (continued)

C. Workers' Compensation Program (continued)

The claims liability of \$57,707 reported in the Workers' Compensation Self-Insurance Internal Service Fund is based on the requirements of Governmental Standards Board No. 30, which requires a liability for the unpaid claims costs, including estimates of costs relating to incurred but not report claims, be reported. Changes in the Fund's claims liability amount in 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
Unpaid claims, beginning of year	\$ 35,540	\$ 69,886
Incurred claims and adjustments	87,160	18,804
Claims payments	<u>(64,993)</u>	<u>(53,150)</u>
Unpaid claims, end of year	\$ <u>57,707</u>	\$ <u>35,540</u>

Note 13: Long-Term Obligations

The original issue date, maturity date, interest rate and original issuance amount for each of the City's bonds and loans follows:

	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
Governmental activities:				
General obligation bonds:				
Various purpose refunding, series 2006	2006	2021	4.125-4.25%	\$ 9,120,000
Library improvements refunding	2006	2020	5.00-5.25	6,795,000
Street improvement bonds	2010	2020	1.75-4.00	3,715,000
Capital improvement and equipment bonds	2013	2023	1.50-2.125	380,000
Capital improvement and refunding bonds	2015	2030	2.00-3.50	6,120,000
Fire station improvement refunding bonds	2015	2025	2.00-3.25	2,260,000
Library improvement refunding bonds	2017	2020	2.00-4.00	3,065,000
Various purpose refunding, series 2017	2017	2037	2.00-4.00	571,000
Capital improvement bonds	2017	2037	2.00-4.00	4,735,000
Police pension	1968	2031	4.25	272,250
Long-term bond anticipation notes	2016	2017	1.250	1,605,000
Business-type activities:				
General obligation bonds:				
Various purpose and golf course improvements refunding, series 2006	2006	2021	4.125-4.25	10,525,000
Capital improvement and equipment bonds	2013	2021	1.50-2.125	380,000
Capital improvement and refunding bonds	2015	2020	2.00-3.00	240,000
Various purpose refunding, series 2017	2017	2037	2.00-4.00	2,489,000
Capital improvement bonds	2017	2037	2.00-4.00	3,970,000
OWDA sanitary sewer loan	1997	2017	4.12	1,060,795
OWDA sanitary sewer loan	2012	2034	2.80	8,754,814
OWDA sanitary sewer loan	2013	2035	2.44	48,047,355

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 13: Long-Term Obligations (continued)

Changes in long-term obligations during the year ended December 31, 2017, consisted of the following:

	Balance 12/31/16	Increase	Decrease	Balance 12/31/17	Amounts Due in One Year
Governmental activities:					
General obligation bonds:					
Various purpose bonds refunding	\$ 571,000	\$ -	\$ 571,000	\$ -	\$ -
Premium on various purpose bonds refunding	60,444	-	60,444	-	-
Library improvements refunding	3,075,000	-	3,075,000	-	-
Premium on library improvements bonds refunding	124,050	-	124,050	-	-
Street improvement bonds	1,650,000	-	475,000	1,175,000	490,000
Premium on street improvement bonds	67,575	-	16,894	50,681	-
Capital improvement and equipment bonds	3,590,000	-	725,000	2,865,000	465,000
Premium on capital improvement and equipment bonds	84,277	-	12,040	72,237	-
Capital improvement and refunding bonds	5,850,000	-	530,000	5,320,000	575,000
Premium on capital improvement and refunding bonds	333,397	-	23,814	309,583	-
Fire station improvement refunding bonds	2,240,000	-	220,000	2,020,000	225,000
Premium on fire station improvement bond refunding	145,222	-	16,135	129,087	-
Library improvements refunding	-	3,065,000	745,000	2,320,000	765,000
Premium on library improvements bond refunding	-	108,302	27,076	81,226	-
Various purpose bonds refunding	-	571,000	131,000	440,000	130,000
Premium on various purpose bond refunding	-	21,247	5,024	16,223	-
Capital improvement bonds	-	4,735,000	-	4,735,000	410,000
Premium on capital improvement bonds	-	334,590	30,418	304,172	-
Total general obligation bonds	17,790,965	8,835,139	6,787,895	19,838,209	3,060,000
Police pension liability	74,088	-	3,797	70,291	3,960
Long-term notes	1,605,000	-	1,605,000	-	-
Capital lease payable	94,676	-	59,348	35,328	11,546
Claims payable	519,586	2,618,954	2,798,822	339,718	325,291
Compensated absences payable	4,951,974	895,314	1,173,760	4,673,528	1,853,238
Net pension liability	29,855,265	2,057,158	-	31,912,423	-
Total governmental activities	\$ 54,891,554	\$ 14,406,565	\$ 12,428,622	\$ 56,869,497	\$ 5,254,035

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 13: Long-Term Obligations (continued)

	Balance 12/31/16	Increase	Decrease	Balance 12/31/17	Amounts Due in One Year
Business - type activities:					
General obligation bonds:					
Various purpose and golf course improvements bonds refunding	\$ 2,499,000	\$ -	\$ 2,499,000	\$ -	\$ -
Premium on various purpose and golf course improvement bonds refunding	69,763	-	69,763	-	-
Capital improvement and equipment bonds	195,000	-	45,000	150,000	50,000
Capital improvement and refunding bonds	170,000	-	30,000	140,000	35,000
Premium on capital improvement and refunding bonds	9,299	-	2,323	6,976	-
Various purpose bonds refunding	-	2,489,000	484,000	2,005,000	500,000
Premium on various purpose bond refunding	-	83,448	17,204	66,244	-
Capital improvement bonds	-	3,970,000	-	3,970,000	65,000
Premium on capital improvement bonds	-	116,076	7,726	108,350	-
Total general obligation bonds	2,943,062	6,658,524	3,155,016	6,446,570	650,000
OWDA sanitary sewer loans	54,453,420	81,061	2,469,191	52,065,290	2,119,467
Capital lease payable	12,891	-	10,216	2,675	862
Compensated absences payable	440,063	117,390	86,920	470,533	172,776
Net pension liability	2,497,721	953,725	-	3,451,446	-
Total business - type activities	\$ 60,347,157	\$ 7,810,699	\$ 5,721,342	\$ 62,436,514	\$ 2,943,105

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from both voted and unvoted general property taxes levied on all taxable property located within the City, sewer user charges and golf fees. Tax monies will be received in and the debt will be retired from the General Obligation, Library, and Fire Station Bond Retirement Funds.

Compensated absences are generally paid from the General Fund, Recreation Fund, Springvale Golf Course and Ballroom Fund and Sewer Revenue Fund. The OWDA and OPWC loan liabilities are payable semi-annually from the Sewer Revenue Fund. The OPWC loan is interest-free. The City pays obligations related to employee compensation from the fund benefitting from their service.

In 1973, the City financed its police and fire pension liability with OP&F. The liability is payable in semi-annual installments of \$3,453 until it is fully repaid in May 2031. The liability is paid from the General Fund.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 13: Long-Term Obligations (continued)

In December 2015, the City issued \$8,620,000 in general obligation bonds for the purpose of making capital improvements and advance refunding general obligation bonds outstanding to take advantage of lower interest rates. The interest rates of the bonds ranged from 2.0% to 3.5% and the bonds were sold at a premium of \$530,194. Proceeds and premium of \$3,593,275 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. As a result, \$3,445,000 of the bonds were considered defeased and the liability for the refunded portion of these bonds was removed from the City's financial statements. The refunded bonds were called and redeemed in full in December 2016. The City decreased its total debt service payments by \$338,632 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 \$311,060.

In January 2017, the City issued \$3,065,000 in library improvement refunding bonds, for the purpose of providing funds to refund the City's outstanding capital improvement bonds related to the 2001 library project. The bonds mature on December 1, 2020 and have an interest rate between 2.0% and 4.0%. The bonds were sold at a premium of \$108,302. Proceeds and premium of \$3,112,607 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. As a result, \$3,075,000 of the bonds were considered defeased and the liability for the refunded portion of these bonds was removed from the City's financial statements. The refunded bonds were called and redeemed in full in February 2017. The City decreased its total debt service payments by \$205,238 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 \$199,083.

In January 2017, the City issued \$11,765,000 in capital improvement and refunding bonds, for the purpose of financing certain permanent improvements and to refund certain outstanding general obligation bonds and bond anticipation notes previously issued. The bonds mature on December 1, 2037 and have an interest rate between 2.0% and 4.0%. The bonds were sold at a premium of \$555,361. Proceeds and premium of \$3,099,763 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. As a result, \$3,070,00 of the bonds were considered defeased and the liability for the refunded portion of these bonds was removed from the City's financial statements. The refunded bonds were called and redeemed in full in February 2017. The City decreased its total debt service payments by \$155,203 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 \$143,908.

During the year, the City obtained partial proceeds from an Ohio Water Development Authority (OWDA) loan that relates to the wastewater treatment plant improvements to be repaid in semi-annual principal and interest payments that started during 2014. The City has not yet collected the total proceeds to be received on this loan but has estimated the future principal and interest payments based on the loan balance as of December 31, 2017.

The City's overall legal debt margin was \$65,919,815 at December 31, 2017.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 13: Long-Term Obligations (continued)

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2017, are as follows:

Year	Governmental Activities			
	General Obligation Bonds		Police Pension	
	Principal	Interest	Principal	Interest
2018	\$ 3,060,000	\$ 569,375	\$ 3,960	\$ 2,946
2019	3,010,000	480,800	4,130	2,776
2020	3,060,000	394,400	4,307	2,598
2021	1,965,000	301,013	4,492	2,413
2022	1,690,000	251,588	4,685	2,220
2023-2027	5,610,000	600,026	26,621	7,904
2028-2031	480,000	33,950	22,096	1,908
Totals	\$ <u>18,875,000</u>	\$ <u>2,631,152</u>	\$ <u>70,291</u>	\$ <u>22,765</u>

Year	Governmental Activities (continued)	
	Total	
	Principal	Interest
2018	\$ 3,063,960	\$ 572,321
2019	3,014,130	483,576
2020	3,064,307	396,998
2021	1,969,492	303,426
2022	1,694,685	253,808
2023-2027	5,636,621	607,930
2028-2032	502,096	35,858
Totals	\$ <u>18,945,291</u>	\$ <u>2,653,917</u>

Year	Business-Type Activities			
	General Obligation Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest
2018	\$ 650,000	\$ 202,600	\$ 2,119,467	\$ 893,449
2019	670,000	177,800	2,436,893	1,232,539
2020	685,000	152,200	2,498,254	1,171,177
2021	575,000	138,000	2,561,165	1,108,267
2022	225,000	126,500	2,625,665	1,043,767
2023-2027	1,240,000	512,550	14,154,310	4,192,849
2028-2032	1,025,000	295,250	16,029,546	2,317,612
2033-2037	1,195,000	123,981	9,639,990	401,683
Totals	\$ <u>6,265,000</u>	\$ <u>1,728,881</u>	\$ <u>52,065,290</u>	\$ <u>12,361,343</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 13: Long-Term Obligations (continued)

Year	Business-Type Activities (continued)	
	Total	
	Principal	Interest
2018	\$ 2,769,467	\$ 1,096,049
2019	3,106,893	1,410,339
2020	3,183,254	1,323,377
2021	3,136,165	1,246,267
2022	2,850,665	1,170,267
2023-2027	15,394,310	4,705,399
2028-2032	17,054,546	2,612,862
2033-2037	<u>10,834,987</u>	<u>525,664</u>
Totals	\$ <u>58,330,287</u>	\$ <u>14,090,224</u>

Note 14: Lease Obligations

The City entered into lease agreements for several copiers, fitness equipment, and a greens mower. The City's lease obligations meet the criteria of a capital lease and have been recorded on the government-wide statements. All capital leases are secured by the related equipment. Capital lease payments for governmental fund-type capital leases have been reclassified and are reflected as debt service expenses in the fund financial statements for the General Fund, Recreation Fund and Senior Center Fund. These expenditures are reflected as capital outlay expenditures on a budgetary basis.

The original amounts capitalized for the capital leases and the book value as of December 31, 2017 follows:

	Governmental Activities	Business-Type Activities
Assets:		
Vehicles and equipment	\$ 236,771	\$ 42,208
Less: accumulated depreciation	<u>(85,885)</u>	<u>(10,606)</u>
Current book value	\$ <u>150,886</u>	\$ <u>31,602</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2017.

Year	Governmental Activities	Business-Type Activities
2018	\$ 13,686	\$ 1,026
2019	13,505	1,027
2020	<u>12,289</u>	<u>941</u>
Total minimum lease payments	39,480	2,994
Less: amount representing interest	<u>(4,152)</u>	<u>(319)</u>
Present value of minimum lease payments	\$ <u>35,328</u>	\$ <u>2,675</u>

The total cost for operating leases in 2017 was \$603 for governmental activities.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 15: Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. City employees are paid for earned, unused vacation leave at the time of termination of employment if the employee has acquired at least one year of service to the City. Sick leave is earned at the rate of 10 hours for each month worked. Each employee upon retirement is paid for a portion of the employee's earned unused sick leave balances, from 900 hours to 1,500 hours, depending upon the union contract and termination with the City.

Note 16: Subsequent Events

On April 10, 2018, the City issued \$1,990,000 in capital improvement and equipment notes, in anticipation of the issuance of bonds, for the purposes of improving Alden Drive and certain other designated streets and to provide funds for acquiring and installing telecommunications system equipment. The notes mature on April 23, 2019, and have an interest rate of 2.5%.

Note 17: Construction and Other Significant Commitments

At December 31, 2017, the City's significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid/Accrued</u>	<u>Remaining on Contract</u>
City-wide traffic signalization project	\$ 1,648,345	\$ 1,474,607	\$ 173,738
Country club boulevard middle phase	1,315,648	1,136,508	179,140
Springvale renovations phase I	<u>3,391,626</u>	<u>1,634,827</u>	<u>1,756,799</u>
Total commitments	\$ <u>6,355,619</u>	\$ <u>4,245,942</u>	\$ <u>2,109,677</u>

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

	<u>Encumbrances</u>
General Fund	\$ 370,263
Permanent Improvements Fund	178,844
Other Governmental Funds	<u>616,873</u>
Total other significant commitments	\$ <u>1,165,980</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 18: Interfund Activity

A. Interfund Transfers

Interfund transfers for the year ended December 31, 2017 consisted of the following:

Transfer to:	Transfer From					Total
	General Fund	Permanent Improvement Fund	Non-major Governmental Funds	Springvale Golf and Ballroom Fund	Sewer Revenue Fund	
General Fund	\$ -	\$ -	\$ 7,560	\$ 4,280	\$ 48,360	\$ 60,200
General Obligation Bond Retirement Fund	-	1,343,698	146,717	-	-	1,490,415
Non-major Governmental Funds	65,000	-	-	-	-	65,000
Total	\$ 65,000	\$ 1,343,698	\$ 154,277	\$ 4,280	\$ 48,360	\$ 1,615,615

The transfers to the General Fund were made in accordance with Ohio Revised Code section 5705.13(B). The transfers to the General Obligation Bond Retirement Fund were made for the payment of debt.

During the year the City also had a transfer of capital assets. See Note 9 for more information.

B. Interfund Balances

As of December 31, 2017, interfund balances were as follows:

	Receivable		Payable	
	Interfund	Advance to Other Funds	Interfund	Advance from Other Funds
Governmental Activities:				
General Fund	\$ 150,000	\$ 1,022,034	\$ -	\$ -
General Obligation Bond Retirement Fund	-	5,047,361	-	-
CDBG Fund	-	-	150,000	-
Total Governmental Activities	150,000	6,069,395	150,000	-
Business-Type Activities:				
Springvale Golf Course and Ballroom Fund	-	-	-	4,700,451
Sewer Revenue Fund	-	-	-	1,368,944
Total Business-Type Activities	-	-	-	6,069,395
Total	\$ 150,000	\$ 6,069,395	\$ 150,000	\$ 6,069,395

The General Obligation Bond Retirement Fund loaned the Springvale Golf Course and Ballroom Fund and the Sewer Revenue Fund additional resources to meet debt service requirements. The General Fund loaned the Springvale Golf Course and Ballroom Fund and Sewer Revenue Fund operating monies that will be paid back in future years. The advance to the CDBG Fund is for the Burns Sidewalk project which will be repaid in one year.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 19: Jointly Governed Organizations

West Shore Council of Governments

The West Shore Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board is comprised of one member from each of the six participating entities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the Board. Each city's degree of control is limited to its representation on the Board. In 2017, the City contributed \$62,911. Complete financial information can be obtained from the City of Bay Village 350 Dover Center Road, Bay Village, Ohio 44140.

The Council has established two subsidiary organizations, the West Shore Hazardous Materials Committee (HAZ MAT) which provides hazardous material protection and assistance, and the West Shore Enforcement Bureau which provides extra assistance to cities in the form of a Swat Team.

Note 20: Contingent Liabilities

The City is unaware of any un-asserted claims pending against it as of December 31, 2017. During the normal course of business, the City is subject to occasional legal proceedings, claims, and contract disputes. In the opinion of management, the eventual outcome of any current proceedings and claims against the City will not materially affect its financial condition or operations.

Note 21: Tax Abatements

As of December 31, 2016, the City provides tax incentives under a Community Reinvestment Area (CRA) known as the North Olmsted Community Reinvestment Area (NOCRA).

Pursuant to Ohio Revised Code 3735, the City established a CRA in 1992, and later amended it in 2014, which included all land within the boundaries of the City. The City authorizes incentives through the passage of ordinances. The abatement equals an agreed-upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements, not to exceed 100% of the increase in the assessed value resulting from the improvements. The amount of the abatement is deducted from the recipient's property tax bill.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 21: Tax Abatements (continued)

Within the NOCRA, the percentage of tax exemption of the increase valuation resulting from improvements to commercial and industrial real property and the term of those exemptions are negotiated on a case-by-case basis in advance of signing the agreement. For residential properties, a tax exemption on the increase in the assessed valuation resulting from improvements shall be granted upon application by the property owner and certification of the Housing Officer for the following periods:

- Ten years, for the construction of dwellings containing not more than three housing units, with such exemption being 75% for each of the 10 years.
- Up to, and including, 12 years, and up to, and including, 100% for the remodeling of existing commercial and industrial facilities and upon which the cost of remodeling is at least \$5,000, the term and percentage of which shall be negotiated on a case-by-case basis in advance of remodeling occurring.
- Up to, and including, 15 years, and up to, and including, 100% of the construction of new commercial or industrial facilities, the term and percentage of which shall be negotiated on a case-by-case basis in advance of remodeling occurring.

For the year ended December 31, 2017, the City abated property taxes totaling \$20,953 under this program.

Note 22: Component Unit

A. Summary of Significant Accounting Policies

Nature of Organization - North Olmsted Commission on Paratransit, Inc. (N.O.C.O.P.) is a not-for-profit corporation that provided transportation to residents of the City of North Olmsted, the City of Olmsted Falls and Olmsted Township who were 60 years of age or older or disabled. N.O.C.O.P. utilized the services of a third-party provider, Senior Transportation Connection, to provide transportation services to the residents. Fares were collected by the provider based on the destination and frequency that the service was used. The three communities shared costs or deficits on a prorated agreement based on each community's population. Effective September 1, 2013, Olmsted Township terminated its membership with NOCOP. In 2013, the formula was as follows for January through August: the City of North Olmsted contributed 65.46%, the City of Olmsted Falls contributed 10.39% and Olmsted Township contributed 24.15%. As of September 1, 2013, the City of North Olmsted contributed 86.3% and the City of Olmsted Falls contributed 13.7%. Effective January 1, 2014, the City of North Olmsted and the City of Olmsted Falls each entered into individual contracts with Senior Transportation Connection, and no longer shared the transportation costs on a pre-rated basis. The N.O.C.O.P. is currently in the process of winding up operations. The N.O.C.O.P. is exempt under Internal Revenue Code Section 501(c) (3) from Federal income tax. It is also currently exempt from Federal unemployment tax and Ohio franchise, personal property, and sales taxes.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2017

Note 22: Component Unit

Financial Statement Presentation - The N.O.C.O.P. has prepared financial statements in conformity with general accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Classification of Net Position - Unrestricted net position is comprised of amounts upon which donors have placed no restriction on expenditure of these assets themselves or their investment income.

Temporarily restricted net position and investment income generated by these assets comprise those amounts the expenditure of which has been restricted by donors for use during a specific time period or for a particular purpose. When such a restriction expires; that is, when a stipulated time restriction ends or a program restriction is accomplished, temporarily restricted net position is released to unrestricted.

Permanently restricted net position comprises those assets contributed to the N.O.C.O.P. by donors who have indicated an intention that the assets are to remain in perpetuity as permanent endowments of the N.O.C.O.P.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. Cash Equivalents and Cash on Hand

At year-end, the carrying amount of the N.O.C.O.P.'s deposits were \$40,105 and the bank balance was \$40,105, all of which was covered by the Federal Deposit Insurance Coverage (FDIC).

City of North Olmsted, Ohio

Other Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Public Employee Retirement System – Traditional Plan

For the Last Four Years

	<u>2017(1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
City's proportion of the net pension liability	0.062881%	0.061367%	0.062146%	0.062146%
City's proportionate share of the net pension liability	\$ 14,279,205	\$ 10,629,538	\$ 7,495,502	\$ 7,326,204
City's covered payroll	\$ 8,270,612	\$ 8,170,779	\$ 7,635,146	\$ 7,193,840
City's proportionate share of the net pension liability as a percentage of its covered payroll	172.65%	130.09%	98.17%	101.84%
Plan fiduciary net position as a percentage of the total pension liability	77.25%	81.08%	86.45%	n/a

(1) Information prior to 2014 is not available. Amounts presented for each year were determined as of the City's measurement date which is December 31 of the prior year.

The accompanying note is an integral part of the required supplementary information

City of North Olmsted, Ohio

Other Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Asset
Ohio Public Employee Retirement System – Combined Plan

For the Last Four Years

	<u>2017(1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
City's proportion of the net pension asset	0.096272%	0.098960%	0.117384%	0.117384%
City's proportionate share of the net pension asset	\$ 53,583	\$ 48,157	\$ 45,196	\$ 12,318
City's covered payroll	\$ 380,227	\$ 385,862	\$ 413,399	\$ 339,946
City's proportionate share of the net pension asset as a percentage of its covered payroll	14.09%	12.48%	10.93%	3.62%
Plan fiduciary net position as a percentage of the total pension asset	116.55%	116.90%	114.83%	n/a

(1) Information prior to 2014 is not available. Amounts presented for each year were determined as of the City's measurement date which is December 31 of the prior year.

The accompanying note is an integral part of the required supplementary information

City of North Olmsted, Ohio

Other Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund

For the Last Four Years

	<u>2017(1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
City's proportion of the net pension liability	0.332886%	0.337684%	0.341655%	0.341646%
City's proportionate share of the net pension liability	\$ 21,084,664	\$ 21,723,448	\$ 17,699,133	\$ 16,639,651
City's covered payroll	\$ 7,292,482	\$ 7,387,575	\$ 6,699,634	\$ 6,712,291
City's proportionate share of the net pension liability as a percentage of its covered payroll	289.13%	294.05%	264.18%	247.90%
Plan fiduciary net position as a percentage of the total pension liability	68.36%	66.77%	71.71%	n/a

(1) Information prior to 2014 is not available. Amounts presented for each year were determined as of the City's measurement date which is December 31 of the prior year.

The accompanying note is an integral part of the required supplementary information

City of North Olmsted, Ohio

Other Supplementary Information
 Schedule of the City's Contributions
 Ohio Public Employee Retirement System – Traditional Plan

For the Last Ten Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually-required contribution	\$ 1,074,104	\$ 992,473	\$ 980,493	\$ 916,217	\$ 935,199
Contributions in relation to the contractually-required contribution	<u>(1,074,104)</u>	<u>(992,473)</u>	<u>(980,493)</u>	<u>(916,217)</u>	<u>(935,199)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered payroll	\$ 8,262,335	\$ 8,270,612	\$ 8,170,779	\$ 7,635,146	\$ 7,193,840
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%	13.00%
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually-required contribution	\$ 690,331	\$ 655,112	\$ 582,690	\$ 583,577	\$ 551,539
Contributions in relation to the contractually-required contribution	<u>(690,331)</u>	<u>(655,112)</u>	<u>(582,690)</u>	<u>(583,577)</u>	<u>(551,539)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City covered payroll	\$ 6,903,306	\$ 6,551,122	\$ 6,474,335	\$ 6,865,616	\$ 7,879,128
Contributions as a percentage of covered payroll	10.00%	10.00%	9.00%	8.50%	7.00%

The accompanying note is an integral part of the required supplementary information

City of North Olmsted, Ohio

Other Supplementary Information
 Schedule of the City's Contributions
 Ohio Public Employee Retirement System – Combined Plan

For the Last Ten Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually-required contribution	\$ 52,367	\$ 45,627	\$ 46,303	\$ 49,608	\$ 44,193
Contributions in relation to the contractually-required contribution	<u>(52,367)</u>	<u>(45,627)</u>	<u>(46,303)</u>	<u>(49,608)</u>	<u>(44,193)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
City covered payroll	\$ 402,822	\$ 380,227	\$ 385,862	\$ 413,399	\$ 339,946
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%	13.00%
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually-required contribution	\$ 32,622	\$ 30,957	\$ 27,535	\$ 27,577	\$ 26,063
Contributions in relation to the contractually-required contribution	<u>(32,622)</u>	<u>(30,957)</u>	<u>(27,535)</u>	<u>(27,577)</u>	<u>(26,063)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
City covered payroll	\$ 326,217	\$ 309,574	\$ 305,945	\$ 324,435	\$ 372,329
Contributions as a percentage of covered payroll	10.00%	10.00%	9.00%	8.50%	7.00%

The accompanying note is an integral part of the required supplementary information

City of North Olmsted, Ohio

Other Supplementary Information
 Schedule of the City's Contributions
 Ohio Police and Fire Pension Fund

For the Last Ten Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually-required contribution	\$ 1,522,576	\$ 1,534,192	\$ 1,552,780	\$ 1,413,097	\$ 1,209,419
Contributions in relation to the contractually-required contribution	<u>(1,522,576)</u>	<u>(1,534,192)</u>	<u>(1,552,780)</u>	<u>(1,413,097)</u>	<u>(1,209,419)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
City covered payroll	\$ 7,235,102	\$ 7,292,482	\$ 7,387,575	\$ 6,699,634	\$ 6,712,291
Contributions as a percentage of covered payroll	21.04%	21.04%	21.02%	21.09%	18.02%
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually-required contribution	\$ 952,073	\$ 866,244	\$ 943,463	\$ 984,274	\$ 1,126,152
Contributions in relation to the contractually-required contribution	<u>(952,073)</u>	<u>(866,244)</u>	<u>(943,463)</u>	<u>(984,274)</u>	<u>(1,126,152)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
City covered payroll	\$ 6,424,504	\$ 5,841,179	\$ 6,380,377	\$ 6,667,215	\$ 7,621,153
Contributions as a percentage of covered payroll	14.82%	14.83%	14.79%	14.76%	14.78%

The accompanying note is an integral part of the required supplementary information

City of North Olmsted, Ohio

Note to Required Supplementary Information

For the Year Ended December 31, 2017

Note 1: Change in Assumptions – OPERS Traditional and Combined Plans

Amounts reported for 2017 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented below:

	<u>2017</u>	<u>2016 and Prior</u>
Wage Inflation	3.25%	3.75%
Future Salary Increases, Including Inflation	3.25-10.75% (including wage inflation at 3.25%)	4.25-10.05% (including wage inflation)
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-Jan 7, 2013 Retirees	3.00% Simple through 2018 then 2.15% Simple	3.00% Simple through 2018 then 2.8% Simple
Investment Rate of Return	7.50%	8.00%
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For the current valuation, mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

For the prior valuation, mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% 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% of the disabled female mortality rates were used set forward two years. For females, 100% of the disabled female mortality rates were used.

The most recent experience study was completed for the five-year period ended December 31, 2015. The prior experience study was completed for the five-year period ended December 31, 2010.

City of North Olmsted, Ohio

Combining Statements – Non-Major Funds Fund Descriptions

For the Year Ended December 31, 2017

Non-Major Special Revenue Funds

To account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes.

Casualty Loss Fund - Accounts for resources designated to pay for property damages that are not covered by insurance.

Community Development Block Grant Fund (CDBG) - Accounts for block grants received and grant reimbursable expenditures.

Alcohol Education Fund - Accounts for court fees obtained from DUI cases and approved alcohol education related expenditures.

Economic Development Fund - Accounts for the revenues generated from annual fees paid by new development agreements through tax abatement and community reinvestment incentives and expenditures in promoting economic development and compliance.

FEMA Grant Fund - Accounts for revenues received from the federal government and expenditures as prescribed under the Federal Emergency Management Agency's Assistance to Firefighters and Staffing for Adequate Fire and Emergency Response Grant Programs.

Federal Grants Fund - Accounts for revenues received for federal grants and the expenditures for those grants when the terms of the grant do not require that the grant be tracked in another fund.

Motor Vehicle License Tax Fund - Accounts for the additional motor vehicle registration fees designated for maintenance and repair of streets within the City.

Recreation Fund - Accounts for real and personal property taxes and program revenues and expenditures for the operation and maintenance of recreation programs, services, parks and the recreation center facility.

Clague Park Fund - Accounts for the proceeds from the sale of land as well as Clague Park wireless communication tower upfront proceeds and the expenditures related to revitalizing and improving Clague Park.

Hotel/Motel Tax Fund - Accounts for the City's hotel and motel tax revenues and related authorized expenditures of the police and fire divisions. Authorized expenditures from the fund shall be limited to the purchase of vehicles and equipment for police and fire division staff and the repair or replacement of buildings and other capital items or improvements at the police and fire stations.

Emergency Medical Services Fund - Until 2008, accounted for 25% of the resident emergency medical service's receipts. Expenditures are restricted to capital improvements for the Fire Division of the Department of Public Safety.

State Highway Fund - Accounts for the portion of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of State highways within the City.

City of North Olmsted, Ohio

Combining Statements – Non-Major Funds Fund Descriptions

For the Year Ended December 31, 2017

Non-Major Special Revenue Funds (continued)

Street Maintenance Fund - Accounts for the portion of State gasoline tax and motor vehicle registration fees designated for maintenance and repair of streets within the City.

Great Northern TIF Fund - This fund accounts for the receipt of service payments in lieu of taxes (PILOTs) that are legally restricted for the payment of public improvements described in City ordinance 2012-72. The general area affected by this TIF is Great Northern Boulevard and Country Club Boulevard.

Court Computerization Fund - Accounts for the receipt of funds collected by the City's Mayor's Court designated to computerize the court and the clerk of court's office.

Solid Waste Management Fund - Accounts for 15% of the municipal income tax receipts and expenditures associated with tax collection, solid waste removal, and costs of recycling services provided to residents.

Community Diversion Fund - Accounts for the federal grant receipts, County and local program fees and expenditures related to the youth community diversion program contracted with the County juvenile court system.

Drug Enforcement Fund - Accounts for fines and forfeitures from drug court cases and expenditures for use in drug enforcement.

Endowment and Grant Fund - Accounts for donations restricted for a specific purpose and expenditures for those specific restricted uses.

Fair Capacity Housing Fund - Accounts for revenue and expenditures related to the Housing and Urban Development (HUD) Fair Capacity Housing Grant.

Fire Pension Fund - Accounts for property taxes levied for the payment of current employer contributions for fire disability and pension benefits.

Law Enforcement Fund - Accounts for other monies seized from criminals by law enforcement officers or the sale of contraband in the course of their work restricted for expenditures that would enhance the police services.

STOP Program Fund - Accounts for fines on traffic violations restricted to paying overtime wages and benefits to officers issuing tickets under this program, wages of the prosecuting attorney and police equipment used in the STOP program. Surplus monies from this fund can be used to pay any other operational expenditure that meets the need of the police and dispatch divisions, with the exception of wages and benefits unrelated to STOP.

Police Pension Fund - Accounts for property taxes levied for the payment of current employer contributions for police disability and pension benefits.

Senior Center Fund - Accounts for the daily operations of the senior center and its programs and the services provided on a cost reimbursement basis to senior citizens.

City of North Olmsted, Ohio

Combining Statements – Non-Major Funds
Fund Descriptions

For the Year Ended December 31, 2017

Non-Major Special Revenue Funds (continued)

Title III Fund - Accounts for the hot lunch program which provides lunch to senior citizens on a cost reimbursement basis.

Public Way Management Fund - Accounts for fees that are levied by the City on service providers that install above ground facilities in public right of way areas and the expenditures associated with maintaining the right of way areas.

Separation Pay Fund - Accounts for resources set aside for the payment of accumulated sick and vacation leave upon termination. 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.

27th Pay Fund - Accounts for resource set aside for the payment of the 27th payrolls that are experienced every 13 years. 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

Library Bond Retirement Fund - Accounts for resources restricted to pay the principal, interest and related fiscal charges on the library bonded debt.

Fire Station Bond Retirement Fund - Accounts for resources restricted to pay the principal, interest and related fiscal charges on the fire station funded debt.

Non-Major Capital Projects Funds

Capital Improvement Fund - Accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by a proprietary fund).

Building and Land Acquisition and Improvement Fund - Accounts for financial resources for acquiring real property, constructing improvements, including additions to buildings, upon lands owned by the City, or for substantially rehabilitating or renovating existing City-owned buildings.

Non-Major Internal Service Funds

Hospitalization Fund - Accounts for a self-insurance program for employee medical, dental and vision benefits.

Workers' Compensation Self-Insurance Fund - Accounts for assets set aside for claim settlements and related liabilities associated with the workers' compensation self-insurance program.

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Governmental Funds

December 31, 2017

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 5,084,719	\$ 1,335,036	\$ 199,359	\$ 6,619,114
Income taxes receivable	725,163	-	-	725,163
Taxes receivable - property and other	1,319,041	1,055,586	-	2,374,627
Intergovernmental receivable	1,263,970	66,593	-	1,330,563
Accounts receivable	24,348	-	-	24,348
Inventories and supplies	37,501	-	-	37,501
Prepaid items	26,578	-	-	26,578
Total assets	<u>\$ 8,481,320</u>	<u>\$ 2,457,215</u>	<u>\$ 199,359</u>	<u>\$ 11,137,894</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts and contracts payable	\$ 474,930	\$ -	\$ -	\$ 474,930
Accrued wages and benefits	61,132	-	-	61,132
Intergovernmental payable	1,614	-	-	1,614
Retainage payable	5,042	-	-	5,042
Interfund payable	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Total liabilities	<u>692,718</u>	<u>-</u>	<u>-</u>	<u>692,718</u>
Deferred inflows of resources:				
Property taxes	1,223,529	1,019,608	-	2,243,137
Payments in lieu of taxes	254,958	-	-	254,958
Unavailable revenues	<u>1,137,191</u>	<u>102,571</u>	<u>-</u>	<u>1,239,762</u>
Total deferred inflows of resources	<u>2,615,678</u>	<u>1,122,179</u>	<u>-</u>	<u>3,737,857</u>
Fund balances:				
Nonspendable	64,079	-	-	64,079
Restricted	4,970,464	1,335,036	199,359	6,504,859
Committed	269,040	-	-	269,040
Unassigned	<u>(130,659)</u>	<u>-</u>	<u>-</u>	<u>(130,659)</u>
Total fund balances	<u>5,172,924</u>	<u>1,335,036</u>	<u>199,359</u>	<u>6,707,319</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,481,320</u>	<u>\$ 2,457,215</u>	<u>\$ 199,359</u>	<u>\$ 11,137,894</u>

City of North Olmsted, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds

For the Year Ended December 31, 2017

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
Revenues:				
Property and other local taxes	\$ 1,637,205	\$ 1,049,391	\$ -	\$ 2,686,596
Municipal income taxes	2,383,634	-	-	2,383,634
Payments in lieu of taxes	287,273	-	-	287,273
Charges for services	2,415,584	-	-	2,415,584
Fines, licenses and permits	304,714	-	-	304,714
Intergovernmental	1,758,753	133,189	32,765	1,924,707
Investment income	5,802	-	-	5,802
Miscellaneous income	54,588	-	22,087	76,675
Total revenues	<u>8,847,553</u>	<u>1,182,580</u>	<u>54,852</u>	<u>10,084,985</u>
Expenditures:				
Current:				
General government	82,003	-	39,570	121,573
Security of persons and property	1,160,970	-	-	1,160,970
Public health and welfare	1,201,656	-	-	1,201,656
Transportation	1,629,380	-	-	1,629,380
Basic utility services	2,193,395	-	-	2,193,395
Leisure time activities	2,754,206	-	133,011	2,887,217
Economic development	157,694	-	-	157,694
Capital outlay	5,042	-	469,913	474,955
Debt service:				
Principal	51,116	965,000	-	1,016,116
Interest and fiscal charges	1,774	148,888	-	150,662
Issuance costs	-	59,272	-	59,272
Total expenditures	<u>9,237,236</u>	<u>1,173,160</u>	<u>642,494</u>	<u>11,052,890</u>
(Deficiency) excess of revenues over expenditures	<u>(389,683)</u>	<u>9,420</u>	<u>(587,642)</u>	<u>(967,905)</u>
Other financing sources (uses):				
Issuance of bonds	1,485,000	3,065,000	540,000	5,090,000
Premium on issuance of bonds	-	108,302	-	108,302
Payment to refunded escrow agent	-	(3,112,607)	-	(3,112,607)
Transfers - in	65,000	-	-	65,000
Transfers - out	(154,277)	-	-	(154,277)
Total other financing sources (uses)	<u>1,395,723</u>	<u>60,695</u>	<u>540,000</u>	<u>1,996,418</u>
Net change in fund balances	1,006,040	70,115	(47,642)	1,028,513
Fund balances, beginning of year	<u>4,166,884</u>	<u>1,264,921</u>	<u>247,001</u>	<u>5,678,806</u>
Fund balances, end of year	<u>\$ 5,172,924</u>	<u>\$ 1,335,036</u>	<u>\$ 199,359</u>	<u>\$ 6,707,319</u>

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Special Revenue Funds

December 31, 2017

	<u>Casualty Loss</u>	<u>CDBG</u>	<u>Alcohol Education</u>	<u>Economic Development</u>	<u>FEMA Grant</u>	<u>Federal Grants</u>
Assets:						
Equity in pooled cash and cash equivalents	\$ 34,306	\$ 24,383	\$ 26,646	\$ 29,542	\$ 18,500	\$ 15,044
Income taxes receivable	-	-	-	-	-	-
Taxes receivable - property and other	-	-	-	-	-	-
Intergovernmental receivable	-	150,000	-	-	-	-
Accounts receivable	-	-	95	-	-	-
Inventories and supplies	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 34,306</u>	<u>\$ 174,383</u>	<u>\$ 26,741</u>	<u>\$ 29,542</u>	<u>\$ 18,500</u>	<u>\$ 15,044</u>
Liabilities, deferred inflows of resources and fund balances:						
Liabilities:						
Accounts and contracts payable	\$ 7,989	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-
Retainage payable	-	5,042	-	-	-	-
Interfund payable	-	150,000	-	-	-	-
Total liabilities	<u>7,989</u>	<u>155,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:						
Property taxes	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-
Unavailable revenues	-	150,000	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	26,741	-	18,500	15,044
Committed	26,317	-	-	29,542	-	-
Unassigned	-	(130,659)	-	-	-	-
Total fund balances (deficit)	<u>26,317</u>	<u>(130,659)</u>	<u>26,741</u>	<u>29,542</u>	<u>18,500</u>	<u>15,044</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 34,306</u>	<u>\$ 174,383</u>	<u>\$ 26,741</u>	<u>\$ 29,542</u>	<u>\$ 18,500</u>	<u>\$ 15,044</u>

<u>Motor Vehicle License Tax</u>	<u>Recreation</u>	<u>Clague Park</u>	<u>Hotel/ Motel Tax</u>	<u>Emergency Medical Services</u>	<u>State Highway</u>	<u>Street Maintenance</u>	<u>Great Northern TIF</u>
\$ 162,154	\$ 146,469	\$ 3,065	\$ 50,627	\$ 392,089	\$ 365,520	\$ 165,435	\$ 1,752,373
-	-	-	-	-	-	-	-
-	844,469	-	52,338	-	-	-	-
113,922	53,275	-	-	-	48,736	601,076	254,958
-	1,486	-	-	-	-	-	-
9,638	-	-	-	-	2,813	25,050	-
-	26,578	-	-	-	-	-	-
<u>\$ 285,714</u>	<u>\$ 1,072,277</u>	<u>\$ 3,065</u>	<u>\$ 102,965</u>	<u>\$ 392,089</u>	<u>\$ 417,069</u>	<u>\$ 791,561</u>	<u>\$ 2,007,331</u>
\$ -	\$ 85,817	\$ -	\$ 29,937	\$ 2,252	\$ 39,069	\$ 30,144	\$ 133,395
-	41,037	-	-	-	-	16,625	-
-	1,614	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>128,468</u>	<u>-</u>	<u>29,937</u>	<u>2,252</u>	<u>39,069</u>	<u>46,769</u>	<u>133,395</u>
-	815,687	-	-	-	-	-	-
-	-	-	-	-	-	-	254,958
<u>76,763</u>	<u>82,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,048</u>	<u>406,469</u>	<u>-</u>
<u>76,763</u>	<u>897,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,048</u>	<u>406,469</u>	<u>254,958</u>
9,638	26,578	-	-	-	2,813	25,050	-
199,313	19,487	-	-	389,837	341,139	313,273	1,618,978
-	-	3,065	73,028	-	-	-	-
-	-	-	-	-	-	-	-
<u>208,951</u>	<u>46,065</u>	<u>3,065</u>	<u>73,028</u>	<u>389,837</u>	<u>343,952</u>	<u>338,323</u>	<u>1,618,978</u>
<u>\$ 285,714</u>	<u>\$ 1,072,277</u>	<u>\$ 3,065</u>	<u>\$ 102,965</u>	<u>\$ 392,089</u>	<u>\$ 417,069</u>	<u>\$ 791,561</u>	<u>\$ 2,007,331</u>

(Continued)

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Special Revenue Funds (Continued)

December 31, 2017

	<u>Court Computerization</u>	<u>Solid Waste Management</u>	<u>Community Diversion</u>	<u>Drug Enforcement</u>	<u>Endowment and Grant</u>	<u>Fair Capacity Housing</u>
Assets:						
Equity in pooled cash and cash equivalents	\$ 13,960	\$ 1,267,374	\$ 2	\$ 17,335	\$ 247,909	\$ 104,176
Income taxes receivable	-	725,163	-	-	-	-
Taxes receivable - property and other	-	-	-	-	-	-
Intergovernmental receivable	-	1,115	12,000	-	-	-
Accounts receivable	584	-	-	-	-	-
Inventories and supplies	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 14,544</u>	<u>\$ 1,993,652</u>	<u>\$ 12,002</u>	<u>\$ 17,335</u>	<u>\$ 247,909</u>	<u>\$ 104,176</u>
Liabilities, deferred inflows of resources and fund balances:						
Liabilities:						
Accounts and contracts payable	\$ -	\$ 132,207	\$ -	\$ -	\$ 2,825	\$ -
Accrued wages and benefits	-	-	539	-	-	-
Intergovernmental payable	-	-	-	-	-	-
Retainage payable	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>132,207</u>	<u>539</u>	<u>-</u>	<u>2,825</u>	<u>-</u>
Deferred inflows of resources:						
Property taxes	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-
Unavailable revenues	-	345,820	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>345,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	14,544	1,515,625	11,463	17,335	245,084	104,176
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	<u>14,544</u>	<u>1,515,625</u>	<u>11,463</u>	<u>17,335</u>	<u>245,084</u>	<u>104,176</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,544</u>	<u>\$ 1,993,652</u>	<u>\$ 12,002</u>	<u>\$ 17,335</u>	<u>\$ 247,909</u>	<u>\$ 104,176</u>

<u>Fire Pension</u>	<u>Law Enforcement</u>	<u>STOP Program</u>	<u>Police Pension</u>	<u>Senior Center</u>	<u>Title III</u>	<u>Public Way Management</u>	<u>Total</u>
\$ 17,374	\$ 26,456	\$ 117,714	\$ 17,374	\$ 10,841	\$ 41,128	\$ 16,923	\$ 5,084,719
-	-	-	-	-	-	-	725,163
211,117	-	-	211,117	-	-	-	1,319,041
13,319	-	-	13,319	-	2,250	-	1,263,970
-	-	22,183	-	-	-	-	24,348
-	-	-	-	-	-	-	37,501
-	-	-	-	-	-	-	26,578
<u>\$ 241,810</u>	<u>\$ 26,456</u>	<u>\$ 139,897</u>	<u>\$ 241,810</u>	<u>\$ 10,841</u>	<u>\$ 43,378</u>	<u>\$ 16,923</u>	<u>\$ 8,481,320</u>
\$ -	\$ -	\$ 10,261	\$ -	\$ 1,034	\$ -	\$ -	\$ 474,930
-	-	2,355	-	-	576	-	61,132
-	-	-	-	-	-	-	1,614
-	-	-	-	-	-	-	5,042
-	-	-	-	-	-	-	150,000
<u>-</u>	<u>-</u>	<u>12,616</u>	<u>-</u>	<u>1,034</u>	<u>576</u>	<u>-</u>	<u>692,718</u>
203,921	-	-	203,921	-	-	-	1,223,529
-	-	-	-	-	-	-	254,958
<u>20,515</u>	<u>-</u>	<u>-</u>	<u>20,515</u>	<u>-</u>	<u>1,004</u>	<u>-</u>	<u>1,137,191</u>
<u>224,436</u>	<u>-</u>	<u>-</u>	<u>224,436</u>	<u>-</u>	<u>1,004</u>	<u>-</u>	<u>2,615,678</u>
-	-	-	-	-	-	-	64,079
17,374	26,456	-	17,374	-	41,798	16,923	4,970,464
-	-	127,281	-	9,807	-	-	269,040
-	-	-	-	-	-	-	(130,659)
<u>17,374</u>	<u>26,456</u>	<u>127,281</u>	<u>17,374</u>	<u>9,807</u>	<u>41,798</u>	<u>16,923</u>	<u>5,172,924</u>
<u>\$ 241,810</u>	<u>\$ 26,456</u>	<u>\$ 139,897</u>	<u>\$ 241,810</u>	<u>\$ 10,841</u>	<u>\$ 43,378</u>	<u>\$ 16,923</u>	<u>\$ 8,481,320</u>

City of North Olmsted, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds

For the Year Ended December 31, 2017

	Casualty Loss	CDBG	Alcohol Education	Economic Development	FEMA Grant	Federal Grants
Revenues:						
Property and other local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-
Charges for services	14,181	-	-	-	-	-
Fines, licenses and permits	-	-	1,340	-	-	-
Intergovernmental	-	-	-	-	-	5,839
Investment income	-	-	-	-	-	-
Miscellaneous income	-	-	-	11,177	-	-
Total revenues	<u>14,181</u>	<u>-</u>	<u>1,340</u>	<u>11,177</u>	<u>-</u>	<u>5,839</u>
Expenditures:						
Current:						
General government	47,348	-	-	-	-	2,483
Security of persons and property	-	-	-	-	-	1,823
Public health and welfare	-	-	-	-	-	2,030
Transportation	-	-	-	-	-	-
Basic utility services	-	-	-	-	-	-
Leisure time activities	-	-	-	-	-	-
Economic development	-	128,325	-	29,369	-	-
Capital outlay	-	5,042	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>47,348</u>	<u>133,367</u>	<u>-</u>	<u>29,369</u>	<u>-</u>	<u>6,336</u>
Excess (deficiency) of revenues over expenditures	<u>(33,167)</u>	<u>(133,367)</u>	<u>1,340</u>	<u>(18,192)</u>	<u>-</u>	<u>(497)</u>
Other financing sources (uses):						
Issuance of bonds	-	-	-	-	-	-
Transfers - in	65,000	-	-	-	-	-
Transfers - out	-	-	-	-	-	-
Total other financing sources (uses)	<u>65,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	31,833	(133,367)	1,340	(18,192)	-	(497)
Fund balances, beginning of year	<u>(5,516)</u>	<u>2,708</u>	<u>25,401</u>	<u>47,734</u>	<u>18,500</u>	<u>15,541</u>
Fund balance (deficit), end of year	\$ <u>26,317</u>	\$ <u>(130,659)</u>	\$ <u>26,741</u>	\$ <u>29,542</u>	\$ <u>18,500</u>	\$ <u>15,044</u>

Motor Vehicle License Tax	Recreation	Clague Park	Hotel/ Motel Tax	Emergency Medical Services	State Highway	Street Maintenance	Great Northern TIF
\$ -	\$ 839,520	\$ -	\$ 377,945	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	287,273
-	1,966,121	-	-	419,508	-	-	-
-	-	-	-	-	-	-	-
247,137	106,550	-	-	-	97,264	1,198,689	-
1,084	-	-	-	-	3,037	1,666	-
-	-	-	-	-	-	-	-
<u>248,221</u>	<u>2,912,191</u>	<u>-</u>	<u>377,945</u>	<u>419,508</u>	<u>100,301</u>	<u>1,200,355</u>	<u>287,273</u>
-	-	-	-	-	-	-	-
-	-	-	356,716	32,444	-	-	-
-	-	-	-	-	-	-	1,141,171
177,451	-	-	-	-	239,924	1,212,005	-
-	-	-	-	-	-	-	-
-	2,746,259	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	49,907	-	-	-	-	-	-
-	1,513	-	-	-	-	-	-
<u>177,451</u>	<u>2,797,679</u>	<u>-</u>	<u>356,716</u>	<u>32,444</u>	<u>239,924</u>	<u>1,212,005</u>	<u>1,141,171</u>
<u>70,770</u>	<u>114,512</u>	<u>-</u>	<u>21,229</u>	<u>387,064</u>	<u>(139,623)</u>	<u>(11,650)</u>	<u>(853,898)</u>
-	-	-	-	-	-	-	1,485,000
-	-	-	-	-	-	-	-
-	(111,196)	-	-	-	-	-	(43,081)
-	(111,196)	-	-	-	-	-	1,441,919
70,770	3,316	-	21,229	387,064	(139,623)	(11,650)	588,021
<u>138,181</u>	<u>42,749</u>	<u>3,065</u>	<u>51,799</u>	<u>2,773</u>	<u>483,575</u>	<u>349,973</u>	<u>1,030,957</u>
\$ <u>208,951</u>	\$ <u>46,065</u>	\$ <u>3,065</u>	\$ <u>73,028</u>	\$ <u>389,837</u>	\$ <u>343,952</u>	\$ <u>338,323</u>	\$ <u>1,618,978</u>

(Continued)

City of North Olmsted, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Special Revenue Funds (Continued)

For the Year Ended December 31, 2017

	Court Computerization	Solid Waste Management	Community Diversion	Drug Enforcement	Endowment and Grant	Fair Capacity Housing
Revenues:						
Property and other local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	2,383,634	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-
Charges for services	7,047	-	3,082	-	-	-
Fines, licenses and permits	-	-	-	-	-	-
Intergovernmental	-	7,230	26,000	-	-	-
Investment income	-	-	-	-	15	-
Miscellaneous income	-	-	-	-	37,129	-
Total revenues	<u>7,047</u>	<u>2,390,864</u>	<u>29,082</u>	<u>-</u>	<u>37,144</u>	<u>-</u>
Expenditures:						
Current:						
General government	7,172	-	-	-	25,000	-
Security of persons and property	-	-	-	6,649	2,930	-
Public health and welfare	-	-	23,416	-	14,675	-
Transportation	-	-	-	-	-	-
Basic utility services	-	2,193,395	-	-	-	-
Leisure time activities	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>7,172</u>	<u>2,193,395</u>	<u>23,416</u>	<u>6,649</u>	<u>42,605</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(125)</u>	<u>197,469</u>	<u>5,666</u>	<u>(6,649)</u>	<u>(5,461)</u>	<u>-</u>
Other financing sources (uses):						
Issuance of bonds	-	-	-	-	-	-
Transfers - in	-	-	-	-	-	-
Transfers - out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(125)	197,469	5,666	(6,649)	(5,461)	-
Fund balances, beginning of year	<u>14,669</u>	<u>1,318,156</u>	<u>5,797</u>	<u>23,984</u>	<u>250,545</u>	<u>104,176</u>
Fund balances (deficit), end of year	\$ <u>14,544</u>	\$ <u>1,515,625</u>	\$ <u>11,463</u>	\$ <u>17,335</u>	\$ <u>245,084</u>	\$ <u>104,176</u>

<u>Fire Pension</u>	<u>Law Enforcement</u>	<u>STOP Program</u>	<u>Police Pension</u>	<u>Senior Center</u>	<u>Title III</u>	<u>Public Way Management</u>	<u>Total</u>
\$ 209,870	\$ -	\$ -	\$ 209,870	\$ -	\$ -	\$ -	\$ 1,637,205
-	-	-	-	-	-	-	2,383,634
-	-	-	-	-	-	-	287,273
-	-	-	-	804	4,841	-	2,415,584
-	21,493	281,031	-	850	-	-	304,714
26,637	-	-	26,637	-	16,770	-	1,758,753
-	-	-	-	-	-	-	5,802
-	-	-	-	6,282	-	-	54,588
<u>236,507</u>	<u>21,493</u>	<u>281,031</u>	<u>236,507</u>	<u>7,936</u>	<u>21,611</u>	<u>-</u>	<u>8,847,553</u>
-	-	-	-	-	-	-	82,003
223,728	20,099	292,853	223,728	-	-	-	1,160,970
-	-	-	-	-	20,364	-	1,201,656
-	-	-	-	-	-	-	1,629,380
-	-	-	-	-	-	-	2,193,395
-	-	-	-	7,947	-	-	2,754,206
-	-	-	-	-	-	-	157,694
-	-	-	-	-	-	-	5,042
-	-	-	-	1,209	-	-	51,116
-	-	-	-	261	-	-	1,774
<u>223,728</u>	<u>20,099</u>	<u>292,853</u>	<u>223,728</u>	<u>9,417</u>	<u>20,364</u>	<u>-</u>	<u>9,237,236</u>
<u>12,779</u>	<u>1,394</u>	<u>(11,822)</u>	<u>12,779</u>	<u>(1,481)</u>	<u>1,247</u>	<u>-</u>	<u>(389,683)</u>
-	-	-	-	-	-	-	1,485,000
-	-	-	-	-	-	-	65,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(154,277)</u>
-	-	-	-	-	-	-	1,395,723
12,779	1,394	(11,822)	12,779	(1,481)	1,247	-	1,006,040
<u>4,595</u>	<u>25,062</u>	<u>139,103</u>	<u>4,595</u>	<u>11,288</u>	<u>40,551</u>	<u>16,923</u>	<u>4,166,884</u>
\$ <u><u>17,374</u></u>	\$ <u><u>26,456</u></u>	\$ <u><u>127,281</u></u>	\$ <u><u>17,374</u></u>	\$ <u><u>9,807</u></u>	\$ <u><u>41,798</u></u>	\$ <u><u>16,923</u></u>	\$ <u><u>5,172,924</u></u>

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Debt Service Funds

December 31, 2017

	<u>Library Bond Retirement</u>	<u>Fire Station Bond Retirement</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 755,878	\$ 579,158	\$ 1,335,036
Taxes receivable – property and other	774,096	281,490	1,055,586
Intergovernmental receivable	<u>48,835</u>	<u>17,758</u>	<u>66,593</u>
Total assets	\$ <u>1,578,809</u>	\$ <u>878,406</u>	\$ <u>2,457,215</u>
Liabilities, deferred inflows of resources and fund balances:			
Deferred inflows of resources:			
Property taxes	\$ 747,712	\$ 271,896	\$ 1,019,608
Unavailable revenues	<u>75,219</u>	<u>27,352</u>	<u>102,571</u>
Total deferred inflows of resources	<u>822,931</u>	<u>299,248</u>	<u>1,122,179</u>
Fund balances:			
Restricted	<u>755,878</u>	<u>579,158</u>	<u>1,335,036</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>1,578,809</u>	\$ <u>878,406</u>	\$ <u>2,457,215</u>

City of North Olmsted, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Debt Service Funds

For the Year Ended December 31, 2017

	Library Bond <u>Retirement</u>	Fire Station Bond <u>Retirement</u>	<u>Total</u>
Revenues:			
Property and other local taxes	\$ 769,544	\$ 279,847	\$ 1,049,391
Intergovernmental	<u>97,672</u>	<u>35,517</u>	<u>133,189</u>
Total revenues	<u>867,216</u>	<u>315,364</u>	<u>1,182,580</u>
Expenditures:			
Debt service:			
Principal	745,000	220,000	965,000
Interest and fiscal charges	77,775	71,113	148,888
Issuance costs	<u>59,272</u>	<u>-</u>	<u>59,272</u>
Total expenditures	<u>882,047</u>	<u>291,113</u>	<u>1,173,160</u>
(Deficiency) excess of revenues over expenditures	<u>(14,831)</u>	<u>24,251</u>	<u>9,420</u>
Other financing sources (uses):			
Issuance of bonds	3,065,000	-	3,065,000
Premium on issuance of bonds	108,302	-	108,302
Payment to refunded escrow agent	<u>(3,112,607)</u>	<u>-</u>	<u>(3,112,607)</u>
Total other financing sources (uses)	<u>60,695</u>	<u>-</u>	<u>60,695</u>
Net change in fund balances	45,864	24,251	70,115
Fund balances, beginning of year	<u>710,014</u>	<u>554,907</u>	<u>1,264,921</u>
Fund balances, end of year	\$ <u><u>755,878</u></u>	\$ <u><u>579,158</u></u>	\$ <u><u>1,335,036</u></u>

City of North Olmsted, Ohio

Combining Balance Sheet
 Non-Major Capital Project Funds

December 31, 2017

	<u>Capital Improvement</u>	<u>Building and Land Acquisition and Improvement</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ <u>197,359</u>	\$ <u>2,000</u>	\$ <u>199,359</u>
Liabilities, deferred inflows of resources and fund balances:			
Fund balances:			
Restricted	<u>197,359</u>	<u>2,000</u>	<u>199,359</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>197,359</u>	\$ <u>2,000</u>	\$ <u>199,359</u>

City of North Olmsted, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Capital Projects Funds

For the Year Ended December 31, 2017

	<u>Capital Improvement</u>	<u>Building and Land Acquisition and Improvement</u>	<u>Total</u>
Revenues:			
Intergovernmental	\$ 32,765	\$ -	\$ 32,765
Miscellaneous	-	22,087	22,087
Total revenues	<u>32,765</u>	<u>22,087</u>	<u>54,852</u>
Expenditures:			
Current:			
General Government	39,570	-	39,570
Leisure time activities	133,011	-	133,011
Capital outlay	<u>384,839</u>	<u>85,074</u>	<u>469,913</u>
Total expenditures	<u>557,420</u>	<u>85,074</u>	<u>642,494</u>
Deficiency of revenues over expenditures	(524,655)	(62,987)	(587,642)
Other financing sources:			
Issuance of bonds	<u>540,000</u>	-	<u>540,000</u>
Net change in fund balance	15,345	(62,987)	(47,642)
Fund balances, beginning of year	<u>182,014</u>	<u>64,987</u>	<u>247,001</u>
Fund balances, end of year	\$ <u>197,359</u>	\$ <u>2,000</u>	\$ <u>199,359</u>

City of North Olmsted, Ohio

Combining Statement of Fund Net Position Non-Major Internal Service Funds

December 31, 2017

	<u>Hospitalization</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ <u>2,913,679</u>	\$ <u>1,226,240</u>	\$ <u>4,139,919</u>
Liabilities:			
Current liabilities:			
Accounts and contracts payable	68	51,582	51,650
Intergovernmental payable	-	3,730	3,730
Claims payable	<u>282,011</u>	<u>43,280</u>	<u>325,291</u>
Total current liabilities	282,079	98,592	380,671
Long-term liabilities:			
Claims payable	<u>-</u>	<u>14,427</u>	<u>14,427</u>
Total liabilities	<u>282,079</u>	<u>113,019</u>	<u>395,098</u>
Net position:			
Unrestricted	\$ <u><u>2,631,600</u></u>	\$ <u><u>1,113,221</u></u>	\$ <u><u>3,744,821</u></u>

City of North Olmsted, Ohio

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Non-Major Internal Service Funds

For the Year Ended December 31, 2017

	<u>Hospitalization</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Charges for services	\$ 3,230,167	\$ 82,634	\$ 3,312,801
Operating expenses:			
Contractual services	515,148	100,450	615,598
Claims	<u>2,531,794</u>	<u>87,160</u>	<u>2,618,954</u>
Total operating expenses	<u>3,046,942</u>	<u>187,610</u>	<u>3,234,552</u>
Change in net position	183,225	(104,976)	78,249
Net position, beginning of year	<u>2,448,375</u>	<u>1,218,197</u>	<u>3,666,572</u>
Net position, end of year	\$ <u><u>2,631,600</u></u>	\$ <u><u>1,113,221</u></u>	\$ <u><u>3,744,821</u></u>

City of North Olmsted, Ohio

Combining Statement of Cash Flows Non-Major Internal Service Funds

For the Year Ended December 31, 2017

	<u>Hospitalization</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Cash flows from operating activities:			
Receipts from customers and users	\$ 3,230,167	\$ 82,634	\$ 3,312,801
Cash paid for goods and services	(515,080)	(101,717)	(616,797)
Cash paid for claims	<u>(2,733,829)</u>	<u>(64,993)</u>	<u>(2,798,822)</u>
Net cash used by operating activities	<u>(18,742)</u>	<u>(84,076)</u>	<u>(102,818)</u>
Net decrease in cash and cash equivalents	(18,742)	(84,076)	(102,818)
Cash and cash equivalents, beginning of year	<u>2,932,421</u>	<u>1,310,316</u>	<u>4,242,737</u>
Cash and cash equivalents, end of year	\$ <u><u>2,913,679</u></u>	\$ <u><u>1,226,240</u></u>	\$ <u><u>4,139,919</u></u>
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating income (loss)	\$ 183,225	\$ (104,976)	\$ 78,249
Adjustments:			
Changes in assets/liabilities:			
Accounts and contracts payable	68	3,715	3,783
Intergovernmental payable	-	(4,982)	(4,982)
Claims payable	<u>(202,035)</u>	<u>22,167</u>	<u>(179,868)</u>
Net cash used by operating activities	\$ <u><u>(18,742)</u></u>	\$ <u><u>(84,076)</u></u>	\$ <u><u>(102,818)</u></u>

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

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – General Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Municipal income tax	\$ 10,532,500	\$ 10,532,500	\$ 10,926,041	\$ 393,541
Property and other taxes	5,544,859	5,544,859	5,865,618	320,759
Charges for services	1,441,426	1,436,426	1,542,646	106,220
Licenses and permits	1,276,039	1,276,039	1,384,299	108,260
Fines and forfeitures	249,567	249,567	236,620	(12,947)
Intergovernmental revenue	1,459,491	1,459,391	1,484,546	25,155
Investment income	60,000	185,000	297,603	112,603
Other revenue	24,000	24,000	22,067	(1,933)
Total revenues	<u>20,587,882</u>	<u>20,707,782</u>	<u>21,759,440</u>	<u>1,051,658</u>
Expenditures:				
Current:				
General government				
Council				
Salaries	154,109	154,109	153,159	950
Benefits	35,058	35,110	31,759	3,351
Materials and supplies	1,095	1,190	915	275
Contractual services	33,150	34,997	31,763	3,234
Capital outlay	8,724	9,448	648	8,800
Total council	<u>232,136</u>	<u>234,854</u>	<u>218,244</u>	<u>16,610</u>
Office of the mayor				
Salaries	153,787	153,787	153,767	20
Benefits	55,187	55,187	49,437	5,750
Materials and supplies	10,000	10,000	7,489	2,511
Contractual services	33,820	33,820	27,625	6,195
Total office of the mayor	<u>252,794</u>	<u>252,794</u>	<u>238,318</u>	<u>14,476</u>
Mayor's court				
Salaries	185,231	185,231	141,398	43,833
Benefits	49,469	49,469	35,085	14,384
Materials and supplies	29,860	29,860	10,965	18,895
Contractual services	9,303	9,303	5,185	4,118
Capital outlay	1,300	1,300	-	1,300
Total mayor's court	<u>275,163</u>	<u>275,163</u>	<u>192,633</u>	<u>82,530</u>

(Continued)

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – General Fund (continued)

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Finance department				
Salaries	335,116	335,116	334,526	590
Benefits	151,735	151,735	133,177	18,558
Materials and supplies	12,595	12,595	8,709	3,886
Contractual services	657,086	647,086	635,459	11,627
Capital outlay	6,450	6,450	147	6,303
Total finance department	<u>1,162,982</u>	<u>1,152,982</u>	<u>1,112,018</u>	<u>40,964</u>
Law department				
Salaries	203,937	203,937	200,355	3,582
Benefits	105,087	105,087	92,891	12,196
Materials and supplies	1,053	1,053	208	845
Contractual services	33,949	33,949	7,818	26,131
Capital outlay	500	500	-	500
Total law department	<u>344,526</u>	<u>344,526</u>	<u>301,272</u>	<u>43,254</u>
Department of human resources				
Salaries	289,017	289,017	278,157	10,860
Benefits	116,942	115,792	99,862	15,930
Materials and supplies	30,874	32,024	29,177	2,847
Contractual services	194,019	194,019	170,248	23,771
Total department of human resources	<u>630,852</u>	<u>630,852</u>	<u>577,444</u>	<u>53,408</u>
Civil service				
Salaries	-	470	447	23
Benefits	-	330	184	146
Materials and supplies	400	400	112	288
Contractual services	68,900	67,104	65,149	1,955
Total civil service	<u>69,300</u>	<u>68,304</u>	<u>65,892</u>	<u>2,412</u>
Division of information technology				
Salaries	-	27,500	24,736	2,764
Benefits	-	12,500	5,315	7,185
Materials and supplies	12,000	12,000	2,113	9,887
Contractual services	235,334	265,334	243,367	21,967
Capital outlay	68,000	63,000	32,638	30,362
Total division of information technology	<u>315,334</u>	<u>380,334</u>	<u>308,169</u>	<u>72,165</u>
Boards and commissions				
Materials and supplies	18,776	18,776	11,160	7,616
Contractual services	25,220	23,320	17,723	5,597
Total boards and commissions	<u>43,996</u>	<u>42,096</u>	<u>28,883</u>	<u>13,213</u>

(Continued)

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – General Fund (continued)

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Building department				
Salaries	713,825	667,790	662,787	5,003
Benefits	325,854	326,154	262,648	63,506
Materials and supplies	18,020	23,470	20,317	3,153
Contractual services	137,576	161,761	130,058	31,703
Capital outlay	13,470	7,970	5,173	2,797
Total building department	<u>1,208,745</u>	<u>1,187,145</u>	<u>1,080,983</u>	<u>106,162</u>
Engineering department				
Salaries	132,265	132,265	124,059	8,206
Benefits	44,054	44,054	38,303	5,751
Materials and supplies	1,800	1,800	1,496	304
Contractual services	<u>219,682</u>	<u>191,022</u>	<u>174,293</u>	<u>16,729</u>
Total engineering department	<u>397,801</u>	<u>369,141</u>	<u>338,151</u>	<u>30,990</u>
Total general government	<u>4,933,629</u>	<u>4,938,191</u>	<u>4,462,007</u>	<u>476,184</u>
Security of persons and property				
Public safety director				
Salaries	96,470	96,470	96,432	38
Benefits	37,499	37,499	33,549	3,950
Materials and supplies	1,910	1,910	507	1,403
Contractual services	<u>32,686</u>	<u>32,686</u>	<u>18,613</u>	<u>14,073</u>
Total public safety director	<u>168,565</u>	<u>168,565</u>	<u>149,101</u>	<u>19,464</u>
Division of fire				
Salaries	3,487,633	3,487,633	3,423,258	64,375
Benefits	1,634,494	1,634,494	1,426,328	208,166
Materials and supplies	139,974	139,974	125,083	14,891
Contractual services	287,187	287,187	234,805	52,382
Capital outlay	235,841	192,841	173,850	18,991
Total fire division	<u>5,785,129</u>	<u>5,742,129</u>	<u>5,383,324</u>	<u>358,805</u>
Division of police				
Salaries	4,200,575	4,187,000	4,111,026	75,974
Benefits	1,685,458	1,686,833	1,407,775	279,058
Materials and supplies	129,856	132,556	125,571	6,985
Contractual services	317,318	303,314	260,557	42,757
Capital outlay	<u>61,000</u>	<u>61,000</u>	<u>58,477</u>	<u>2,523</u>
Total division of police	<u>6,394,207</u>	<u>6,370,703</u>	<u>5,963,406</u>	<u>407,297</u>

(Continued)

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – General Fund (continued)

For the Year Ended December 31, 2017

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Emergency central dispatch				
Salaries	569,862	569,862	513,188	56,674
Benefits	246,526	246,526	193,811	52,715
Materials and supplies	2,590	2,590	339	2,251
Contractual services	19,500	19,500	10,864	8,636
Capital outlay	3,450	3,450	3,450	-
Total emergency central dispatch	<u>841,928</u>	<u>841,928</u>	<u>721,652</u>	<u>120,276</u>
Corrections				
Salaries	86,643	86,643	68,445	18,198
Benefits	38,264	38,264	29,175	9,089
Materials and supplies	4,000	4,000	1,296	2,704
Contractual services	95,442	140,442	99,906	40,536
Capital outlay	<u>2,275</u>	<u>2,275</u>	<u>2,257</u>	<u>18</u>
Total corrections	<u>226,624</u>	<u>271,624</u>	<u>201,079</u>	<u>70,545</u>
Total security of persons and property	<u>13,416,453</u>	<u>13,394,949</u>	<u>12,418,562</u>	<u>976,387</u>
Public health and welfare				
Division of aging				
Salaries	174,006	181,556	178,902	2,654
Benefits	104,060	102,860	90,186	12,674
Materials and supplies	5,698	5,698	3,217	2,481
Contractual services	58,182	44,263	33,637	10,626
Capital outlay	<u>250</u>	<u>250</u>	<u>-</u>	<u>250</u>
Total division of aging	<u>342,196</u>	<u>334,627</u>	<u>305,942</u>	<u>28,685</u>
Division of youth and family services				
Salaries	100,079	100,079	97,586	2,493
Benefits	25,738	25,738	22,872	2,866
Materials and supplies	3,509	3,509	1,281	2,228
Contractual services	67,804	75,373	52,661	22,712
Capital outlay	<u>3,000</u>	<u>3,000</u>	<u>2,109</u>	<u>891</u>
Total division of youth and family services	<u>200,130</u>	<u>207,699</u>	<u>176,509</u>	<u>31,190</u>
Total public health and welfare	<u>542,326</u>	<u>542,326</u>	<u>482,451</u>	<u>59,875</u>
Transportation				
Public service director				
Salaries	88,877	88,877	88,842	35
Benefits	23,847	23,847	21,534	2,313
Materials and supplies	1,300	1,300	1,289	11
Contractual services	554,367	554,367	509,494	44,873
Capital outlay	<u>800</u>	<u>800</u>	<u>292</u>	<u>508</u>
Total service director	<u>669,191</u>	<u>669,191</u>	<u>621,451</u>	<u>47,740</u>

(Continued)

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – General Fund (continued)

For the Year Ended December 31, 2017

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Division of public works				
Salaries	1,177,873	1,177,873	1,019,194	158,679
Benefits	589,364	589,364	442,161	147,203
Materials and supplies	111,426	111,426	71,964	39,462
Contractual services	460,860	489,520	412,663	76,857
Capital outlay	369,536	403,736	388,054	15,682
Total division of public works	<u>2,709,059</u>	<u>2,771,919</u>	<u>2,334,036</u>	<u>437,883</u>
Division of fleet maintenance				
Salaries	400,139	400,139	365,801	34,338
Benefits	181,674	181,674	136,696	44,978
Materials and supplies	420,418	420,418	143,201	277,217
Contractual services	19,350	15,350	9,197	6,153
Capital outlay	-	4,000	1,600	2,400
Total division of fleet maintenance	<u>1,021,581</u>	<u>1,021,581</u>	<u>656,495</u>	<u>365,086</u>
Total transportation	<u>4,399,831</u>	<u>4,462,691</u>	<u>3,611,982</u>	<u>850,709</u>
Basic utility services				
Service department				
Contractual services	<u>25,500</u>	<u>25,500</u>	<u>23,814</u>	<u>1,686</u>
Economic development				
Planning				
Salaries	191,734	191,734	191,661	73
Benefits	50,127	71,027	59,559	11,468
Materials and supplies	1,500	1,500	866	634
Contractual services	74,220	101,320	86,587	14,733
Capital outlay	2,000	2,000	1,718	282
Total economic development	<u>319,581</u>	<u>367,581</u>	<u>340,391</u>	<u>27,190</u>
Total expenditures	<u>23,637,320</u>	<u>23,731,238</u>	<u>21,339,207</u>	<u>2,392,031</u>
Excess (deficiency) of revenues over expenditures	(3,049,438)	(3,023,456)	420,233	3,443,689

(Continued)

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – General Fund (continued)

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Sale of capital assets	30,000	30,000	15,287	(14,713)
Advances - in	-	150,000	-	(150,000)
Transfers - in	250,000	250,000	250,000	-
Advances - out	-	(150,000)	(150,000)	-
Transfers - out	(625,800)	(675,800)	(675,800)	-
Total other financing sources (uses)	<u>(345,800)</u>	<u>(395,800)</u>	<u>(560,513)</u>	<u>(164,713)</u>
Net change in fund balance	(3,395,238)	(3,419,256)	(140,280)	3,278,976
Prior year encumbrances	245,698	245,698	245,698	-
Fund balance, beginning of year	<u>3,799,524</u>	<u>3,799,524</u>	<u>3,799,524</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>649,984</u></u>	\$ <u><u>625,966</u></u>	\$ <u><u>3,904,942</u></u>	\$ <u><u>3,278,976</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Separation Pay Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General government				
Division of building				
Salaries	\$ -	\$ 4,400	\$ 4,380	\$ 20
Security of persons and property				
Division of fire				
Salaries	200,000	171,411	50,780	120,631
Benefits	-	40	40	-
Total division of fire	<u>200,000</u>	<u>171,451</u>	<u>50,820</u>	<u>120,631</u>
Division of police				
Salaries	415,000	424,007	307,573	116,434
Benefits	-	1,401	1,401	-
Total division of police	<u>415,000</u>	<u>425,408</u>	<u>308,974</u>	<u>116,434</u>
Central dispatch				
Salaries	<u>60,000</u>	<u>60,000</u>	-	<u>60,000</u>
Total security of persons and property	<u>675,000</u>	<u>656,859</u>	<u>359,794</u>	<u>297,065</u>
Transportation				
Department of public service				
Salaries	-	9,074	9,073	1
Benefits	-	132	132	-
Total department of public service	<u>-</u>	<u>9,206</u>	<u>9,205</u>	<u>1</u>
Division of fleet maintenance				
Salaries	48,000	48,000	46,931	1,069
Benefits	-	680	680	-
Total division of fleet maintenance	<u>48,000</u>	<u>48,680</u>	<u>47,611</u>	<u>1,069</u>
Total transportation	<u>48,000</u>	<u>57,886</u>	<u>56,816</u>	<u>1,070</u>
Golf course and ballroom				
Salaries	-	3,800	3,782	18
Benefits	-	55	55	-
Total golf course and ballroom	<u>-</u>	<u>3,855</u>	<u>3,837</u>	<u>18</u>
Sewer				
Salaries	<u>25,000</u>	<u>25,000</u>	-	<u>25,000</u>
Total expenditures	<u>748,000</u>	<u>748,000</u>	<u>424,827</u>	<u>323,173</u>

(Continued)

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Separation Pay Fund (continued)

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess (deficiency) of revenues over expenditures	(748,000)	(748,000)	(424,827)	323,173
Other financing sources (uses):				
Transfers - in	<u>345,000</u>	<u>345,000</u>	<u>345,000</u>	<u>-</u>
Net change in fund balance	(403,000)	(403,000)	(79,827)	323,173
Fund balance, beginning of year	<u>1,529,715</u>	<u>1,529,715</u>	<u>1,529,715</u>	<u>-</u>
Fund balance, end of year	\$ <u>1,126,715</u>	\$ <u>1,126,715</u>	\$ <u>1,449,888</u>	\$ <u>323,173</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual – 27th Pay Fund

For the Year Ended December 31, 2017

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Transfers - in	\$ <u>76,000</u>	\$ <u>76,000</u>	\$ <u>76,000</u>	\$ <u>-</u>
Net change in fund balance	76,000	76,000	76,000	-
Fund balance, beginning of year	<u>76,000</u>	<u>76,000</u>	<u>76,000</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>152,000</u></u>	\$ <u><u>152,000</u></u>	\$ <u><u>152,000</u></u>	\$ <u><u>-</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Permanent Improvements Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income tax	\$ 2,256,750	\$ 2,256,750	\$ 2,341,295	\$ 84,545
Intergovernmental revenue	-	-	2,230	2,230
Total revenue	<u>2,256,750</u>	<u>2,256,750</u>	<u>2,343,525</u>	<u>86,775</u>
Expenditures:				
Current:				
Transportation Service				
Contractual services	48,400	50,385	50,384	1
Capital outlay	<u>2,612,899</u>	<u>2,610,914</u>	<u>2,405,541</u>	<u>205,373</u>
Total service	<u>2,661,299</u>	<u>2,661,299</u>	<u>2,455,925</u>	<u>205,374</u>
Engineering				
Capital outlay	<u>157,920</u>	<u>157,920</u>	<u>139,875</u>	<u>18,045</u>
Total transportation	<u>2,819,219</u>	<u>2,819,219</u>	<u>2,595,800</u>	<u>223,419</u>
Debt service:				
Principal	1,605,000	1,605,000	1,605,000	-
Interest and fiscal charges	<u>16,886</u>	<u>16,886</u>	<u>16,886</u>	<u>-</u>
Total debt service	<u>1,621,886</u>	<u>1,621,886</u>	<u>1,621,886</u>	<u>-</u>
Total expenditures	<u>4,441,105</u>	<u>4,441,105</u>	<u>4,217,686</u>	<u>223,419</u>
Excess (deficiency) of revenues over expenditures	<u>(2,184,355)</u>	<u>(2,184,355)</u>	<u>(1,874,161)</u>	<u>310,194</u>
Other financing sources (uses):				
Bond proceeds	2,710,000	2,710,000	2,710,000	-
Transfers - out	<u>(1,343,698)</u>	<u>(1,343,698)</u>	<u>(1,343,697)</u>	<u>1</u>
Total other financing sources (uses)	<u>1,366,302</u>	<u>1,366,302</u>	<u>1,366,303</u>	<u>1</u>
Net change in fund balance	(818,053)	(818,053)	(507,858)	310,195
Prior year encumbrances appropriated	340,819	340,819	340,819	-
Fund balance, beginning of year	<u>3,766,160</u>	<u>3,766,160</u>	<u>3,766,160</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>3,288,926</u></u>	\$ <u><u>3,288,926</u></u>	\$ <u><u>3,599,121</u></u>	\$ <u><u>310,195</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – General Obligation Bond Retirement Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 1,266,105	\$ 1,213,599	\$ 1,189,324	\$ (24,275)
Intergovernmental revenue	296,707	296,707	293,248	(3,459)
Investment income	<u>3,000</u>	<u>3,000</u>	<u>10,300</u>	<u>7,300</u>
Total revenue	<u>1,565,812</u>	<u>1,513,306</u>	<u>1,492,872</u>	<u>(20,434)</u>
Expenditures:				
Debt service:				
Principal	4,859,874	4,889,191	4,889,191	-
Interest and fiscal charges	1,863,687	2,070,400	2,070,168	232
Issuance fee	<u>91,130</u>	<u>96,305</u>	<u>96,305</u>	<u>-</u>
Total expenditures	<u>6,814,691</u>	<u>7,055,896</u>	<u>7,055,664</u>	<u>232</u>
Excess (deficiency) of revenues over expenditures	(5,248,879)	(5,542,590)	(5,562,792)	(20,202)
Other financing sources (uses):				
Payment to escrow agent	(576,527)	(576,527)	(576,527)	-
Bond proceeds	571,000	571,000	572,712	1,712
Premium on bonds	355,837	355,837	355,837	-
Transfers - in	<u>5,784,333</u>	<u>5,938,738</u>	<u>5,292,255</u>	<u>(646,483)</u>
Total other financing sources (uses)	<u>6,134,643</u>	<u>6,289,048</u>	<u>5,644,277</u>	<u>(644,771)</u>
Net change in fund balance	885,764	746,458	81,485	(664,973)
Fund balance, beginning of year	<u>2,615,620</u>	<u>2,615,620</u>	<u>2,615,620</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>3,501,384</u></u>	\$ <u><u>3,362,078</u></u>	\$ <u><u>2,697,105</u></u>	\$ <u><u>(664,973)</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Casualty Loss Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 5,000	\$ 5,000	\$ 14,181	\$ 9,181
Expenditures:				
Current:				
General government				
Department of human resources				
Contractual services	10,000	63,000	62,111	889
Division of engineering				
Contractual services	10,000	8,900	6,855	2,045
Total general government	20,000	71,900	68,966	2,934
Security of persons and property				
Division of police				
Contractual services	10,000	8,100	-	8,100
Total expenditures	30,000	80,000	68,966	11,034
Excess (deficiency) of revenues over expenditures	(25,000)	(75,000)	(54,785)	20,215
Other financing sources (uses):				
Transfers - in	15,000	65,000	65,000	-
Total other financing sources (uses)	15,000	65,000	65,000	-
Net change in fund balance	(10,000)	(10,000)	10,215	20,215
Fund balance, beginning of year	17,452	17,452	17,452	-
Fund balance, end of year	\$ 7,452	\$ 7,452	\$ 27,667	\$ 20,215

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – CDBG Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Public health and welfare				
Senior services				
Capital outlay	\$ -	\$ 150,000	\$ 149,736	\$ 264
Excess (deficiency) of revenues over expenditures	-	(150,000)	(149,736)	264
Other financing sources (uses):				
Advances - in	-	150,000	150,000	-
Net change in fund balance	-	-	264	264
Fund balance, beginning of year	2,708	2,708	2,708	-
Fund balance, end of year	<u>\$ 2,708</u>	<u>\$ 2,708</u>	<u>\$ 2,972</u>	<u>\$ 264</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Alcohol Education Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 2,000	\$ 2,000	\$ 1,585	\$ (415)
Expenditures:				
Current:				
Security of persons and property				
Police department				
Materials and supplies	<u>19,954</u>	<u>19,954</u>	<u>-</u>	<u>19,954</u>
Net change in fund balance	(17,954)	(17,954)	1,585	19,539
Fund balance, beginning of year	<u>25,061</u>	<u>25,061</u>	<u>25,061</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>7,107</u></u>	\$ <u><u>7,107</u></u>	\$ <u><u>26,646</u></u>	\$ <u><u>19,539</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Economic Development Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other revenue	\$ 13,093	\$ 13,093	\$ 11,176	\$ (1,917)
Expenditures:				
Current:				
Economic development				
Finance department				
Salaries	4,500	4,500	4,500	-
Benefits	779	779	717	62
Total finance department	5,279	5,279	5,217	62
Department of planning and development				
Contractual services	20,791	30,791	24,152	6,639
Total expenditures	26,070	36,070	29,369	6,701
Net change in fund balance	(12,977)	(22,977)	(18,193)	4,784
Prior year encumbrances appropriated	9,792	9,792	9,792	-
Fund balance, beginning of year	37,943	37,943	37,943	-
Fund balance, end of year	\$ 34,758	\$ 24,758	\$ 29,542	\$ 4,784

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual – FEMA Grant Fund

For the Year Ended December 31, 2017

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund balance, beginning of year	\$ <u>18,500</u>	\$ <u>18,500</u>	\$ <u>18,500</u>	\$ <u>-</u>
Fund balance, end of year	\$ <u><u>18,500</u></u>	\$ <u><u>18,500</u></u>	\$ <u><u>18,500</u></u>	\$ <u><u>-</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Federal Grants Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ -	\$ -	\$ 5,838	\$ 5,838
Expenditures:				
Current:				
Public health and welfare				
Division of aging				
Salaries	-	2,000	1,775	225
Benefits	-	300	256	44
Total division of aging	-	2,300	2,031	269
Department of planning and development				
Capital outlay	-	5,483	4,304	1,179
Total expenditures	-	7,783	6,335	1,448
Net change in fund balance	-	(7,783)	(497)	7,286
Fund balance, beginning of year	15,541	15,541	15,541	-
Fund balance, end of year	\$ 15,541	\$ 7,758	\$ 15,044	\$ 7,286

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Motor Vehicle License Tax Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 229,925	\$ 229,925	\$ 227,844	\$ (2,081)
Other revenue	-	-	1,084	1,084
Total revenue	<u>229,925</u>	<u>229,925</u>	<u>228,928</u>	<u>(997)</u>
Expenditures:				
Current:				
Transportation				
Department of public service				
Materials and supplies	86,433	86,433	82,479	3,954
Contractual services	<u>111,000</u>	<u>111,000</u>	<u>108,247</u>	<u>2,753</u>
Total expenditures	<u>197,433</u>	<u>197,433</u>	<u>190,726</u>	<u>6,707</u>
Net change in fund balance	32,492	32,492	38,202	5,710
Prior year encumbrances appropriated	3,433	3,433	3,433	-
Fund balance, beginning of year	<u>120,169</u>	<u>120,169</u>	<u>120,169</u>	-
Fund balance, end of year	\$ <u><u>156,094</u></u>	\$ <u><u>156,094</u></u>	\$ <u><u>161,804</u></u>	\$ <u><u>5,710</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Recreation Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 791,860	\$ 791,860	\$ 839,520	\$ 47,660
Charges for services	2,017,780	2,043,780	1,949,451	(94,329)
Intergovernmental revenue	101,859	101,859	106,550	4,691
Other revenue	<u>1,000</u>	<u>1,000</u>	<u>16,990</u>	<u>15,990</u>
Total revenue	<u>2,912,499</u>	<u>2,938,499</u>	<u>2,912,511</u>	<u>(25,988)</u>
Expenditures:				
Current:				
Leisure time activities				
Recreation department				
Salaries	1,243,103	1,196,901	1,188,824	8,077
Benefits	408,455	417,155	361,237	55,918
Materials and supplies	172,695	172,272	137,651	34,621
Contractual services	1,143,518	1,204,224	1,163,827	40,397
Capital outlay	<u>-</u>	<u>3,219</u>	<u>3,219</u>	<u>-</u>
Total expenditures	<u>2,967,771</u>	<u>2,993,771</u>	<u>2,854,758</u>	<u>139,013</u>
Excess (deficiency) of revenues over expenditures	(55,272)	(55,272)	57,753	113,025
Other financing sources (uses):				
Transfers - out	<u>(111,196)</u>	<u>(111,196)</u>	<u>(111,196)</u>	<u>-</u>
Net change in fund balance	(166,468)	(166,468)	(53,443)	113,025
Prior year encumbrances appropriated	58,813	58,813	58,813	-
Fund balance, beginning of year	<u>107,655</u>	<u>107,655</u>	<u>107,655</u>	<u>-</u>
Fund balance, end of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>113,025</u>	\$ <u>113,025</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual – Clague Park Fund

For the Year Ended December 31, 2017

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund balance, beginning of year	\$ <u>3,065</u>	\$ <u>3,065</u>	\$ <u>3,065</u>	\$ <u>-</u>
Fund balance, end of year	\$ <u><u>3,065</u></u>	\$ <u><u>3,065</u></u>	\$ <u><u>3,065</u></u>	\$ <u><u>-</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Hotel/Motel Tax Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 426,230	\$ 426,230	\$ 345,484	\$ (80,746)
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Materials and supplies	23,956	23,956	23,147	809
Contractual services	50,543	50,543	33,119	17,424
Capital outlay	183,781	183,781	125,660	58,121
Total fire department	258,280	258,280	181,926	76,354
Police department				
Materials and supplies	4,200	4,200	365	3,835
Contractual services	11,640	11,640	9,570	2,070
Capital outlay	186,814	186,814	165,609	21,205
Total police department	202,654	202,654	175,544	27,110
Total expenditures	460,934	460,934	357,470	103,464
Net change in fund balance	(34,704)	(34,704)	(11,986)	22,718
Prior year encumbrances appropriated	34,626	34,626	34,626	-
Fund balance, beginning of year	118	118	118	-
Fund balance, end of year	\$ 40	\$ 40	\$ 22,758	\$ 22,718

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Emergency Medical Service Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ <u>412,000</u>	\$ <u>412,000</u>	\$ <u>419,508</u>	\$ <u>7,508</u>
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Contractual services	35,000	35,000	32,572	2,428
Capital outlay	<u>372,000</u>	<u>372,000</u>	<u>342,098</u>	<u>29,902</u>
Total expenditures	<u>407,000</u>	<u>407,000</u>	<u>374,670</u>	<u>32,330</u>
Net change in fund balance	5,000	5,000	44,838	39,838
Fund balance, beginning of year	<u>2,773</u>	<u>2,773</u>	<u>2,773</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>7,773</u></u>	\$ <u><u>7,773</u></u>	\$ <u><u>47,611</u></u>	\$ <u><u>39,838</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – State Highway Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 96,306	\$ 96,306	\$ 97,472	\$ 1,166
Interest	<u>-</u>	<u>-</u>	<u>3,037</u>	<u>3,037</u>
Total revenue	<u>96,306</u>	<u>96,306</u>	<u>100,509</u>	<u>4,203</u>
Expenditures:				
Current:				
Transportation				
Service department				
Materials and supplies	173,000	133,000	129,445	3,555
Contractual services	<u>85,000</u>	<u>85,000</u>	<u>81,212</u>	<u>3,788</u>
Total expenditures	<u>258,000</u>	<u>218,000</u>	<u>210,657</u>	<u>7,343</u>
Net change in fund balance	(161,694)	(121,694)	(110,148)	11,546
Prior year encumbrances appropriated	10,000	10,000	10,000	-
Fund balance, beginning of year	<u>417,918</u>	<u>417,918</u>	<u>417,918</u>	<u>-</u>
Fund balance, end of year	\$ <u>266,224</u>	\$ <u>306,224</u>	\$ <u>317,770</u>	\$ <u>11,546</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Street Maintenance Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 1,187,780	\$ 1,187,780	\$ 1,202,153	\$ 14,373
Other revenue	<u>-</u>	<u>-</u>	<u>1,666</u>	<u>1,666</u>
Total revenue	<u>1,187,780</u>	<u>1,187,780</u>	<u>1,203,819</u>	<u>16,039</u>
Expenditures:				
Current:				
Transportation				
Service department				
Salaries	282,330	282,330	282,329	1
Benefits	99,906	99,906	97,291	2,615
Materials and supplies	401,406	401,406	368,424	32,982
Contractual services	179,002	219,002	219,002	-
Capital outlay	<u>345,000</u>	<u>345,000</u>	<u>303,309</u>	<u>41,691</u>
Total expenditures	<u>1,307,644</u>	<u>1,347,644</u>	<u>1,270,355</u>	<u>77,289</u>
Net change in fund balance	(119,864)	(159,864)	(66,536)	93,328
Prior year encumbrances appropriated	48,909	48,909	48,909	-
Fund balance, beginning of year	<u>149,724</u>	<u>149,724</u>	<u>149,724</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>78,769</u></u>	\$ <u><u>38,769</u></u>	\$ <u><u>132,097</u></u>	\$ <u><u>93,328</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Great Northern TIF

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 530,152	\$ 530,152	\$ 287,273	\$ (242,879)
Expenditures:				
Current:				
General government				
Capital outlay	<u>1,485,000</u>	<u>1,485,000</u>	<u>1,360,312</u>	<u>124,688</u>
Excess (deficiency) of revenues over expenditures	(954,848)	(954,848)	(1,073,039)	(118,191)
Other financing sources (uses):				
Bond proceeds	1,485,000	1,485,000	1,485,000	-
Transfers - out	<u>-</u>	<u>(43,082)</u>	<u>(43,081)</u>	<u>1</u>
Total other financing sources (uses)	<u>1,485,000</u>	<u>1,441,918</u>	<u>1,441,919</u>	<u>1</u>
Net change in fund balance	530,152	487,070	368,880	(118,190)
Fund balance, beginning of year	<u>1,030,957</u>	<u>1,030,957</u>	<u>1,030,957</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>1,561,109</u></u>	\$ <u><u>1,518,027</u></u>	\$ <u><u>1,399,837</u></u>	\$ <u><u>(118,190)</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Court Computerization Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 9,716	\$ 9,716	\$ 6,975	\$ (2,741)
Expenditures:				
Current:				
Public health and welfare				
Contractual services	12,045	12,045	6,757	5,288
Capital outlay	<u>2,626</u>	<u>2,626</u>	<u>428</u>	<u>2,198</u>
Total expenditures	<u>14,671</u>	<u>14,671</u>	<u>7,185</u>	<u>7,486</u>
Net change in fund balance	(4,955)	(4,955)	(210)	4,745
Prior year encumbrances appropriated	171	171	171	-
Fund balance, beginning of year	<u>13,999</u>	<u>13,999</u>	<u>13,999</u>	-
Fund balance, end of year	\$ <u><u>9,215</u></u>	\$ <u><u>9,215</u></u>	\$ <u><u>13,960</u></u>	\$ <u><u>4,745</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Solid Waste Management Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income tax	\$ 2,256,750	\$ 2,256,750	\$ 2,341,294	\$ 84,544
Intergovernmental revenue	<u>5,000</u>	<u>5,000</u>	<u>7,230</u>	<u>2,230</u>
Total revenue	<u>2,261,750</u>	<u>2,261,750</u>	<u>2,348,524</u>	<u>86,774</u>
Expenditures:				
Current:				
Basic utility services				
Service department				
Salaries	163,400	153,840	153,838	2
Benefits	26,652	64,652	57,845	6,807
Contractual services	1,897,287	1,900,487	1,858,073	42,414
Capital outlay	<u>22,000</u>	<u>22,818</u>	<u>22,818</u>	<u>-</u>
Total expenditures	<u>2,109,339</u>	<u>2,141,797</u>	<u>2,092,574</u>	<u>49,223</u>
Net change in fund balance	152,411	119,953	255,950	135,997
Prior year encumbrances appropriated	30,791	30,791	30,791	-
Fund balance, beginning of year	<u>978,658</u>	<u>978,658</u>	<u>978,658</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>1,161,860</u></u>	\$ <u><u>1,129,402</u></u>	\$ <u><u>1,265,399</u></u>	\$ <u><u>135,997</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Community Diversion Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 13,066	\$ 13,066	\$ 17,080	\$ 4,014
Intergovernmental revenue	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>(12,000)</u>
Total revenue	<u>25,066</u>	<u>25,066</u>	<u>17,080</u>	<u>(7,986)</u>
Expenditures:				
Current:				
Public health and welfare				
Division of youth services				
Salaries	21,548	21,548	18,317	3,231
Benefits	3,729	3,729	2,973	756
Materials and supplies	1,475	1,475	280	1,195
Contractual services	<u>4,200</u>	<u>4,200</u>	<u>2,316</u>	<u>1,884</u>
Total expenditures	<u>30,952</u>	<u>30,952</u>	<u>23,886</u>	<u>7,066</u>
Net change in fund balance	(5,886)	(5,886)	(6,806)	(920)
Prior year encumbrances appropriated	225	225	225	-
Fund balance, beginning of year	<u>6,583</u>	<u>6,583</u>	<u>6,583</u>	<u>-</u>
Fund balance, end of year	\$ <u>922</u>	\$ <u>922</u>	\$ <u>2</u>	\$ <u>(920)</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Drug Enforcement Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Security of persons and property				
Materials and supplies	\$ 16,700	\$ 16,700	\$ 6,649	\$ 10,051
Net change in fund balance	(16,700)	(16,700)	(6,649)	10,051
Fund balance, beginning of year	23,984	23,984	23,984	-
Fund balance, end of year	\$ 7,284	\$ 7,284	\$ 17,335	\$ 10,051

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Endowment and Grant Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other revenue	\$ 41,042	\$ 41,042	\$ 37,143	\$ (3,899)
Expenditures:				
Current:				
General government				
Mayor				
Contractual services	25,000	25,000	25,000	-
Security of persons and property				
Police department				
Materials and supplies	12,183	12,183	2,929	9,254
Leisure time activities				
Parks and recreation				
Capital outlay	989	989	-	989
Public health and welfare				
Division of youth and family services				
Materials and supplies	89,184	89,184	12,450	76,734
Contractual services	13,229	13,229	477	12,752
Total public health and welfare	102,413	102,413	12,927	89,486
Total expenditures	140,585	140,585	40,856	99,729
Net change in fund balance	(99,543)	(99,543)	(3,713)	95,830
Prior year encumbrances appropriated	98	98	98	-
Fund balance, beginning of year	251,305	251,305	251,305	-
Fund balance, end of year	\$ 151,860	\$ 151,860	\$ 247,690	\$ 95,830

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual – Fair Capacity Housing Fund

For the Year Ended December 31, 2017

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance, beginning of year	\$ <u>104,176</u>	\$ <u>104,176</u>	\$ <u>104,176</u>	\$ <u>-</u>
Fund balance, end of year	\$ <u><u>104,176</u></u>	\$ <u><u>104,176</u></u>	\$ <u><u>104,176</u></u>	\$ <u><u>-</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Fire Pension Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 197,992	\$ 197,992	\$ 209,870	\$ 11,878
Intergovernmental revenue	<u>25,438</u>	<u>25,438</u>	<u>26,637</u>	<u>1,199</u>
Total revenue	<u>223,430</u>	<u>223,430</u>	<u>236,507</u>	<u>13,077</u>
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Benefits	<u>223,728</u>	<u>223,728</u>	<u>223,728</u>	<u>-</u>
Net change in fund balance	(298)	(298)	12,779	13,077
Fund balance, beginning of year	<u>4,595</u>	<u>4,595</u>	<u>4,595</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>4,297</u></u>	\$ <u><u>4,297</u></u>	\$ <u><u>17,374</u></u>	\$ <u><u>13,077</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Law Enforcement Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeiture	\$ -	\$ -	\$ 21,493	\$ 21,493
Expenditures:				
Current:				
Security of persons and property				
Police department				
Materials and supplies	<u>20,900</u>	<u>20,900</u>	<u>20,099</u>	<u>801</u>
Net change in fund balance	(20,900)	(20,900)	1,394	22,294
Fund balance, beginning of year	<u>25,062</u>	<u>25,062</u>	<u>25,062</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>4,162</u></u>	\$ <u><u>4,162</u></u>	\$ <u><u>26,456</u></u>	\$ <u><u>22,294</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – STOP Program Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 320,000	\$ 320,000	\$ 279,345	\$ (40,655)
Expenditures:				
Current:				
Security of persons and property				
Law department				
Salaries	31,321	31,321	31,309	12
Benefits	17,809	17,809	15,815	1,994
Total law department	49,130	49,130	47,124	2,006
Police department				
Salaries	180,000	180,000	152,690	27,310
Benefits	51,045	58,350	53,769	4,581
Materials and supplies	29,475	23,170	19,949	3,221
Contractual services	32,500	22,500	13,615	8,885
Capital outlay	6,129	15,129	6,129	9,000
Total police department	299,149	299,149	246,152	52,997
Total expenditures	348,279	348,279	293,276	55,003
Net change in fund balance	(28,279)	(28,279)	(13,931)	14,348
Prior year encumbrances appropriated	6,129	6,129	6,129	-
Fund balance, beginning of year	115,255	115,255	115,255	-
Fund balance, end of year	\$ 93,105	\$ 93,105	\$ 107,453	\$ 14,348

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Police Pension Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 197,992	\$ 197,992	\$ 209,870	\$ 11,878
Intergovernmental revenue	<u>25,438</u>	<u>25,438</u>	<u>26,637</u>	<u>1,199</u>
Total revenue	223,430	223,430	236,507	13,077
Expenditures:				
Current:				
Security of persons and property				
Police department				
Benefits	<u>223,728</u>	<u>223,728</u>	<u>223,728</u>	<u>-</u>
Net change in fund balance	(298)	(298)	12,779	13,077
Fund balance, beginning of year	<u>4,595</u>	<u>4,595</u>	<u>4,595</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>4,297</u></u>	\$ <u><u>4,297</u></u>	\$ <u><u>17,374</u></u>	\$ <u><u>13,077</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Senior Center Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 3,202	\$ 3,202	\$ 805	\$ (2,397)
Fines and forfeitures	1,660	1,660	850	(810)
Donations	<u>6,994</u>	<u>6,994</u>	<u>6,282</u>	<u>(712)</u>
Total revenue	<u>11,856</u>	<u>11,856</u>	<u>7,937</u>	<u>(3,919)</u>
Expenditures:				
Current:				
Leisure time activities				
Department of community life services				
Materials and supplies	16,871	16,871	9,298	7,573
Contractual services	<u>500</u>	<u>500</u>	<u>339</u>	<u>161</u>
Total expenditures	<u>17,371</u>	<u>17,371</u>	<u>9,637</u>	<u>7,734</u>
Net change in fund balance	(5,515)	(5,515)	(1,700)	3,815
Prior year encumbrances appropriated	1,031	1,031	1,031	-
Fund balance, beginning of year	<u>10,600</u>	<u>10,600</u>	<u>10,600</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>6,116</u></u>	\$ <u><u>6,116</u></u>	\$ <u><u>9,931</u></u>	\$ <u><u>3,815</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Title III Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 6,117	\$ 6,117	\$ 4,841	\$ (1,276)
Intergovernmental revenue	<u>7,983</u>	<u>7,983</u>	<u>7,763</u>	<u>(220)</u>
Total revenue	<u>14,100</u>	<u>14,100</u>	<u>12,604</u>	<u>(1,496)</u>
Expenditures:				
Current:				
Public health and welfare				
Senior services				
Salaries	10,422	11,122	10,838	284
Benefits	<u>1,803</u>	<u>2,039</u>	<u>1,739</u>	<u>300</u>
Total expenditures	<u>12,225</u>	<u>13,161</u>	<u>12,577</u>	<u>584</u>
Net change in fund balance	1,875	939	27	(912)
Fund balance, beginning of year	<u>41,101</u>	<u>41,101</u>	<u>41,101</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>42,976</u></u>	\$ <u><u>42,040</u></u>	\$ <u><u>41,128</u></u>	\$ <u><u>(912)</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual – Public Way Management Fund

For the Year Ended December 31, 2017

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund balance, beginning of year	\$ <u>16,923</u>	\$ <u>16,923</u>	\$ <u>16,923</u>	\$ <u>-</u>
Fund balance, end of year	\$ <u><u>16,923</u></u>	\$ <u><u>16,923</u></u>	\$ <u><u>16,923</u></u>	\$ <u><u>-</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Library Bond Retirement Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 819,244	\$ 742,874	\$ 769,545	\$ 26,671
Intergovernmental revenue	-	95,400	97,671	2,271
Total revenue	<u>819,244</u>	<u>838,274</u>	<u>867,216</u>	<u>28,942</u>
Expenditures:				
Debt service:				
Principal	-	745,000	745,000	-
Interest and fiscal charges	-	77,775	77,775	-
Issuance fee	59,272	59,272	59,272	-
Total expenditures	<u>59,272</u>	<u>882,047</u>	<u>882,047</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	759,972	(43,773)	(14,831)	28,942
Other financing sources (uses):				
Bond proceeds	3,065,000	3,065,000	3,065,000	-
Premium on bonds	108,302	108,302	108,302	-
Payment to escrow agent	(3,112,607)	(3,112,607)	(3,112,607)	-
Total other financing sources (uses)	<u>60,695</u>	<u>60,695</u>	<u>60,695</u>	<u>-</u>
Net change in fund balance	820,667	16,922	45,864	28,942
Fund balance, beginning of year	<u>710,014</u>	<u>710,014</u>	<u>710,014</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>1,530,681</u></u>	\$ <u><u>726,936</u></u>	\$ <u><u>755,878</u></u>	\$ <u><u>28,942</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Fire Station Bond Retirement Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 297,908	\$ 270,096	\$ 279,847	\$ 9,751
Intergovernmental revenue	<u>-</u>	<u>34,741</u>	<u>35,517</u>	<u>776</u>
Total revenue	<u>297,908</u>	<u>304,837</u>	<u>315,364</u>	<u>10,527</u>
Expenditures:				
Debt service:				
Principal	220,000	220,000	220,000	-
Interest and fiscal charges	<u>71,113</u>	<u>71,113</u>	<u>71,113</u>	<u>-</u>
Total expenditures	<u>291,113</u>	<u>291,113</u>	<u>291,113</u>	<u>-</u>
Net change in fund balance	6,795	13,724	24,251	10,527
Fund balance, beginning of year	<u>554,907</u>	<u>554,907</u>	<u>554,907</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>561,702</u></u>	\$ <u><u>568,631</u></u>	\$ <u><u>579,158</u></u>	\$ <u><u>10,527</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Capital Improvement Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ -	\$ -	\$ 32,765	\$ 32,765
Expenditures:				
Current:				
General government				
Division of finance				
Capital outlay	103,916	103,916	59,029	44,887
Security of persons and property				
Division of police				
Capital outlay	36,534	36,534	27,096	9,438
Leisure time activities				
Recreation department				
Capital outlay	540,300	540,300	463,904	76,396
Transportation				
Department of public service				
Capital outlay	-	27,170	27,170	-
Total expenditures	<u>680,750</u>	<u>707,920</u>	<u>577,199</u>	<u>130,721</u>
Excess (deficiency) of revenues over expenditures	(680,750)	(707,920)	(544,434)	163,486
Other financing sources (uses):				
Bond proceeds	<u>540,000</u>	<u>540,000</u>	<u>540,000</u>	-
Net change in fund balance	(140,750)	(167,920)	(4,434)	163,486
Prior year encumbrances appropriated	56,293	56,293	56,293	-
Fund balance, beginning of year	<u>126,041</u>	<u>126,041</u>	<u>126,041</u>	-
Fund balance, end of year	\$ <u>41,584</u>	\$ <u>14,414</u>	\$ <u>177,900</u>	\$ <u>163,486</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Building and Land Acquisition and Improvement Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Transportation				
Department of public service				
Contractual services	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Capital outlay	<u>51,136</u>	<u>104,990</u>	<u>104,699</u>	<u>291</u>
Total expenditures	<u>53,136</u>	<u>106,990</u>	<u>106,699</u>	<u>291</u>
Excess (deficiency) of revenues over expenditures	(53,136)	(106,990)	(106,699)	291
Other financing sources (uses):				
Proceeds from sale of assets	<u>-</u>	<u>22,500</u>	<u>22,087</u>	<u>(413)</u>
Net change in fund balance	(53,136)	(84,490)	(84,612)	(122)
Prior year encumbrances appropriated	51,136	51,136	51,136	-
Fund balance, beginning of year	<u>33,476</u>	<u>33,476</u>	<u>33,476</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>31,476</u></u>	\$ <u><u>122</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(122)</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Equity Budget (Non-GAAP Basis) and Actual – Springvale Golf Course and Ballroom Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,745,000	\$ 1,745,000	\$ 1,704,829	\$ (40,171)
Expenses:				
Current:				
Golf course and ballroom				
Salaries	532,153	509,553	484,398	25,155
Benefits	120,573	121,173	104,468	16,705
Materials and supplies	410,267	379,267	344,418	34,849
Contractual services	339,683	339,683	312,795	26,888
Capital outlay	<u>3,513,998</u>	<u>3,491,998</u>	<u>3,309,339</u>	<u>182,659</u>
Total golf course and ballroom	4,916,674	4,841,674	4,555,418	286,256
Debt service:				
Issuance costs	<u>94,085</u>	<u>94,085</u>	<u>94,085</u>	<u>-</u>
Total expenses	<u>5,010,759</u>	<u>4,935,759</u>	<u>4,649,503</u>	<u>286,256</u>
Excess of revenues over (under) expenses	(3,265,759)	(3,190,759)	(2,944,674)	246,085
Other financing sources (uses):				
Payment to escrow agent	(2,259,713)	(2,259,713)	(2,259,713)	-
Bond proceeds	5,478,000	5,478,000	5,478,000	-
Premium on bonds	138,529	138,529	138,529	-
Transfers - out	<u>(500,111)</u>	<u>(500,111)</u>	<u>(500,111)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,856,705</u>	<u>2,856,705</u>	<u>2,856,705</u>	<u>-</u>
Net change in fund equity	(409,054)	(334,054)	(87,969)	246,085
Prior year encumbrances	215,492	215,492	215,492	-
Fund equity, beginning of year	<u>244,953</u>	<u>244,953</u>	<u>244,953</u>	<u>-</u>
Fund equity, end of year	\$ <u><u>51,391</u></u>	\$ <u><u>126,391</u></u>	\$ <u><u>372,476</u></u>	\$ <u><u>246,085</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Equity Budget (Non-GAAP Basis) and Actual – Sewer Revenue Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 10,021,324	\$ 10,021,324	\$ 11,649,256	\$ 1,627,932
Expenses:				
Current:				
Sewer				
Salaries	1,711,548	1,728,948	1,677,267	51,681
Benefits	711,225	714,825	625,493	89,332
Materials and supplies	844,260	795,760	499,597	296,163
Contractual services	2,398,523	2,426,023	1,985,124	440,899
Capital outlay	<u>1,732,225</u>	<u>1,813,287</u>	<u>1,481,542</u>	<u>331,745</u>
Total sewer	7,397,781	7,478,843	6,269,023	1,209,820
Debt service:				
Issuance costs	<u>16,849</u>	<u>16,849</u>	<u>16,849</u>	<u>-</u>
Total expenses	<u>7,414,630</u>	<u>7,495,692</u>	<u>6,285,872</u>	<u>1,209,820</u>
Excess of revenues over (under) expenses	2,606,694	2,525,632	5,363,384	2,837,752
Other financing sources (uses):				
Proceeds from sale of assets	-	-	1,245	1,245
Loan proceeds	-	81,061	81,061	-
Payment to escrow agent	(263,523)	(263,523)	(263,523)	-
Bond proceeds	981,000	981,000	981,000	-
Premium on bonds	60,995	60,995	60,995	-
Transfers - out	<u>(4,043,934)</u>	<u>(4,243,934)</u>	<u>(3,354,370)</u>	<u>889,564</u>
Total other financing sources (uses)	<u>(3,265,462)</u>	<u>(3,384,401)</u>	<u>(2,493,592)</u>	<u>890,809</u>
Net change in fund equity	(658,768)	(858,769)	2,869,792	3,728,561
Prior year encumbrances appropriated	454,158	454,158	454,158	-
Fund equity, beginning of year	<u>7,272,427</u>	<u>7,272,427</u>	<u>7,272,427</u>	<u>-</u>
Fund equity, end of year	\$ <u>7,067,817</u>	\$ <u>6,867,816</u>	\$ <u>10,596,377</u>	\$ <u>3,728,561</u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Equity Budget (Non-GAAP Basis) and Actual – Hospitalization Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 3,590,149	\$ 3,590,149	\$ 3,230,168	\$ (359,981)
Expenses:				
Contractual services	<u>3,426,758</u>	<u>3,426,758</u>	<u>3,252,497</u>	<u>174,261</u>
Net change in fund equity	163,391	163,391	(22,329)	(185,720)
Fund equity, beginning of year	<u>2,932,421</u>	<u>2,932,421</u>	<u>2,932,421</u>	<u>-</u>
Fund equity, end of year	\$ <u><u>3,095,812</u></u>	\$ <u><u>3,095,812</u></u>	\$ <u><u>2,910,092</u></u>	\$ <u><u>(185,720)</u></u>

City of North Olmsted, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Equity Budget (Non-GAAP Basis) and Actual – Workers’ Compensation Self-Insurance Fund

For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 200,000	\$ 200,000	\$ 82,634	\$ (117,366)
Expenses:				
Contractual services	<u>322,916</u>	<u>322,916</u>	<u>167,210</u>	<u>155,706</u>
Net change in fund equity	(122,916)	(122,916)	(84,576)	38,340
Prior year encumbrances appropriated	3,348	3,348	3,348	-
Fund equity, beginning of year	<u>1,306,968</u>	<u>1,306,968</u>	<u>1,306,968</u>	<u>-</u>
Fund equity, end of year	\$ <u><u>1,187,400</u></u>	\$ <u><u>1,187,400</u></u>	\$ <u><u>1,225,740</u></u>	\$ <u><u>38,340</u></u>

City of North Olmsted, Ohio

Fund Description

For the Year Ended December 31, 2017

Fiduciary Funds

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

Agency Fund

Deposits Fund – Accounts for deposits held by the City from contractors, developers and individuals to ensure compliance with City ordinances. These monies net of inspection charges are returned when the work is properly completed.

Mayor's Court Fund – Accounts for the receipt and disbursement of fines collected through the Mayor's Court established by the Ohio Revised Code and City ordinance.

Mayor's Court Bond Fund – Accounts for the receipt and disbursement of bonds collected the Mayor's Court.

City of North Olmsted, Ohio

Combining Statement of Changes in Assets and Liabilities Agency Funds

For the Year Ended December 31, 2017

	<u>Balance 12/31/16</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/17</u>
Deposits Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>654,422</u>	\$ <u>245,778</u>	\$ <u>141,156</u>	\$ <u>759,044</u>
Liabilities:				
Deposits held and due to others	\$ <u>654,422</u>	\$ <u>245,778</u>	\$ <u>141,156</u>	\$ <u>759,044</u>
Mayor's Court Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>89,313</u>	\$ <u>1,173,918</u>	\$ <u>1,169,951</u>	\$ <u>93,280</u>
Liabilities:				
Deposits held and due to others	\$ <u>89,313</u>	\$ <u>1,173,918</u>	\$ <u>1,169,951</u>	\$ <u>93,280</u>
Mayor's Court Bond Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>675</u>	\$ <u>8,235</u>	\$ <u>7,430</u>	\$ <u>1,480</u>
Liabilities:				
Deposits held and due to others	\$ <u>675</u>	\$ <u>8,235</u>	\$ <u>7,430</u>	\$ <u>1,480</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>744,410</u>	\$ <u>1,427,931</u>	\$ <u>1,318,537</u>	\$ <u>853,804</u>
Liabilities:				
Deposits held and due to others	\$ <u>744,410</u>	\$ <u>1,427,931</u>	\$ <u>1,318,537</u>	\$ <u>853,804</u>

**STATISTICAL
SECTION**

City of North Olmsted, Ohio

Statistical Section

This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	S2-S9
Revenue Capacity These schedules contain information to help the reader assess the City’s most significant local revenue sources, the property tax and municipal income tax.	S10-S14
Debt Capacity These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	S15-S19
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.	S20-S21
Operating Information These schedules contain service data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	S22-S29

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of North Olmsted, Ohio

Net Position by Component Accrual Basis of Accounting

Last Ten Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities:										
Net investment in capital assets	\$ 28,401,591	\$ 28,628,989	\$ 27,813,444	\$ 29,341,888	\$ 31,940,364	\$ 35,550,385	\$ 36,787,582	\$ 38,558,141	\$ 32,357,653	\$ 34,062,983
Restricted for:										
Debt service	9,360,400	8,442,223	7,889,330	7,384,896	6,851,903	6,094,752	5,196,104	4,680,441	4,516,771	3,609,078
Capital projects	4,699,150	4,977,260	4,693,516	1,138,817	762,911	623,236	797,848	597,111	716,489	622,757
Community development	-	-	-	73,955	60,633	42,307	49,644	50,857	71,498	63,763
Highways and streets	2,829,310	2,455,507	2,081,713	4,723,437	4,353,921	3,328,866	4,224,951	4,654,165	4,582,846	4,042,357
Public safety	562,154	148,194	182,360	509,197	736,249	825,663	615,805	642,429	604,339	531,438
Recreation	-	-	4,588	86,380	222,472	215,836	88,177	87,335	148,141	24,215
Solid waste management	1,861,445	1,603,317	1,313,809	1,136,124	965,775	577,462	509,787	672,589	859,742	1,119,036
Federal and other grants	575,606	432,021	454,162	535,346	524,945	530,871	655,170	610,274	612,177	336,920
Unrestricted	<u>(14,414,643)</u>	<u>(13,255,530)</u>	<u>(11,683,065)</u>	<u>(12,213,118)</u>	<u>7,178,951</u>	<u>6,779,505</u>	<u>6,476,551</u>	<u>4,154,220</u>	<u>1,596,678</u>	<u>2,178,595</u>
Total net position – governmental activities	<u>33,875,013</u>	<u>33,431,981</u>	<u>32,749,857</u>	<u>32,716,922</u>	<u>53,598,124</u>	<u>54,568,883</u>	<u>55,401,619</u>	<u>54,707,562</u>	<u>46,066,334</u>	<u>46,591,142</u>
Business-type activities:										
Net investment in capital assets	14,882,798	14,329,123	14,995,099	14,085,646	15,645,038	13,838,058	13,329,367	13,079,015	12,896,414	12,775,644
Unrestricted	<u>5,062,114</u>	<u>3,717,562</u>	<u>4,450,639</u>	<u>3,409,913</u>	<u>917,874</u>	<u>1,573,485</u>	<u>948,996</u>	<u>577,913</u>	<u>(92,254)</u>	<u>(178,678)</u>
Total net position – business-type activities	<u>19,944,912</u>	<u>18,046,685</u>	<u>19,445,738</u>	<u>17,495,559</u>	<u>16,562,912</u>	<u>15,411,543</u>	<u>14,278,363</u>	<u>13,656,928</u>	<u>12,804,160</u>	<u>12,596,966</u>
Primary government:										
Net investment in capital assets	43,284,389	42,958,112	42,808,543	43,427,534	47,585,402	49,388,443	50,116,949	51,637,156	45,254,067	46,838,627
Restricted	19,888,065	18,058,522	16,619,478	15,588,152	14,478,809	12,238,993	12,137,486	11,995,201	12,112,003	10,349,564
Unrestricted	<u>(9,352,529)</u>	<u>(9,537,968)</u>	<u>(7,232,426)</u>	<u>(8,803,205)</u>	<u>8,096,825</u>	<u>8,352,990</u>	<u>7,425,547</u>	<u>4,732,133</u>	<u>1,504,424</u>	<u>1,999,917</u>
Total net position – primary government	\$ <u>53,819,925</u>	\$ <u>51,478,666</u>	\$ <u>52,195,595</u>	\$ <u>50,212,481</u>	\$ <u>70,161,036</u>	\$ <u>69,980,426</u>	\$ <u>69,679,982</u>	\$ <u>68,364,490</u>	\$ <u>58,870,494</u>	\$ <u>59,188,108</u>

(a) Net position in 2014 was restated for the implementation of GASB Statement No. 68.

Source: City financial records

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting

Last Ten Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities:										
Charges for services:										
General government	\$ 2,361,850	\$ 2,816,339	\$ 2,298,332	\$ 2,030,517	\$ 2,109,396	\$ 1,528,928	\$ 1,599,848	\$ 1,247,442	\$ 1,245,426	\$ 1,294,947
Security of persons and property	1,446,643	1,511,930	1,436,003	1,341,069	1,253,737	1,287,158	1,206,279	1,191,835	1,132,436	983,509
Public health and welfare	7,923	9,016	8,926	7,446	10,698	17,015	20,989	40,077	32,742	35,723
Transportation	159,121	120,094	210,341	241,171	235,112	283,571	257,183	173,141	230,351	370,720
Leisure time activities	1,973,255	1,971,094	1,838,790	1,570,024	1,523,574	1,413,519	1,282,907	1,226,424	1,158,712	1,188,305
Economic development	<u>11,177</u>	<u>12,524</u>	<u>17,618</u>	<u>18,608</u>	<u>25,663</u>	<u>19,421</u>	<u>21,206</u>	<u>19,875</u>	<u>21,447</u>	<u>20,826</u>
Total charges for services	<u>5,959,969</u>	<u>6,440,997</u>	<u>5,810,010</u>	<u>5,208,835</u>	<u>5,158,180</u>	<u>4,549,612</u>	<u>4,388,412</u>	<u>3,898,794</u>	<u>3,821,114</u>	<u>3,894,030</u>
Operating grants and contributions:										
General government	10	1,555	30,939	55,726	37,500	41,442	11,260	48,547	29,998	53,548
Security of persons and property	149,160	160,833	411,329	129,368	342,433	415,442	26,322	54,646	55,111	73,554
Public health and welfare	73,571	61,731	61,366	60,909	64,031	63,112	60,327	63,017	46,530	53,436
Transportation	1,624,759	1,542,246	1,526,293	1,545,273	1,632,366	1,510,295	1,381,255	1,603,510	1,442,017	1,506,885
Basic utility services	5,000	5,500	5,000	5,000	12,441	-	3,282	3,634	4,350	-
Leisure time activities	-	-	1,940	55	12,185	9,500	62,491	69,136	64,267	75,757
Economic development	-	-	-	-	-	-	65,000	15,400	54,600	19,975
Total operating grants and contributions	<u>1,852,500</u>	<u>1,771,865</u>	<u>2,036,867</u>	<u>1,796,331</u>	<u>2,100,956</u>	<u>2,039,791</u>	<u>1,609,937</u>	<u>1,857,890</u>	<u>1,696,873</u>	<u>1,783,155</u>
Capital grants and contributions:										
General government	32,765	-	34,654	-	32,877	67,419	134,839	-	-	-
Security of persons and property	3,808	3,518	7,793	-	-	-	288,228	-	100,000	-
Public health and welfare	-	-	-	-	115,000	-	105,000	-	-	-
Transportation	-	-	-	-	270,295	299,061	246,967	8,162,080	681,725	161,267
Leisure time activities	-	-	-	-	-	-	-	-	18,654	-
Total capital grants and contributions	<u>36,573</u>	<u>3,518</u>	<u>42,447</u>	<u>-</u>	<u>418,172</u>	<u>366,480</u>	<u>775,034</u>	<u>8,162,080</u>	<u>800,379</u>	<u>161,267</u>
Total governmental activities program revenues	<u>7,849,042</u>	<u>8,216,380</u>	<u>7,889,324</u>	<u>7,005,166</u>	<u>7,677,308</u>	<u>6,955,883</u>	<u>6,773,383</u>	<u>13,918,764</u>	<u>6,318,366</u>	<u>5,838,452</u>

(Continued)

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting (Continued)

Last Ten Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Business-type activities:										
Charges for services:										
Springvale Golf Course and Ballroom	1,704,829	1,739,923	1,694,648	1,655,305	1,524,267	1,476,024	1,166,214	1,304,849	1,286,334	1,309,635
Sewer	<u>11,059,171</u>	<u>10,039,509</u>	<u>9,181,973</u>	<u>8,738,033</u>	<u>7,770,214</u>	<u>7,327,028</u>	<u>6,673,982</u>	<u>6,769,950</u>	<u>6,371,014</u>	<u>6,291,597</u>
Total charges for services	<u>12,764,000</u>	<u>11,779,432</u>	<u>10,876,621</u>	<u>10,393,338</u>	<u>9,294,481</u>	<u>8,803,052</u>	<u>7,840,196</u>	<u>8,074,799</u>	<u>7,657,348</u>	<u>7,601,232</u>
Capital grants and contributions:										
Sewer	<u>63,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,676</u>	<u>62,299</u>	<u>187,887</u>	<u>71,428</u>	<u>124,197</u>	<u>40,886</u>
Total business-type activities program revenues	<u>12,827,424</u>	<u>11,779,432</u>	<u>10,876,621</u>	<u>10,393,338</u>	<u>9,326,157</u>	<u>8,865,351</u>	<u>8,028,083</u>	<u>8,146,227</u>	<u>7,781,545</u>	<u>7,642,118</u>
Total primary government program revenues	<u>20,676,466</u>	<u>19,995,812</u>	<u>18,765,945</u>	<u>17,398,504</u>	<u>17,003,465</u>	<u>15,821,234</u>	<u>14,801,466</u>	<u>22,064,991</u>	<u>14,099,911</u>	<u>13,480,570</u>
Expenses:										
Governmental activities:										
General government	5,512,075	5,299,633	4,516,867	4,200,635	4,612,689	4,096,769	3,582,339	3,276,027	3,900,267	4,556,304
Security of persons and property	15,348,078	15,959,086	14,205,425	12,948,527	12,974,261	12,847,883	11,367,748	11,627,831	12,806,773	14,754,497
Public health services	692,738	631,709	551,565	529,304	504,219	527,602	489,183	467,464	536,943	565,271
Transportation	8,240,799	7,352,641	8,416,485	9,608,806	10,161,662	10,314,338	10,125,472	9,184,733	9,493,814	10,144,063
Basic utility services	2,192,149	2,063,026	1,929,636	1,920,086	1,700,564	2,100,931	2,306,879	2,246,112	2,111,966	2,162,069
Leisure time activities	3,171,864	3,191,927	3,136,618	2,850,349	2,583,952	2,472,946	2,414,279	2,519,617	2,493,927	2,618,770
Economic development	376,806	271,870	275,635	328,696	339,198	476,253	432,497	377,094	548,066	562,343
Interest and fiscal charges	<u>669,103</u>	<u>668,492</u>	<u>1,049,394</u>	<u>941,826</u>	<u>1,371,593</u>	<u>1,197,352</u>	<u>1,370,320</u>	<u>1,580,084</u>	<u>1,754,255</u>	<u>1,947,244</u>
Total governmental activities expenses	<u>36,203,612</u>	<u>35,438,384</u>	<u>34,081,625</u>	<u>33,328,229</u>	<u>34,248,138</u>	<u>34,034,074</u>	<u>32,088,717</u>	<u>31,278,962</u>	<u>33,646,011</u>	<u>37,310,561</u>

(Continued)

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting (Continued)

Last Ten Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Business-type activities:										
NOMBL	-	-	-	-	-	-	-	-	13,158	13,158
Springvale Golf Course and Ballroom	2,019,106	1,665,971	1,557,162	1,547,407	1,598,902	1,561,234	1,393,346	1,403,969	1,337,078	1,417,950
Sewer revenue	<u>8,857,451</u>	<u>8,005,368</u>	<u>7,408,132</u>	<u>6,311,785</u>	<u>6,562,518</u>	<u>5,959,665</u>	<u>5,950,651</u>	<u>5,965,290</u>	<u>6,251,896</u>	<u>6,659,020</u>
Total business-type activities expenses	<u>10,876,557</u>	<u>9,671,339</u>	<u>8,965,294</u>	<u>7,859,192</u>	<u>8,161,420</u>	<u>7,520,899</u>	<u>7,343,997</u>	<u>7,369,259</u>	<u>7,602,132</u>	<u>8,090,128</u>
Total primary government expenses	<u>47,080,169</u>	<u>45,109,723</u>	<u>43,046,919</u>	<u>41,187,421</u>	<u>42,409,558</u>	<u>41,554,973</u>	<u>39,432,714</u>	<u>38,648,221</u>	<u>41,248,143</u>	<u>45,400,689</u>
Net (expense) revenue:										
Governmental activities	(28,354,570)	(27,222,004)	(26,192,301)	(26,323,063)	(26,570,830)	(27,078,191)	(25,315,334)	(17,360,198)	(27,327,645)	(31,472,109)
Business-type activities	<u>1,950,867</u>	<u>2,108,093</u>	<u>1,911,327</u>	<u>2,534,146</u>	<u>1,164,737</u>	<u>1,344,452</u>	<u>684,086</u>	<u>776,968</u>	<u>179,413</u>	<u>(448,010)</u>
Total primary government net expense	<u>(26,403,703)</u>	<u>(25,113,911)</u>	<u>(24,280,974)</u>	<u>(23,788,917)</u>	<u>(25,406,093)</u>	<u>(25,733,739)</u>	<u>(24,631,248)</u>	<u>(16,583,230)</u>	<u>(27,148,232)</u>	<u>(31,920,119)</u>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes and other local taxes	9,813,776	9,622,781	9,558,074	9,183,826	9,525,254	9,743,908	9,782,378	9,895,600	11,020,701	10,868,791
Municipal income taxes	16,311,456	15,531,341	14,039,569	13,926,264	13,815,005	13,286,957	12,197,549	12,142,212	12,239,390	13,021,313
Grants and entitlements	2,363,717	2,569,538	2,554,370	2,201,218	2,147,473	2,919,512	3,736,906	3,954,223	3,462,553	4,145,745
Investment earnings	194,422	64,238	36,912	39,775	61,556	40,217	37,499	62,463	84,227	531,565
Gain on sale of capital assets	-	-	-	-	-	9,086	-	-	-	-
Other	61,591	63,590	75,163	63,894	37,415	34,503	35,478	22,728	23,747	60,552
Transfers	52,640	52,640	(38,852)	40,223	13,368	211,272	62,651	(75,800)	(27,781)	528,542
Special item – sale of capital assets	-	-	-	-	-	-	156,930	-	-	-
Total governmental activities general revenues and other changes in net position	<u>28,797,602</u>	<u>27,904,128</u>	<u>26,225,236</u>	<u>25,455,200</u>	<u>25,600,071</u>	<u>26,245,455</u>	<u>26,009,391</u>	<u>26,001,426</u>	<u>26,802,837</u>	<u>29,156,508</u>

(Continued)

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting (Continued)

Last Ten Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Business-type activities:										
Transfers	(52,640)	(52,640)	-	(40,223)	(13,368)	(211,272)	(62,651)	75,800	27,781	(528,542)
Special item – loss on sale of capital assets	<u>-</u>	<u>(3,454,506)</u>	<u>38,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities general revenues and other changes in net position	<u>(52,640)</u>	<u>(3,507,146)</u>	<u>38,852</u>	<u>(40,223)</u>	<u>(13,368)</u>	<u>(211,272)</u>	<u>(62,651)</u>	<u>75,800</u>	<u>27,781</u>	<u>(528,542)</u>
Total primary government general revenues and other changes in net position	<u>28,744,962</u>	<u>24,396,982</u>	<u>26,264,088</u>	<u>25,414,977</u>	<u>25,586,703</u>	<u>26,034,183</u>	<u>25,946,740</u>	<u>26,077,226</u>	<u>26,830,618</u>	<u>28,627,966</u>
Change in net position:										
Governmental activities	443,032	682,124	32,935	(867,863)	(970,759)	(832,736)	694,057	8,641,228	(524,808)	(2,315,601)
Business-type activities	<u>1,898,227</u>	<u>(1,399,053)</u>	<u>1,950,179</u>	<u>2,493,923</u>	<u>1,151,369</u>	<u>1,133,180</u>	<u>621,435</u>	<u>852,768</u>	<u>207,194</u>	<u>(976,552)</u>
Total primary government change in net position	\$ <u>2,341,259</u>	\$ <u>(716,929)</u>	\$ <u>1,983,114</u>	\$ <u>1,626,060</u>	\$ <u>180,610</u>	\$ <u>300,444</u>	\$ <u>1,315,492</u>	\$ <u>9,493,996</u>	\$ <u>(317,614)</u>	\$ <u>(3,292,153)</u>

Information from 2006 through 2014 uses GASB Statement No. 27 to measure pension expense.

Information in 2015 uses GASB Statement No. 68 to measure pension expense.

Source: City financial records

City of North Olmsted, Ohio

Fund Balances, Governmental Funds Modified Accrual Basis of Accounting

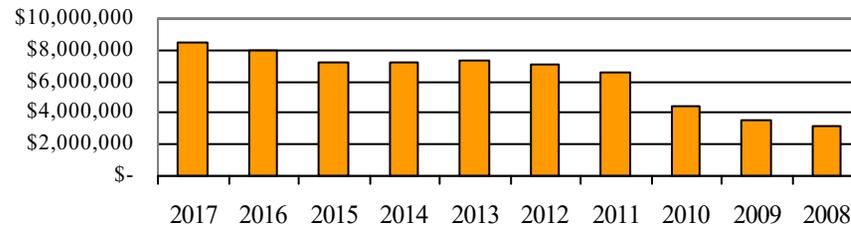
Last Ten Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund										
Nonspendable	\$ 1,377,161	\$ 1,283,563	\$ 1,173,952	\$ 1,180,719	\$ 1,077,862	\$ 988,055	\$ 910,466	\$ -	\$ -	\$ -
Committed	114,747	62,454	42,000	-	-	-	-	-	-	-
Assigned	4,941,368	4,684,994	4,237,354	4,714,841	4,860,515	1,799,392	875,618	-	-	-
Unassigned	2,097,203	1,938,143	1,729,097	1,270,324	1,433,619	4,338,011	4,752,859	-	-	-
Reserved	-	-	-	-	-	-	-	870,953	399,153	142,013
Unreserved	-	-	-	-	-	-	-	<u>3,620,708</u>	<u>3,189,607</u>	<u>3,038,397</u>
Total General Fund	<u>8,530,479</u>	<u>7,969,154</u>	<u>7,182,403</u>	<u>7,165,884</u>	<u>7,371,996</u>	<u>7,125,458</u>	<u>6,538,943</u>	<u>4,491,661</u>	<u>3,588,760</u>	<u>3,180,410</u>
All other governmental funds										
Nonspendable	64,079	103,105	124,839	75,935	20,717	17,671	16,322	-	-	-
Restricted	18,407,748	16,601,938	10,447,657	13,617,900	12,319,432	10,089,351	10,071,569	-	-	-
Committed	269,040	252,989	5,152,340	477,523	738,571	699,742	568,849	-	-	-
Unassigned	(130,659)	(5,516)	-	-	-	(55,939)	(56,562)	-	-	-
Reserved	-	-	-	-	-	-	-	423,390	252,063	256,447
Unreserved (deficit), reported in:										
Special revenue funds	-	-	-	-	-	-	-	5,290,424	5,826,527	5,833,486
Debt service funds	-	-	-	-	-	-	-	4,074,995	3,881,582	3,609,078
Capital projects funds	-	-	-	-	-	-	-	<u>569,830</u>	<u>744,698</u>	<u>597,238</u>
Total all other governmental funds	<u>18,610,208</u>	<u>16,952,516</u>	<u>15,724,836</u>	<u>14,171,358</u>	<u>13,078,720</u>	<u>10,750,825</u>	<u>10,600,178</u>	<u>10,358,639</u>	<u>10,704,870</u>	<u>10,296,249</u>
Total governmental funds	\$ <u>27,140,687</u>	\$ <u>24,921,670</u>	\$ <u>22,907,239</u>	\$ <u>21,337,242</u>	\$ <u>20,450,716</u>	\$ <u>17,876,283</u>	\$ <u>17,139,121</u>	\$ <u>14,850,300</u>	\$ <u>14,293,630</u>	\$ <u>13,476,659</u>

In 2011, the City implemented GASB 54.

Source: City financial records

**Fund Balance
General Fund, Last Ten Years**



City of North Olmsted, Ohio

Changes in Fund Balances, Governmental Funds Modified Accrual Basis of Accounting

Last Ten Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues:										
Property taxes	\$ 9,816,294	9,565,720	\$ 9,653,946	\$ 9,291,474	\$ 9,503,797	9,799,407	\$ 9,924,695	\$ 9,985,313	\$ 10,687,345	\$ 10,928,075
Income taxes	15,890,897	15,283,047	14,252,984	14,317,492	13,435,417	12,655,722	12,346,450	11,770,310	12,241,747	12,823,445
Payment in lieu of taxes	287,273	530,152	501,075	-	-	-	-	-	-	-
Charges for services	3,817,020	3,790,286	3,209,751	2,750,607	2,751,882	2,552,793	2,384,556	2,414,501	2,318,947	2,306,911
Fines, licenses and permits	1,922,317	2,451,773	1,876,649	1,681,117	1,654,123	1,628,181	1,670,972	1,212,137	1,211,117	1,233,366
Intergovernmental	3,863,185	3,939,110	4,183,068	4,131,025	4,889,076	5,770,274	6,409,008	5,802,595	6,146,811	6,151,099
Special assessments	-	-	-	-	-	-	-	90,000	85,000	75,000
Interest	194,422	64,238	36,912	39,775	61,556	40,217	37,499	62,463	84,227	531,565
Miscellaneous	101,233	108,250	717,963	662,055	615,578	176,983	181,063	208,977	195,904	214,157
Total revenues	<u>35,892,641</u>	<u>35,732,576</u>	<u>34,432,348</u>	<u>32,873,545</u>	<u>32,911,429</u>	<u>32,623,577</u>	<u>32,954,243</u>	<u>31,546,296</u>	<u>32,971,098</u>	<u>34,263,618</u>
Expenditures:										
Current:										
General government	4,633,871	4,603,782	4,192,227	4,190,529	4,108,722	3,662,591	3,646,056	3,457,202	3,548,371	4,303,141
Security of persons and property	14,234,086	13,840,984	14,106,951	13,194,930	13,176,566	12,436,324	11,513,761	11,947,782	12,492,370	14,436,087
Public health and welfare	1,675,311	547,434	590,039	522,122	640,545	513,659	628,225	477,740	549,409	563,943
Transportation	7,002,141	5,651,644	6,070,558	5,249,876	5,105,094	5,990,651	5,163,746	4,422,054	4,949,069	5,702,600
Basic utility services	2,193,395	2,056,094	1,933,777	1,923,981	1,700,564	2,100,931	2,306,879	2,246,112	2,107,623	2,165,012
Leisure time activities	2,891,054	2,863,912	2,796,243	2,620,445	2,881,644	2,198,920	2,287,806	2,343,545	2,208,061	2,409,455
Economic development	473,494	328,076	272,427	321,058	435,643	738,357	468,200	556,467	554,298	544,560
Capital outlay	503,137	421,515	714,701	1,746,234	132,499	833,444	376,161	122,399	416,772	834,099
Debt Service:										
Principal	4,494,145	4,343,608	11,542,007	3,872,081	5,877,646	4,770,492	4,002,500	7,588,715	6,763,814	5,803,153
Interest and fiscal charge	634,587	729,247	844,228	974,312	1,119,953	1,183,155	1,368,647	1,606,408	1,738,992	1,951,582
Note issuance costs	-	-	-	-	-	23,250	17,426	25,522	22,017	12,000
Bond issuance costs	148,689	17,048	233,131	28,056	133,477	-	-	83,872	-	-
Total expenditures	<u>38,883,910</u>	<u>35,403,344</u>	<u>43,296,289</u>	<u>34,643,624</u>	<u>35,312,353</u>	<u>34,451,774</u>	<u>31,779,407</u>	<u>34,877,818</u>	<u>35,350,796</u>	<u>38,725,632</u>
Excess (deficiency) of revenues over expenditures	<u>(2,991,269)</u>	<u>329,232</u>	<u>8,863,941</u>	<u>(1,770,079)</u>	<u>(2,400,924)</u>	<u>(1,828,197)</u>	<u>1,174,836</u>	<u>(3,331,522)</u>	<u>(2,379,698)</u>	<u>(4,462,014)</u>

(Continued)

City of North Olmsted, Ohio

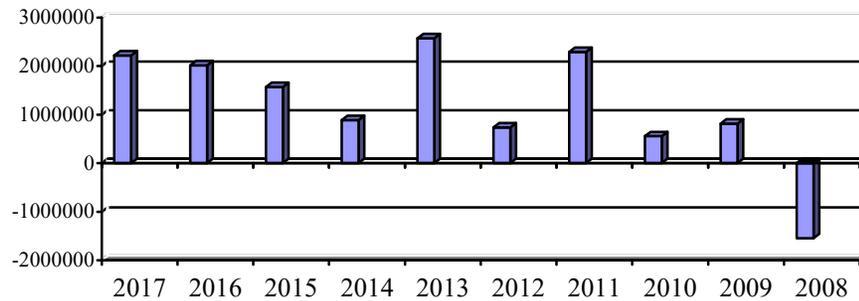
Changes in Fund Balances, Governmental Funds Modified Accrual Basis of Accounting (Continued)

Last Ten Years

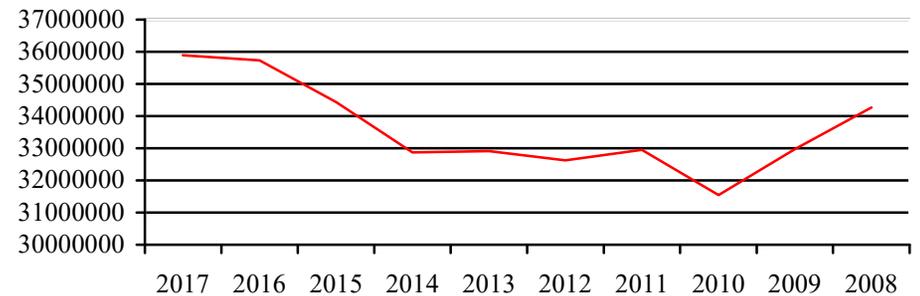
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Other financing sources (uses):										
Issuance of notes	-	1,605,000	5,095,000	2,425,000	-	2,468,700	880,000	-	3,215,000	2,370,000
Inception of capital leases	-	-	60,299	176,472	-	-	-	59,763	-	-
Proceeds from issuance of bonds	8,371,000	-	8,380,000	-	4,770,000	-	-	3,715,000	-	-
Premium on issuance of bonds	464,139	7,383	518,568	11,510	120,394	-	-	168,945	-	-
Payment to bond escrow agent	(3,689,134)	-	3,593,275	-	-	-	-	-	-	-
Sale of capital assets	11,641	20,176	16,033	3,400	55,130	12,300	171,334	20,284	9,450	27,527
Transfers - in	1,615,615	1,697,609	1,603,124	1,595,893	1,756,925	2,382,025	3,147,873	1,860,769	1,790,131	2,616,630
Transfers - out	<u>(1,562,975)</u>	<u>(1,644,969)</u>	<u>(1,645,811)</u>	<u>(1,555,670)</u>	<u>(1,727,092)</u>	<u>(2,297,666)</u>	<u>(3,085,222)</u>	<u>(1,936,569)</u>	<u>(1,817,912)</u>	<u>(2,096,550)</u>
Total other financing sources (uses)	<u>5,210,286</u>	<u>1,685,199</u>	<u>10,433,938</u>	<u>2,656,605</u>	<u>4,975,357</u>	<u>2,565,359</u>	<u>1,113,985</u>	<u>3,888,192</u>	<u>3,196,669</u>	<u>2,917,607</u>
Net change in fund balance	\$ <u>2,219,017</u>	\$ <u>2,014,431</u>	\$ <u>1,569,997</u>	\$ <u>886,526</u>	\$ <u>2,574,433</u>	\$ <u>737,162</u>	\$ <u>2,288,821</u>	\$ <u>556,670</u>	\$ <u>816,971</u>	\$ <u>(1,544,407)</u>
Debt service as a percentage of noncapital expenditures	15.16%	15.43%	30.43%	15.31%	21.68%	19.21%	18.33%	36.66%	25.49%	21.38%

Source: City financial records

Net Change in Fund Balance, Governmental Funds



Governmental Funds Revenues



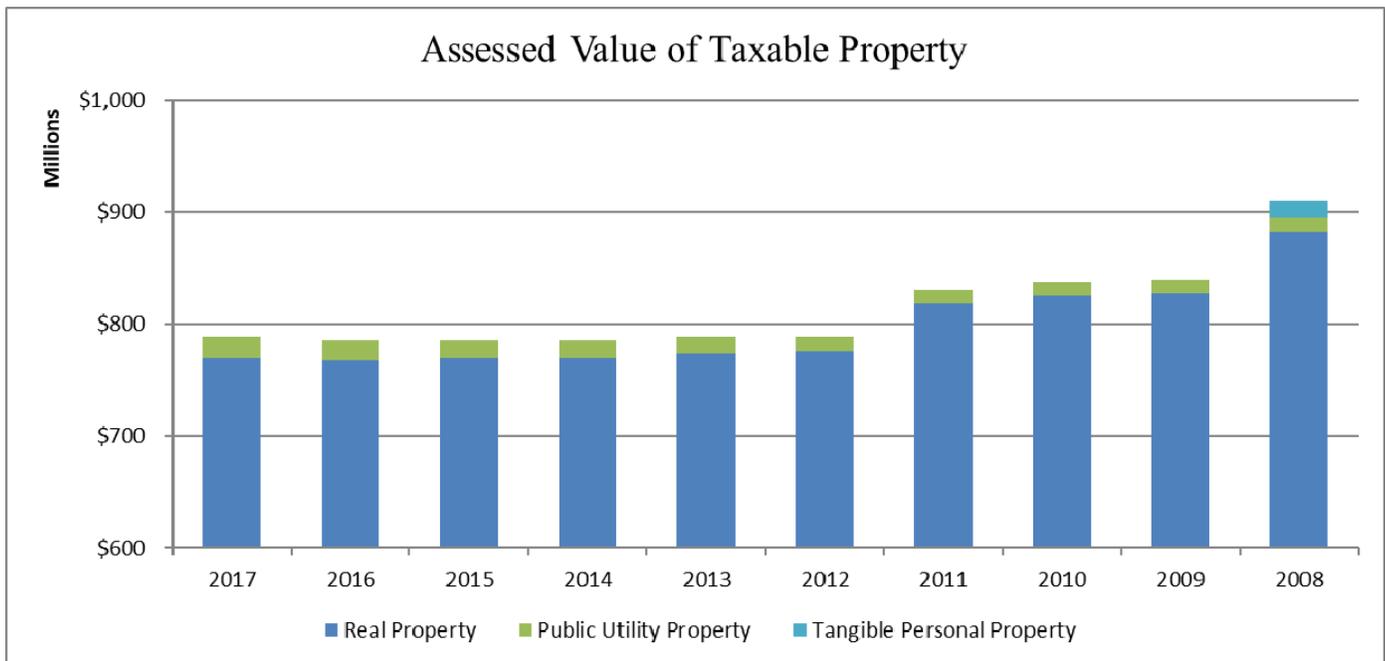
City of North Olmsted, Ohio

Assessed Valuations and Estimated Actual Values of Taxable Property

Last Ten Years

Tax Year	Real Property	Public Utility Property	Tangible Personal Property	Total	Estimated True Values of Taxable Property	Total Direct Tax Rate	Ratio
2017	\$ 770,457,560	\$ 18,534,760	\$ -	\$ 788,992,320	\$ 2,235,105,722	\$ 13.30	35.3%
2016	768,531,780	16,756,670	-	785,288,450	2,224,613,173	13.30	35.3
2015	770,231,040	15,858,070	-	786,089,110	2,226,881,331	13.30	35.3
2014	769,849,650	15,583,140	-	785,432,790	2,225,022,068	13.30	35.3
2013	773,675,680	15,046,860	-	788,722,540	2,234,341,473	13.30	35.3
2012	775,022,110	13,514,220	-	788,536,330	2,233,813,966	13.30	35.3
2011	818,595,110	12,549,000	-	831,144,110	2,353,103,398	13.30	35.3
2010	825,718,930	11,747,350	-	837,466,280	2,372,546,204	13.30	35.3
2009	827,569,610	11,432,430	-	839,002,040	2,377,475,998	13.30	35.3
2008	882,868,100	11,624,510	15,831,601	910,324,211	2,799,034,922	13.20	32.5

Source: Cuyahoga County Fiscal Officer, based upon tax year valuations



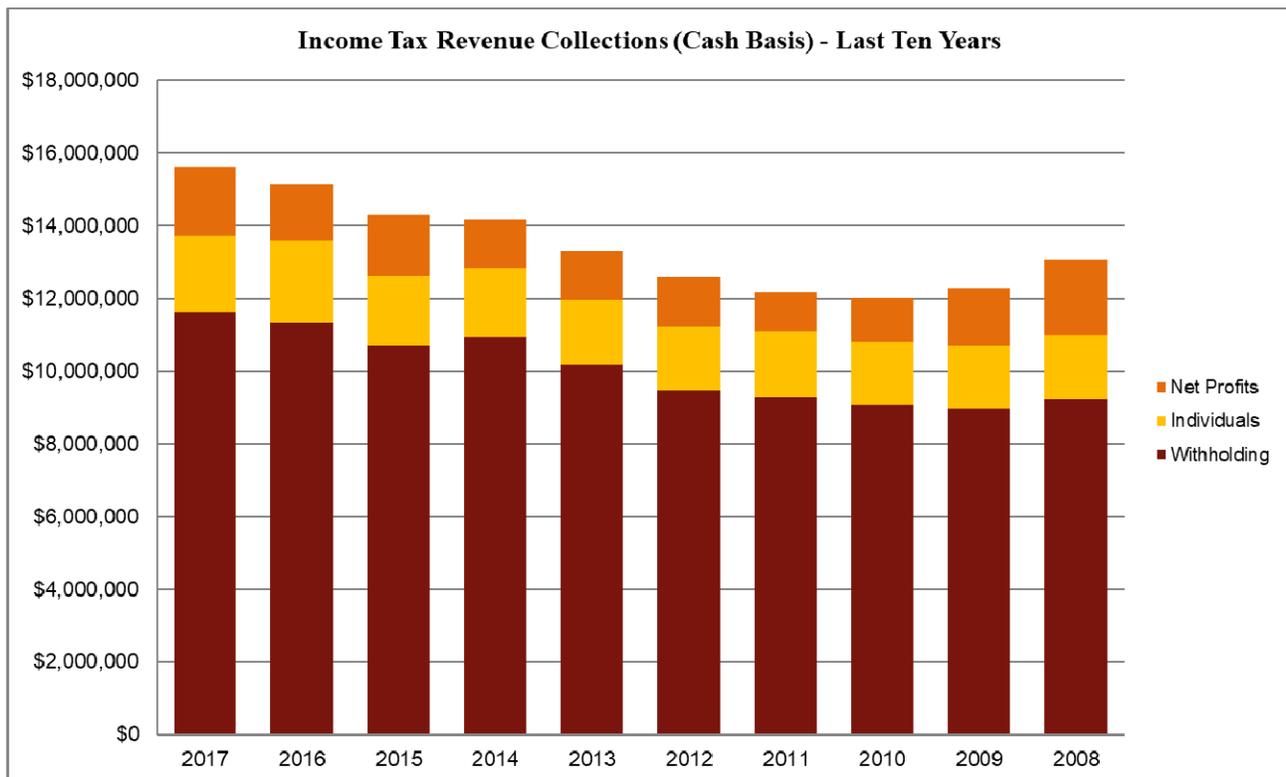
City of North Olmsted, Ohio

Income Tax Revenue Collections (Cash Basis)

Last Ten Years

Collection Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Individuals	Percentage of Taxes from Individuals	Taxes from Net Profits	Percentage of Taxes from Net Profits
2017	2.00%	\$ 15,608,623	\$ 11,613,989	74.4%	\$ 2,119,234	13.6%	\$ 1,875,400	12.0%
2016	2.00	15,160,112	11,334,047	74.8	2,263,281	14.9	1,562,784	10.3
2015	2.00	14,326,364	10,691,137	74.6	1,934,541	13.5	1,700,686	11.9
2014	2.00	14,170,871	10,955,677	77.3	1,890,416	13.3	1,324,778	9.4
2013	2.00	13,314,563	10,163,612	76.3	1,815,366	13.6	1,335,585	10.1
2012	2.00	12,577,000	9,479,691	75.4	1,744,443	13.9	1,352,866	10.7
2011	2.00	12,162,050	9,275,836	76.3	1,814,680	14.9	1,071,534	8.8
2010	2.00	12,026,344	9,090,112	75.6	1,722,631	14.3	1,213,601	10.1
2009	2.00	12,285,520	8,970,962	73.0	1,727,948	14.1	1,586,610	12.9
2008	2.00	13,069,739	9,217,837	70.5	1,797,199	13.8	2,054,703	15.7

Source: City Finance Department



City of North Olmsted, Ohio

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

Last Ten Years

Tax Year	City of North Olmsted					Total	School District	Cuyahoga County (a)	Polaris Vocational School	Total
	General Operating	Debt Retirement	Recreation	Police and Fire Pension						
2017	\$ 8.30	\$ 3.20	\$ 1.20	\$ 0.60	\$ 13.30	\$ 97.10	\$ 23.93	\$ 3.09	\$ 137.42	
2016	8.30	3.20	1.20	0.60	13.30	96.90	23.43	3.09	136.72	
2015	6.70	4.80	1.20	0.60	13.30	96.90	23.43	2.40	136.03	
2014	6.70	4.80	1.20	0.60	13.30	96.90	23.43	2.40	136.03	
2013	6.70	4.80	1.20	0.60	13.30	91.40	22.53	2.40	129.63	
2012	6.70	4.80	1.20	0.60	13.30	91.40	20.80	2.40	127.90	
2011	6.70	4.80	1.20	0.60	13.30	91.40	20.80	2.40	127.90	
2010	6.70	4.80	1.20	0.60	13.30	91.40	20.90	2.40	128.00	
2009	6.40	5.10	1.20	0.60	13.30	83.50	20.60	2.40	119.80	
2008	6.50	4.90	1.20	0.60	13.20	83.50	20.60	2.40	119.70	

(a) Includes Metroparks and Library Millage

Source: Cuyahoga County Fiscal Officer

City of North Olmsted, Ohio

Real Property Tax Levies, and Collections

Last Ten Years

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Collections</u>	<u>Percentage of Current Collections to Tax Levy</u>	<u>Delinquent Collections</u>	<u>Total Collections(1)</u>	<u>Percentage of Total Collections to Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Delinquent Taxes to Total Tax Levy</u>
2017	\$ 10,683,508	\$ 10,372,826	97.09%	\$ 198,269	\$ 10,571,095	98.95%	\$ 319,003	3.0%
2016	11,309,566	10,725,891	94.84	154,123	10,880,014	96.20	321,523	2.8
2015	10,464,045	10,699,097	102.25	114,885	10,813,982	103.34	264,461	2.5
2014	10,500,027	9,984,480	95.09	209,589	10,194,069	97.09	360,332	3.4
2013	10,512,763	10,171,318	96.75	213,429	10,384,747	98.78	408,726	3.9
2012	11,066,789	10,627,072	96.03	263,342	10,890,414	98.41	384,324	3.5
2011	11,146,571	10,756,740	96.50	251,889	11,008,629	98.76	440,506	4.0
2010	11,800,535	10,623,422	90.03	391,697	11,015,119	93.34	574,690	4.9
2009	11,802,571	11,300,029	95.74	235,982	11,536,011	97.74	659,686	5.6
2008	11,804,175	11,399,614	96.57	293,573	11,693,187	99.06	400,697	3.4

Source: Cuyahoga County Fiscal Officer

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

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

City of North Olmsted, Ohio

Principal Taxpayers – Real Estate Tax

2017 and 2008

Name of Taxpayer	December 31, 2017	
	Assessed Value (1)	Percent of Total Assessed Value
Star-West Great Northern Mall LLC	\$ 36,298,980	4.60%
BRE DDR Great Northern LLC	21,480,820	2.72
Cleveland Electric Illuminating Company	13,944,970	1.77
PWA Great Northern Corporate Center	8,394,760	1.06
B&G Properties LTD Partnership	6,253,290	0.79
DDR MDT Great Northern LLC	5,819,210	0.74
JVM Butternut Apartments LLC	5,763,980	0.73
GGF1 North Olmsted LLC	4,720,390	0.60
Moen Inc.	4,685,770	0.59
Water Tower Square LTD	4,146,530	0.53
Total	\$ <u>111,508,700</u>	<u>14.13%</u>
Total assessed valuation	\$ <u>788,992,320</u>	

Name of Taxpayer	December 31, 2008	
	Assessed Value (1)	Percent of Total Assessed Value
Great Northern Partnership	\$ 26,344,050	2.89%
DDR MDT Great Northern LLC	22,838,790	2.51
Cleveland Electric Illuminating Company	8,422,120	0.93
Duke Realty Ohio	7,445,620	0.82
B&G Properties Limited Partnership	5,855,170	0.64
Butternut Ridge Apartments LLC	5,751,200	0.63
WEA Great Northern Mall LLC	5,147,670	0.57
Water Tower Square LTD	4,638,730	0.51
Wal Mart	4,607,790	0.51
Higbee Company	4,550,010	0.50
Total	\$ <u>95,601,150</u>	<u>10.51%</u>
Total assessed valuation	\$ <u>910,324,211</u>	

Source: Cuyahoga County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2017 and 2008 assessed taxes were based.

City of North Olmsted, Ohio

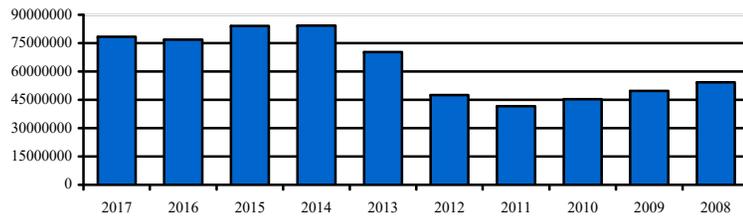
Ratio of Outstanding Debt to Total Personal Income and Debt per Capita

Last Ten Years

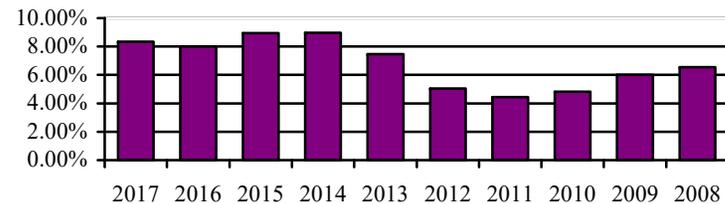
Year	Governmental Activities					Business-Type Activities					Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Long-Term Notes	Capital Leases	General Obligation Bonds	Long-Term Notes	Capital Leases	OWDA Loans	OPWC Loans			
2017	\$ 19,838,209	\$ -	\$ -	\$ -	\$ 35,328	\$ 6,446,570	\$ -	\$ 2,675	\$ 52,065,290	\$ -	\$ 78,388,072	8.33%	\$ 2,726
2016	17,790,965	-	-	1,605,000	94,676	2,943,063	-	12,890	54,453,420	-	76,900,014	8.17	2,350
2015	22,169,951	-	-	-	167,644	4,862,340	-	23,374	56,857,463	65,167	84,145,939	8.94	2,572
2014	20,750,420	-	-	2,425,000	163,862	6,463,388	-	28,325	54,244,535	195,500	84,271,030	8.96	2,576
2013	24,664,457	-	-	-	14,124	8,221,294	-	980	37,086,769	260,667	70,248,291	7.47	2,147
2012	22,895,878	-	20,418	2,468,700	27,443	9,255,248	421,300	1,838	11,896,042	456,167	47,443,034	5.04	1,450
2011	26,786,843	-	27,224	880,000	40,052	10,765,047	485,000	2,653	2,114,162	521,335	41,622,316	4.42	1,272
2010	30,783,808	-	40,837	-	51,989	12,222,846	-	3,427	1,436,697	651,668	45,191,272	4.80	1,381
2009	31,165,433	90,000	54,450	3,215,000	-	13,313,153	-	-	1,018,076	782,001	49,638,113	5.98	1,455
2008	35,442,003	175,000	68,061	2,370,000	21,991	14,631,498	-	1,621	607,269	912,335	54,229,780	6.53	1,590

Note: Population and Personal Income are presented on page S21.

Total Outstanding Debt, Last Ten Years



City Debt as a Percentage of Personal Income



City of North Olmsted, Ohio

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Years

<u>Tax Year</u>	<u>Population (1)</u>		<u>Assessed (2)</u> <u>Value</u>		<u>Gross (3)</u> <u>Bonded</u> <u>Debt</u>		<u>Debt Service</u> <u>Monies Available</u>
2017	32,718	(a)	\$ 788,992,320	\$	26,284,779	\$	9,360,440
2016	32,718	(a)	785,288,450		20,734,028		8,093,533
2015	32,718	(a)	786,089,110		27,037,059		7,582,319
2014	32,718	(a)	785,432,790		27,213,808		7,035,079
2013	32,718	(a)	788,722,540		32,885,751		6,478,501
2012	32,718	(a)	788,536,330		32,151,126		5,657,199
2011	32,718	(a)	831,144,110		37,551,890		4,698,520
2010	32,718	(a)	837,466,280		43,006,654		4,074,995
2009	34,113	(b)	839,002,040		44,478,586		3,881,582
2008	34,113	(b)	910,324,211		50,073,501		3,609,078

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

(a) 2010 Federal Census

(b) 2000 Federal Census

(2) Source: Cuyahoga County Fiscal Officer, valuations based upon the tax year

(3) Includes all general obligation bonded debt

	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt Per Capita</u>
\$	16,924,379	2.15%	\$ 517
	12,640,495	1.61	386
	19,454,740	2.47	595
	20,178,729	2.57	617
	26,407,250	3.35	807
	26,493,927	3.36	810
	32,853,370	3.95	1,004
	38,931,659	4.65	1,190
	40,597,004	4.84	1,190
	46,464,423	5.10	1,362

City of North Olmsted, Ohio

Computation of Direct and Overlapping General Obligation Debt

December 31, 2017

	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City of North Olmsted</u>
Jurisdiction:			
Direct:			
City of North Olmsted			
General obligation bonds	\$ 19,838,209	100.00%	\$ 19,838,209
Capital lease payable	<u>35,328</u>	100.00%	<u>35,328</u>
Total direct debt	<u>19,873,537</u>		<u>19,873,537</u>
Overlapping:			
North Olmsted School District	73,933,668	100.00%	73,933,668
North Olmsted/Olmsted Falls School District	41,589,960	1.47%	611,372
Cuyahoga County	207,485,000	2.83%	5,871,826
Greater Cleveland Regional Transit Authority	<u>1,995,000</u>	2.83%	<u>56,459</u>
Total overlapping debt	<u>325,003,628</u>		<u>80,473,325</u>
Total	\$ <u><u>344,877,165</u></u>		\$ <u><u>100,346,862</u></u>

Source: Cuyahoga County Fiscal Officer

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

City of North Olmsted, Ohio

Legal Debt Margin

Last Ten Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Assessed valuation	<u>788,992,320</u>	<u>\$ 785,288,450</u>	<u>\$ 786,089,110</u>	<u>\$ 785,432,790</u>	<u>\$ 788,722,540</u>	<u>\$ 788,536,330</u>	<u>\$ 831,144,110</u>	<u>\$ 837,466,280</u>	<u>\$ 839,002,040</u>	<u>\$ 910,324,211</u>
Overall debt limitation – 10 1/2 % of assessed valuation	\$ 82,844,194	\$ 82,455,287	\$ 82,539,357	\$ 82,470,443	\$ 82,815,867	\$ 82,796,315	\$ 87,270,132	\$ 87,933,959	\$ 88,095,214	\$ 95,584,042
Outstanding debt:										
General obligation debt	26,284,779	20,734,028	27,038,015	27,213,808	32,885,751	32,151,126	37,551,890	43,006,654	44,568,586	50,248,501
General obligation bond anticipation notes	-	1,605,000	-	2,575,000	-	2,890,000	1,365,000	-	3,215,000	2,370,000
Less: Amount available in debt service fund	<u>(9,360,400)</u>	<u>(8,093,533)</u>	<u>(7,582,319)</u>	<u>(7,035,079)</u>	<u>(6,478,501)</u>	<u>(5,657,199)</u>	<u>(4,698,520)</u>	<u>(4,074,995)</u>	<u>(3,881,582)</u>	<u>(3,609,078)</u>
Total outstanding debt	<u>16,924,379</u>	<u>14,245,495</u>	<u>19,455,696</u>	<u>22,753,729</u>	<u>26,407,250</u>	<u>29,383,927</u>	<u>34,218,370</u>	<u>38,931,659</u>	<u>43,902,004</u>	<u>49,009,423</u>
Less exemptions:										
Bonds and notes issued in anticipation of levy for special assessments	-	-	-	-	-	-	-	-	90,000	175,000
General obligation bonds and notes that are considered self supporting	-	261,000	1,660,000	3,051,000	4,368,000	5,625,000	6,823,000	7,961,000	8,693,000	9,665,000
Securities issued to pay final judgments and settlements	-	-	-	-	-	-	16,000	34,000	49,000	64,000
Securities to extent authorizing legislation contains covenants to appropriate, levy and collect municipal income taxes	<u>-</u>	<u>-</u>	<u>627,000</u>	<u>1,217,000</u>	<u>1,777,000</u>	<u>2,312,000</u>	<u>3,617,000</u>	<u>4,867,000</u>	<u>6,063,000</u>	<u>7,220,000</u>
Total exemptions	<u>-</u>	<u>261,000</u>	<u>2,287,000</u>	<u>4,268,000</u>	<u>6,145,000</u>	<u>7,937,000</u>	<u>10,456,000</u>	<u>12,862,000</u>	<u>14,895,000</u>	<u>17,124,000</u>
Net debt within 10 1/2% Limitation	<u>16,924,379</u>	<u>13,984,495</u>	<u>17,168,696</u>	<u>18,485,729</u>	<u>20,262,250</u>	<u>21,446,927</u>	<u>23,762,370</u>	<u>26,069,659</u>	<u>29,007,004</u>	<u>31,885,423</u>
Overall debt margin	<u>\$ 65,919,815</u>	<u>\$ 68,470,792</u>	<u>\$ 65,370,661</u>	<u>\$ 63,984,714</u>	<u>\$ 62,553,617</u>	<u>\$ 61,349,388</u>	<u>\$ 63,507,762</u>	<u>\$ 61,864,300</u>	<u>\$ 59,088,210</u>	<u>\$ 63,698,619</u>
Unvoted debt limitation 5 1/2 of assessed value	43,394,578	\$ 43,190,865	\$ 43,234,901	\$ 43,198,803	\$ 43,379,740	\$ 43,369,498	\$ 45,712,926	\$ 46,060,645	\$ 46,145,112	\$ 50,067,832
Amount of principal of unvoted bonds and notes subject to 5 1/2%	<u>11,609,379</u>	<u>8,669,495</u>	<u>10,963,696</u>	<u>11,435,729</u>	<u>12,412,250</u>	<u>12,096,927</u>	<u>14,412,370</u>	<u>16,009,659</u>	<u>17,627,004</u>	<u>20,505,423</u>
Unvoted debt margin	<u>\$ 31,785,199</u>	<u>\$ 34,521,370</u>	<u>\$ 32,271,205</u>	<u>\$ 31,763,074</u>	<u>\$ 30,967,490</u>	<u>\$ 31,272,571</u>	<u>\$ 31,300,556</u>	<u>\$ 30,050,986</u>	<u>\$ 28,518,108</u>	<u>\$ 29,562,409</u>

Source: Cuyahoga County Fiscal Officer and City Financial Records

Note: Assessed valuations based upon the tax year.

City of North Olmsted, Ohio

Demographic and Economic Statistics

Last Ten Years

Year	Population (1)	Employed in County (2)	Unemployment Rate (2)			School (3) Enrollment	Number of Residential Property Sales (4)	Averages Sales Price of Residential Property (4)	Total Personal Income (5)	Personal Income Per Capita
			County	State	US					
2017	32,718 (a)	575,100	5.9%	5.0%	4.4%	3,794	571	\$ 142,273	\$ 940,773,372	\$ 28,754 (a)
2016	32,718 (a)	577,200	5.4	4.9	4.9	3,814	540	127,441	940,773,372	28,754 (a)
2015	32,718 (a)	579,500	5.0	4.9	5.3	3,856	499	126,838	940,773,372	28,754 (a)
2014	32,718 (a)	584,400	6.4	6.2	5.7	3,876	452	119,802	940,773,372	28,754 (a)
2013	32,718 (a)	572,600	7.7	7.4	7.4	4,040	468	120,619	940,773,372	28,754 (a)
2012	32,718 (a)	579,600	7.3	7.2	8.1	4,107	368	111,541	940,773,372	28,754 (a)
2011	32,718 (a)	593,400	8.0	8.6	8.9	4,117	202	126,710	940,773,372	28,754 (a)
2010	32,718 (a)	574,600	9.5	10.1	9.6	4,193	224	136,610	940,773,372	28,754 (a)
2009	34,113 (b)	581,200	9.2	10.8	9.3	4,314	231	136,856	829,935,177	24,329 (b)
2008	34,113 (b)	601,800	6.8	6.5	5.8	4,366	229	138,164	829,935,177	24,329 (b)

(1) Source: U.S. Census, Census of population

(a) 2010 Federal Census

(b) 2000 Federal Census

(2) Ohio Department of Jobs and Family Services, U.S. Department of Labor and Bureau of Labor Statistics

(3) Source: North Olmsted Board of Education

(4) Source: Cuyahoga County Fiscal Officer

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

City of North Olmsted, Ohio

Full Time City Employees by Function or Program

Last Ten Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Function/program:										
General government:										
Council	1	1	1	1	1	1	1	1	1	1
Mayor	2	2	2	2	2	2	2	2	2	2
Mayor's court	1	1	2	2	1	1	0	0	0	0
General clerical	1	1	1	1	1	1	1	1	1	1
Boards and commissions	0	0	1	1	1	1	1	1	1	1
Finance	5	5	5	5	5	5	5	6	6	6
Law	1	1	1	1	1	1	1	1	2	2
Information systems	1	0	0	1	2	1	2	1	1	1
Human resources	4	4	4	4	4	3	3	3	3	3
Building	11	10	9	8	8	9	9	9	9	12
Engineering	1	1	0	0	0	0	0	0	0	0
Total	28	26	26	26	26	25	25	25	26	29
Security of persons and property:										
Safety director	2	2	2	2	1	2	2	2	2	2
Fire	41	42	41	40	41	42	42	43	41	46
Dispatch	8	8	8	8	8	8	8	8	8	8
Corrections	1	1	1	1	1	1	1	1	1	1
Police	45	45	44	45	42	43	44	46	50	55
Youth Services (see Public health and welfare)	1	1	1	1	1	1	1	1	1	1
Fire clerk	1	1	1	1	1	1	2	1	1	1
Police clerk	5	5	5	4	5	5	5	5	5	6
Total	104	105	103	102	100	103	105	107	109	120
Leisure time activities:										
Senior center	4	4	4	3	3	3	3	3	2	2
Recreation	11	11	11	11	9	9	8	7	9	10
Springvale	3	4	3	4	4	4	4	4	3	4
Total	18	19	18	18	16	16	15	14	14	16
Public health and welfare:										
Community life services (a)	0	0	0	0	0	0	0	0	2	2
Youth services	0	0	0	0	0	0	0	0	1	1
Total	0	0	0	0	0	0	0	0	3	3
Transportation:										
Service director	1	1	1	1	1	1	1	1	2	2
Public service and properties										
Public works administrative	0	0	0	0	0	0	0	0	0	0
Animal warden	0	0	0	0	0	0	1	1	1	1
Building maintenance	1	1	1	1	2	2	2	3	3	4
Road	9	9	10	9	8	8	7	9	9	5
Forestry	7	7	6	6	7	7	6.5	4	3.5	7
Storm	9	9	7	6	6	6	7.5	3	3.5	4
Subtotal	26	26	24	22	23	23	24	20	20	21
Fleet	6	6	6	6	6	7	7	7	7	8
Bus	0	0	0	0	0	0	0	0	0	0
Total	32	32	31	29	30	31	32	28	29	31
Economic development										
Planning	3	3	2	2	2	2	2	2	2	2
Basic utility services:										
Wastewater treatment plant	26	26	25	25	26	29	29	28	27	29
Total	212	212	205	202	200	206	208	204	209	229

Source: City payroll records
(a) See security of persons and property

City of North Olmsted, Ohio

Operating Indicators by Function/Program

Last Ten Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Function/Program:										
General government:										
Council and clerk										
Number of ordinances and resolutions submitted	92	142	111	100	116	133	143	162	152	165
Number of ordinances and resolutions passed	91	140	108	97	114	131	143	159	147	135
Mayor's Court (b)										
Number of traffic cases	6,842	7,705	9,927	7,602	7,345	N/A	N/A	N/A	N/A	N/A
Number of OVI cases	40	45	54	62	59	N/A	N/A	N/A	N/A	N/A
Number of criminal cases	307	258	255	260	273	N/A	N/A	N/A	N/A	N/A
Number of parking cases	190	246	303	225	261	N/A	N/A	N/A	N/A	N/A
Number of cases transferred	159	172	122	105	116	N/A	N/A	N/A	N/A	N/A
Number of cases waived, total	5,859	6,952	7,932	6,513	6,063	N/A	N/A	N/A	N/A	N/A
Number of cases waived, online	3,581	3,924	4,406	3,396	3,380	N/A	N/A	N/A	N/A	N/A
Finance										
Agency ratings										
Fitch IBCA	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	A+	A+
Moody's Financial Services – General Limited Tax	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	A1	A1
Moody's Financial Services – General Unlimited Tax	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa3	Aa3
Law										
Real property complaints filed	168	81	34	45	45	59	39	38	22	18
Real property fines collected	\$ 4,877	\$ 7,445	\$ 6,282	\$ 4,050	\$ 5,410	\$ 23,655	\$ 575	\$ 7,405	\$ 13,675	\$ 9,858
Criminal cases prosecuted	808	1,048	959	1,049	700(c)	1,088	873	922	927	1,304
Traffic cases prosecuted	614	615	559	388	505(c)	1,274	1,536	1,062	1,228	1,509
Building										
Estimated valuation of permits issued	\$ 35,115,507	\$ 98,619,912	\$ 29,338,654	\$ 22,923,368	\$ 71,039,906(a)	\$ 39,405,961	\$ 48,029,378	\$ 15,650,821	\$ 13,933,125	\$ 15,151,105
Number of permits issued	1,663	1,593	1,409	1,315	1,450	1,605	1,744	1,103	1,142	1,203

(Continued)

City of North Olmsted, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Security of persons and property:										
Police										
Number of criminal arrests	1,345	1,534	1,710	1,739	2,435	2,431	2,010	2,028	2,062	2,100
Number of DUI arrests	82	91	115	103	59	81	110	93	130	154
Number of motor vehicle accidents	849	827	915	857	814	867	791	751	753	850
Number of prisoners confined	1,062	1,220	1,335	1,329	1,254	1,468	1,349	1,413	1,465	1,741
Number of traffic citations issued	7,527	8,175	9,875	8,090	8,034	8,549	7,916	7,635	8,809	7,594
Number of parking citations issued	1,314	1,669	1,588	1,849	1,749	1,730	1,976	2,013	2,136	2,092
Fire										
Number of fire responses	681	642	686	689	718	728	801	703	700	810
Number of squad responses	3,730	3,626	3,655	3,297	3,175	3,128	3,111	2,971	2,871	2,833
Total number of emergency responses	4,411	4,268	4,341	3,986	3,893	3,856	3,912	3,674	3,571	3,643
Number of runs per day	12.1	12.0	11.9	10.9	10.7	10.5	10.7	10.1	10.3	10.0
Public health and welfare:										
Youth and family services										
Food cupboard distributions	1,800	1,735	1,787	1,833	1,618	1,413	1,213	1,147	1,154	693
Holiday adopt-a-family	48	48	47	54	56	62	64	52	51	37
Senior center										
Hot lunch program – meals served	5,242	5,806	6,021	5,998	6,106	6,583	7,234	8,223	8,909	8,935
Meals on wheels clients served	40	30	38	62	60	63	74	68	71	63
Leisure time activities:										
Senior center										
Cabin rentals	125	137	172	185	185	190	185	358	547	645
Activity participants except hot lunch program	20,776	21,520	22,683	23,665	23,652	23,219	24,222	19,978	10,930	11,624
Springvale Golf Course and Ballroom										
Number of golf rounds	25,013	25,274	26,542	22,715	21,731	22,625	15,723	23,083	19,934	23,358
Number of golf outings	33	42	42	37	39	41	34	47	44	47
Number of ballroom rentals	47	50	45	53	50	62	64	56	54	52
Recreation										
Skate programs and events participants	5,008	5,572	5,423	4,567(d)	5,005	5,041	5,033	4,897	6,714	8,938
Pool programs	1,394	1,366	1,229	928(d)	1,031	1,055	481	1,315	1,013	2,883
Summer camp participants	228	265	220	200(d)	220	222	220	225	163	434
Fitness pass visits	101,036	87,511	55,919(e)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Prime and Silver Sneaker Pass Visits	23,429	21,053	11,645(e)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(Continued)

City of North Olmsted, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Transportation:										
Snowfall in inches	45.0	42.0	32.8	65.9	44.0	33.80	57.15	62.9	59.5	80.0
Street salting and plowing – number of hours	2,472	3,270	1,261	2,660	2,483	1,010	2,229	2,936	3,152	3,350
Street asphalt and concrete repair – number of hours	10,713	10,401	6,622	5,089	5,815	5,006	N/A	3,849	5,236	4,926
Tree planting and maintenance – number of hours	2,693	2,155	2,906	2,768	3,127	1,264	2,698	2,115	2,908	2,431
Vehicle maintenance and repair – number of hours	6,579	6,961	6,572	6,673	7,262	8,445	8,098	8,070	7,765	7,258
Street improvements - asphalt overlay/recycling - square feet	413,721	440,730	443,394	146,146	507,619	395,239	437,693	430,765	515,374	406,035
Cost of road salt purchased	\$ 248,932	\$ 168,175	\$ 447,634	\$ 405,950	\$ 168,120	\$ 108,432	\$ 268,423	\$ 258,409	\$ 206,112	\$ 309,145
Cost of unleaded and diesel fuel used	\$ 315,092	\$ 353,216	\$ 341,499	\$ 567,864	\$ 555,348	\$ 538,795	\$ 527,070	\$ 392,702	\$ 345,075	\$ 652,631
Wastewater:										
Sanitary sewer rate per 1,000 cubic ft.	\$ 94.10	\$ 81.46	\$ 74.07	\$ 67.98	\$ 64.75	\$ 58.18	\$ 52.27	\$ 47.74	\$ 43.60	\$ 39.81
Total 1,000 cubic feet billed	117,881	118,592	118,525	121,268	122,844	129,072	136,367	138,580	163,332	148,582
Total flow of wastewater treatment plant (billions of gallons)	2,106	1,958	2,033	2,467	2,293	2,150	2,510	1,505	1,595	1,699
Average daily flow (millions of gallons per day)	5.782	5.364	5.570	6.759	6.286	5.870	6.874	4.121	4.395	4.861
Tons of wet sludge removed	5,857	5,201	6,106	4,793	5,295	5,048	5,644	5,532	5,242	5,246

N/A: Not available

Source: Various City Divisions

- (a) 2013 Assessed Valuation of Improvements includes \$38,000,000 Wastewater Treatment Plant Improvement Project
- (b) The City began operating a Mayor's Court in 2013. Prior to 2013, all cases were handled by the Rocky River Municipal Court.
- (c) These figures represent only the cases that were prosecuted by the City through Rocky River Municipal Court. It does not include cases that were waived.
- (d) The Recreation Center was under construction during 2014 and some of the programs were limited.
- (e) The Recreation Center fitness area began operation in 2015.

City of North Olmsted, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government:										
Number of administrative vehicles	10	9	7	8	8	8	8	8	8	10
Security of persons and property:										
Fire:										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of vehicles	16	16	15	14	14	14	12	12	12	14
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of vehicles	31	29	28	26	28	25	25	24	26	29
Leisure time activities:										
Recreation:										
Number of parks	4	4	4	4	4	4	4	4	4	4
Number of pools	2	2	2	2	2	2	2	2	2	2
Recreation center facility	1	1	1	1	1	1	1	1	1	1
Number of vehicles	7	7	7	7	6	5	8	10	6	6
Springvale Golf Course and Ballroom:										
Number of acres										
(18 hole golf course)	132	132	132	132	132	132	132	132	132	132
Square footage of ballroom	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Number of vehicles	1	1	1	1	1	1	2	3	2	2
Senior center:										
Senior center facility	1	1	1	1	1	1	1	1	1	1
Number of vehicles	1	1	1	1	1	1	1	1	1	1
Transportation:										
Streets:										
Miles of streets	146	146	146	146	146	146	146	146	146	146
Number of street lights	2,633	2,633	2,633	2,633	2,633	2,633	2,633	2,633	2,633	2,633
Number of service vehicles	50	52	49	50	48	55	51	45	43	46
Wastewater:										
Miles of sanitary sewers	176	176	176	176	176	176	176	176	176	176
Miles of storm sewers	152	152	152	152	152	152	152	152	152	152
Number of vehicles	24	26	23	23	20	21	17	17	18	17

City of North Olmsted, Ohio

Capital Assets by Function

Last Ten Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities:										
General government:										
Non-depreciable										
Land and art	\$ 4,284,592	\$ 4,119,592	\$ 4,119,592	\$ 4,119,592	\$ 4,119,592	\$ 4,119,592	\$ 3,728,055	\$ 3,728,055	\$ 3,728,055	\$ 3,728,055
CIP	345,587	-	60,299	-	-	-	-	18,986	-	-
Other capital assets										
Cost	15,244,608	14,960,300	14,880,955	14,903,823	14,865,654	14,768,258	14,289,159	13,863,148	13,821,102	13,729,777
Net book value	7,120,198	7,227,249	7,568,209	7,987,500	8,377,429	8,717,046	8,802,130	8,828,478	9,146,041	9,543,887
Security of persons and property:										
<i>Fire:</i>										
Non-depreciable										
Land	349,400	349,400	349,400	349,400	349,400	349,400	349,400	349,400	349,400	349,400
CIP	-	-	-	-	-	-	-	-	-	-
Other capital assets										
Cost	10,011,153	9,931,593	9,813,853	10,131,597	10,076,706	10,034,683	9,468,972	9,521,134	9,543,303	9,543,303
Net book value	4,922,582	5,104,932	5,315,192	5,617,704	5,855,145	5,922,426	5,621,875	5,863,147	6,103,581	6,394,553
<i>Police:</i>										
Non-depreciable										
CIP	-	333,718	15,000	-	287,610	-	-	-	-	-
Other capital assets										
Cost	4,370,310	3,866,321	3,927,420	3,455,139	2,970,279	2,903,904	2,940,562	2,883,521	2,888,984	3,269,628
Net book value	1,555,410	1,198,839	1,213,570	1,205,287	751,412	762,733	833,760	833,697	934,353	1,032,175
Public health and welfare:										
<i>Youth and family:</i>										
Other capital assets										
Cost	200,253	200,253	200,253	165,706	165,706	165,706	165,706	-	-	-
Net book value	148,158	157,991	167,824	142,507	149,135	155,764	162,392	-	-	-
Leisure time activities:										
<i>Recreation:</i>										
Non-depreciable										
CIP	-	-	1,653,610	1,211,618	22,478	-	-	-	-	-
Other capital assets										
Cost	12,260,724	11,865,850	10,204,381	10,182,522	9,942,010	9,968,018	9,927,018	9,436,242	9,331,565	9,268,061
Net book value	3,358,448	3,067,390	1,566,174	1,682,392	1,657,819	1,333,282	1,563,183	1,333,826	1,533,088	1,797,927

(Continued)

City of North Olmsted, Ohio

Capital Assets by Function (Continued)

Last Ten Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<i>Senior center:</i>										
Non-depreciable CIP	-	-	-	110,970	-	-	-	-	16,833	-
Other capital assets										
Cost	1,023,118	1,006,092	974,238	855,852	855,852	696,496	696,496	687,186	539,328	537,262
Net book value	558,568	573,679	573,878	484,586	513,103	383,564	402,082	415,593	267,723	285,590
<i>Transportation:</i>										
Non-depreciable CIP	2,837,499	522,532	751,070	267,707	58,798	253,095	39,185	-	137,773	171,537
Other capital assets										
Cost	5,179,007	4,921,255	4,695,385	4,740,585	4,432,139	4,405,211	3,857,118	3,707,236	3,670,474	3,635,325
Net book value	1,642,389	1,473,524	1,279,369	1,309,219	1,153,149	1,243,141	788,365	791,339	861,383	900,458
Infrastructure										
Cost	147,134,364	146,269,502	144,433,404	143,179,372	142,664,860	141,635,998	140,178,515	139,422,954	130,440,393	129,467,866
Net book value	20,847,006	23,606,741	25,071,185	28,005,185	32,938,273	37,722,781	42,231,274	47,272,254	43,804,306	47,936,456
<i>Economic development:</i>										
Other capital assets										
Cost	106,491	106,491	122,673	122,673	122,673	-	-	-	-	-
Net book value	87,323	91,582	99,309	105,881	112,452	-	-	-	-	-
<i>Totals:</i>										
Non-depreciable										
Land and art	4,633,992	4,468,992	4,468,992	4,468,992	4,468,992	4,468,992	4,077,455	4,077,455	4,077,455	4,077,455
CIP	3,183,086	856,250	2,479,979	1,590,295	368,886	253,095	39,185	18,986	154,606	171,537
Other capital assets										
Cost	48,395,664	46,858,155	44,819,158	44,557,897	43,431,019	42,942,276	41,345,031	40,098,467	39,794,756	39,983,356
Net book value	19,393,076	15,895,186	17,783,525	18,535,076	18,569,644	18,517,956	18,173,787	18,066,080	18,846,169	19,954,590
Infrastructure										
Cost	147,134,364	146,269,502	144,433,404	143,179,372	142,664,860	141,635,998	140,178,515	139,422,954	130,440,393	129,467,866
Net book value	<u>20,847,006</u>	<u>23,606,741</u>	<u>25,071,185</u>	<u>28,005,185</u>	<u>32,938,273</u>	<u>37,722,781</u>	<u>42,231,274</u>	<u>47,272,254</u>	<u>43,804,306</u>	<u>47,936,456</u>
Total governmental activities-cost	\$ <u>203,347,106</u>	\$ <u>198,452,899</u>	\$ <u>196,201,533</u>	\$ <u>193,796,556</u>	\$ <u>190,933,757</u>	\$ <u>189,300,361</u>	\$ <u>185,640,186</u>	\$ <u>183,617,862</u>	\$ <u>174,467,210</u>	\$ <u>173,700,214</u>
Total governmental activities-net book value	\$ <u>48,057,160</u>	\$ <u>47,827,169</u>	\$ <u>49,803,681</u>	\$ <u>52,599,548</u>	\$ <u>56,345,795</u>	\$ <u>60,962,824</u>	\$ <u>64,521,701</u>	\$ <u>69,434,775</u>	\$ <u>66,882,536</u>	\$ <u>72,140,038</u>

(Continued)

City of North Olmsted, Ohio

Capital Assets by Function (Continued)

Last Ten Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Business-type activities:										
Springvale Golf Course and Ballroom:										
Cost	\$ 9,492,696	\$ 7,978,527	\$ 7,823,515	\$ 7,589,715	\$ 7,461,986	\$ 7,401,729	\$ 7,386,087	\$ 6,906,494	\$ 6,896,158	\$ 6,894,216
Net book value	6,295,678	4,992,251	5,065,202	4,951,925	5,031,022	5,161,855	5,351,051	4,993,308	5,157,215	5,328,579
Sewer revenue:										
Cost	97,247,792	96,167,396	123,128,118	122,092,107	112,208,937	81,116,335	70,628,454	69,798,659	69,008,076	68,353,901
Net book value	65,544,822	66,716,782	71,686,671	72,363,287	64,146,307	30,706,798	21,474,976	22,008,808	22,460,892	23,208,251
NOMBL:										
Cost	-	-	-	-	-	-	564,130	564,130	564,130	564,130
Net book value	-	-	-	-	-	-	391,537	391,537	391,537	391,537
Total business-type activities cost	\$ <u>106,740,488</u>	\$ <u>104,145,923</u>	\$ <u>130,951,633</u>	\$ <u>129,681,822</u>	\$ <u>119,670,923</u>	\$ <u>88,518,064</u>	\$ <u>78,578,671</u>	\$ <u>77,269,283</u>	\$ <u>76,468,364</u>	\$ <u>75,812,247</u>
Total business-type activities net book value	\$ <u>71,840,500</u>	\$ <u>71,709,033</u>	\$ <u>76,751,873</u>	\$ <u>77,315,212</u>	\$ <u>69,177,329</u>	\$ <u>35,868,653</u>	\$ <u>27,217,564</u>	\$ <u>27,393,653</u>	\$ <u>28,009,644</u>	\$ <u>28,928,367</u>

Source: City Finance Department – capital asset inventory.