



Comprehensive Annual Financial Report

NORTH OL MSTED, OHIO

For the Year Ended December 31, 2016

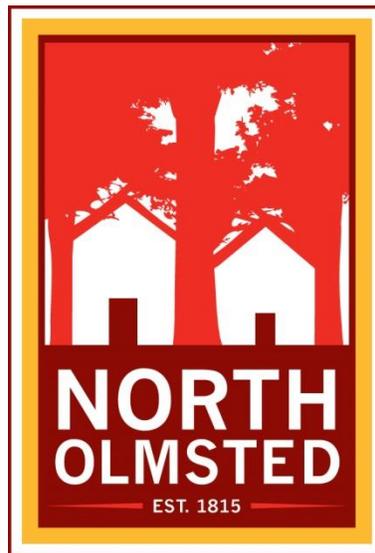


City of North Olmsted, Ohio – 5200 Dover Center Road – North Olmsted, OH 44070

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, 2016



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, 2016

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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

July 18, 2017

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, 2016.

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, 2016. 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 2016.

- Municipal income tax collections increased by 10.6% from the prior year with both individual and employee withholdings increases offset by a decline in business net profit.

- Total property tax collections increased just under 1%. Additionally, delinquencies stayed consistent with the previous year at 2.8% of the total tax levy.
- The average yearly unemployment rate in the county increased only slightly to 5.4% during 2016; the State unemployment rate remained unchanged at 4.9%; the US rate declined to 4.9%; though this statistic does not account for those persons who are unemployed, but no longer looking for work.
- The City's number of building permits increased by 13.1%, which is primarily due to the new 6-12 Campus for North Olmsted City Schools, improvements to auto dealerships, and new hotel construction. The estimated valuation of the building permits issued in 2016 was \$98,619,912, of which the school project represents approximately \$65,900,000, or 66.8%. In addition, there was an increase in permits for fences, roofing, and windows which shows an interest in maintenance and repair of existing properties.
- The number of residential property sales increased by 8.2% to 540, which is the highest volume since 2006. In addition, the average sales price of residential properties increased 2.3% to \$127,441, though it was 13.7% lower than the 2007 pre-recession average prices.

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 thirteenth 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

The City has developed new zoning regulations to create four new business districts that run along Lorain Road and includes parts of Brookpark Road and Great Northern Boulevard. In addition to the zoning regulations, changes were made to allowed uses, areas, setbacks and driveway spacing. The new zoning and other changes are designed to encourage the investment of businesses within the City while minimizing the potential negative impact on adjacent residences.

Late in 2015 the city created two new chapters of the building code entitled "Licensing of Rental Units" and "Interior Maintenance Code" to retain quality rental properties by permitting the city to conduct interior inspections of apartments and single and multi-family homes in addition to the exteriors. To support this effort the city added two inspectors and a permit clerk in 2016 to implement the program.

The first Great Northern TIF project is improvements to Country Club Boulevard between Victoria Lane and Great Northern Boulevard. The project will include attractive landscaping with brick hardscapes in the medians, new crosswalks, and improved lighting. Construction will begin in the summer of 2017 and conclude by the end of the year.

A \$10 million new traffic signal system project will improve the traffic flow along Lorain Road in two phases the first of which begins in the summer of 2017. 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 both phases.

A multi-phase project to implement the Springvale Master Plan to improve the nearly 100 year old Springvale Ballroom and Golf facilities began in 2016 and will continue over the next several years. The first phase will include a new maintenance facility, ballroom kitchen renovation, a new patio for outings and events and other capital improvements.

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 that is involving the community stakeholders. It was expanded to include two of the parks 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.

Improving storm water management was also a Go North Olmsted 2015 Master Plan objective. Two laborers were added to the city's storm crew to improve the preventative maintenance of the storm sewers and ditches. Additionally, one site identified in the area of the greatest flooding during significant storm events, was obtained and a storm water detention basin was designed in 2016 with construction in 2017. Other sites are being evaluated under the storm water management plan to utilize monies earmarked for detention basins.

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 2016 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, 2015. This was the seventeenth 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 2016 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,

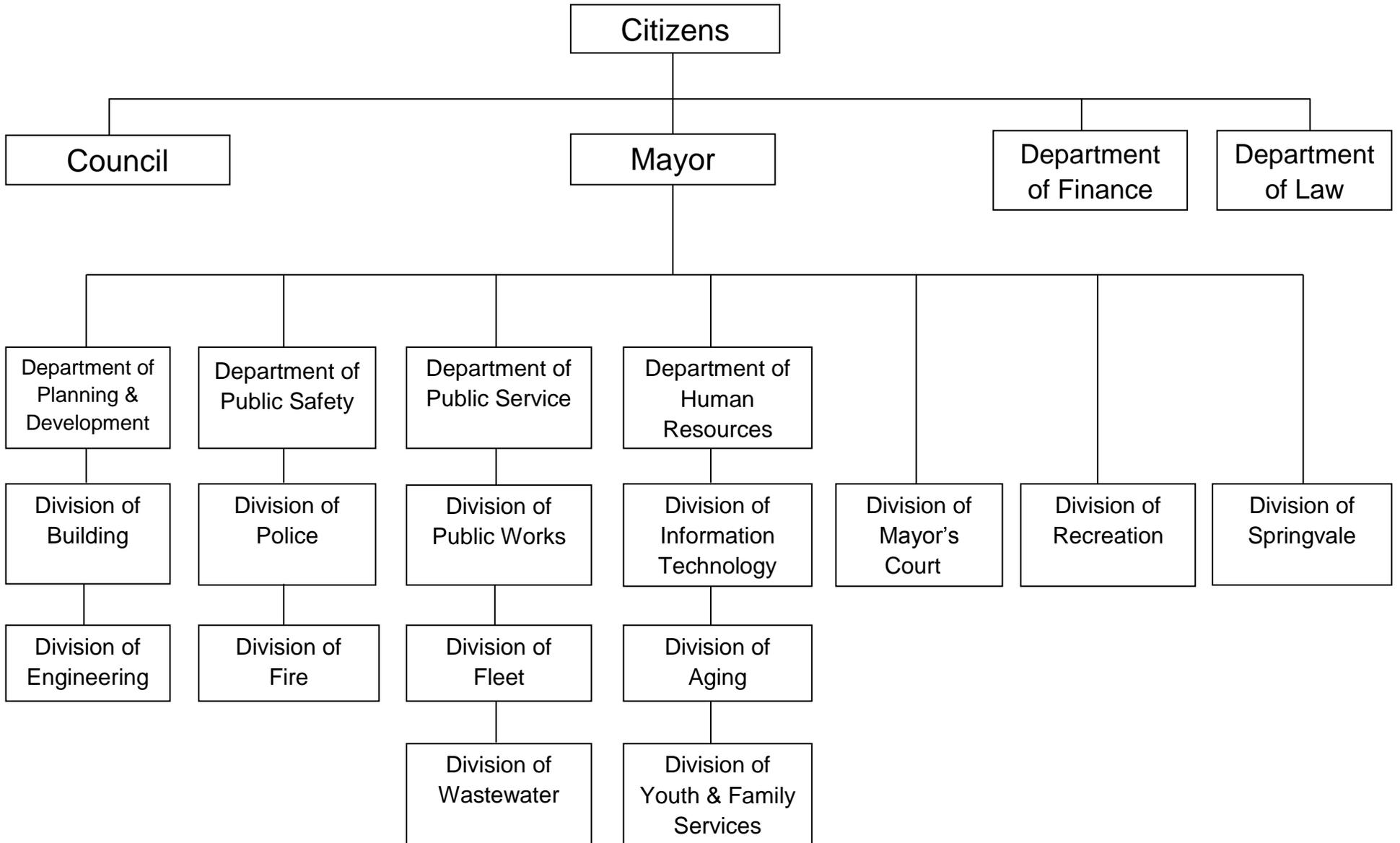


Carrie B. Copfer, CPA
Director of Finance



Keith J. Sperling
Assistant Director of Finance

CITY OF NORTH OLMSTED ORGANIZATIONAL CHART



City of North Olmsted, Ohio

Principal City Officials

December 31, 2016

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
Paul R. Barker	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, 2015

Executive Director/CEO

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**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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no 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, each major fund, and the aggregate remaining fund information of the City of North Olmsted, Cuyahoga County, Ohio, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary 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 these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2017, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink 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

July 18, 2017

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City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2016

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, 2016. 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 2016 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 2016 by \$51,478,666. This is a decrease of \$716,929 over the 2015 net position. Net position of the City's governmental activities increased \$682,124 from 2015, while net position of the business-type activities decreased \$1,399,053.
- Total assets decreased by \$6,057,169 and deferred outflows of resources increased by \$5,438,400. The main factor affecting the total assets decrease was the decrease in net capital assets (down \$7,019,351). This decrease was offset by an increase in cash and cash equivalents (up \$1,088,607). The main fluctuation in deferred outflows of resources related to pensions (up \$5,515,405).
- Total liabilities increased by \$708,071 and deferred inflows of resources decreased by \$609,911 from 2015. The main factor affecting the total liabilities increase was an increase in net pension liability during 2016 (up \$7,158,351). This was offset by a \$6,663,019 decrease in other long term liabilities. The deferred inflows of resources were down in 2016 with payments in lieu of taxes being the biggest contributor (down \$627,394).
- The General Fund reported a fund balance of \$7,969,154 at the end of the 2016, which is an increase of \$786,751 from 2015. The General Fund expenditures increased \$363,234 from 2015 to 2016 and revenues increased \$1,133,466.

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, 2016

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 2016. 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, 2016

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, 2016

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 89 of this report.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2016

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 2016 compared to 2015.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets:						
Current and other assets	\$ 42,444,258	\$ 40,753,502	\$ 6,668,538	\$ 7,400,073	\$ 49,112,796	\$ 48,153,575
Capital assets, net	47,827,169	49,803,680	71,709,033	76,751,873	119,536,202	126,555,553
Net pension asset	<u>36,840</u>	<u>34,080</u>	<u>11,317</u>	<u>11,116</u>	<u>48,157</u>	<u>45,196</u>
Total assets	<u>90,308,267</u>	<u>90,591,262</u>	<u>78,388,888</u>	<u>84,163,062</u>	<u>168,697,155</u>	<u>174,754,324</u>
Deferred outflows of resources:						
Loss on refunding	292,461	347,359	110,524	132,631	402,985	479,990
Pension	<u>8,275,798</u>	<u>3,393,510</u>	<u>984,693</u>	<u>351,576</u>	<u>9,260,491</u>	<u>3,745,086</u>
Total deferred outflows of resources	<u>8,568,259</u>	<u>3,740,869</u>	<u>1,095,217</u>	<u>484,207</u>	<u>9,663,476</u>	<u>4,225,076</u>
Liabilities:						
Current liabilities	1,289,562	987,793	1,032,050	1,121,080	2,321,612	2,108,873
Long-term liabilities:						
Due within one year	5,435,675	6,242,470	3,184,666	4,580,969	8,620,341	10,823,439
Other amounts due in more than one year	19,600,614	21,105,084	54,664,770	57,620,221	74,265,384	78,725,305
Net pension liability	<u>29,855,265</u>	<u>23,351,150</u>	<u>2,497,721</u>	<u>1,843,485</u>	<u>32,352,986</u>	<u>25,194,635</u>
Total liabilities	<u>56,181,116</u>	<u>51,686,497</u>	<u>61,379,207</u>	<u>65,165,755</u>	<u>117,560,323</u>	<u>116,852,252</u>
Deferred inflows of resources:						
Property taxes	8,764,816	8,988,265	-	-	8,764,816	8,988,265
Payments in lieu of taxes	170,424	797,818	-	-	170,424	797,818
Pension	<u>328,189</u>	<u>109,694</u>	<u>58,213</u>	<u>35,776</u>	<u>386,402</u>	<u>145,470</u>
Total deferred inflows of resources	<u>9,263,429</u>	<u>9,895,777</u>	<u>58,213</u>	<u>35,776</u>	<u>9,321,642</u>	<u>9,931,553</u>
Net position:						
Net investment in capital assets	28,628,989	27,813,444	14,329,123	14,995,099	42,958,112	42,808,543
Restricted	18,058,522	16,619,478	-	-	18,058,522	16,619,478
Unrestricted	<u>(13,255,530)</u>	<u>(11,683,065)</u>	<u>3,717,562</u>	<u>4,450,639</u>	<u>(9,537,968)</u>	<u>(7,232,426)</u>
Total Net Position	\$ <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>

The net pension liability (NPL) is one of the larger liabilities reported by the City at December 31, 2016 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, 2016

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, 2016

Net position may serve over time as a useful indicator of a government's financial position. For the City of North Olmsted, total assets exceed total liabilities by \$51,478,666 as of December 31, 2016, which is a \$716,929 decrease 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 (83.4%) 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 2016 decreased \$6,057,169 when compared to 2015 and total liabilities increased by \$708,071. The primary contributor to the decrease in assets was net capital assets, which decreased due to the disposal of the old wastewater treatment plant as well as the depreciation exceeding capital additions in the current year. The increase in total liabilities is primarily due to an increase in the City's net pension liability which was offset by the decrease noted in other long term liabilities.

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, 2016

Table 2
Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues:						
Program revenues:						
Charges for services	\$ 6,440,997	\$ 5,810,010	\$ 11,779,432	\$ 10,876,621	\$ 18,220,429	\$ 16,686,631
Operating grants and contributions	1,771,865	2,036,867	-	-	1,771,865	2,036,867
Capital grants and contributions	<u>3,518</u>	<u>42,447</u>	<u>-</u>	<u>-</u>	<u>3,518</u>	<u>42,447</u>
Total program revenues	<u>8,216,380</u>	<u>7,889,324</u>	<u>11,779,432</u>	<u>10,876,621</u>	<u>19,995,812</u>	<u>18,765,945</u>
General revenues:						
Property taxes and other taxes	9,622,781	9,558,074	-	-	9,622,781	9,558,074
Municipal income taxes	15,531,341	14,039,569	-	-	15,531,341	14,039,569
Grants and entitlements	2,569,538	2,554,370	-	-	2,569,538	2,554,370
Other	<u>127,828</u>	<u>112,075</u>	<u>-</u>	<u>-</u>	<u>127,828</u>	<u>112,075</u>
Total general revenues	<u>27,851,488</u>	<u>26,264,088</u>	<u>-</u>	<u>-</u>	<u>27,851,488</u>	<u>26,264,088</u>
Total revenues	<u>36,067,868</u>	<u>34,153,412</u>	<u>11,779,432</u>	<u>10,876,621</u>	<u>47,847,300</u>	<u>45,030,033</u>
Program expenses:						
General government	5,299,633	4,516,867	-	-	5,299,633	4,516,867
Security of persons and property	15,959,086	14,205,425	-	-	15,959,086	14,205,425
Public health and welfare	631,709	551,565	-	-	631,709	551,565
Transportation	7,352,641	8,416,485	-	-	7,352,641	8,416,485
Basic utility services	2,063,026	1,929,636	-	-	2,063,026	1,929,636
Leisure time activities	3,191,927	3,136,618	-	-	3,191,927	3,136,618
Economic development	271,870	275,635	-	-	271,870	275,635
Interest and fiscal charges	668,492	1,049,394	-	-	668,492	1,049,394
Springvale Golf Course and Ballroom	-	-	1,665,971	1,557,162	1,665,971	1,557,162
Sewer	<u>-</u>	<u>-</u>	<u>8,005,368</u>	<u>7,408,132</u>	<u>8,005,368</u>	<u>7,408,132</u>
Total program expenses	<u>35,438,384</u>	<u>34,081,625</u>	<u>9,671,339</u>	<u>8,965,294</u>	<u>45,109,723</u>	<u>43,046,919</u>
Change in net position before transfers	629,484	71,787	2,108,093	1,911,327	2,737,577	1,983,114
Transfers	52,640	(38,852)	(52,640)	38,852	-	-
Special item - loss on sale of capital assets	<u>-</u>	<u>-</u>	<u>(3,454,506)</u>	<u>-</u>	<u>(3,454,506)</u>	<u>-</u>
Total general revenue, transfers, And special item	<u>52,640</u>	<u>(38,852)</u>	<u>(3,507,146)</u>	<u>38,852</u>	<u>(3,454,506)</u>	<u>-</u>
Change in net position	682,124	32,935	(1,399,053)	1,950,179	(716,929)	1,983,114
Net position, beginning of year	<u>32,749,857</u>	<u>32,716,922</u>	<u>19,445,738</u>	<u>17,495,559</u>	<u>52,195,595</u>	<u>50,212,481</u>
Net position, end 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>

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2016

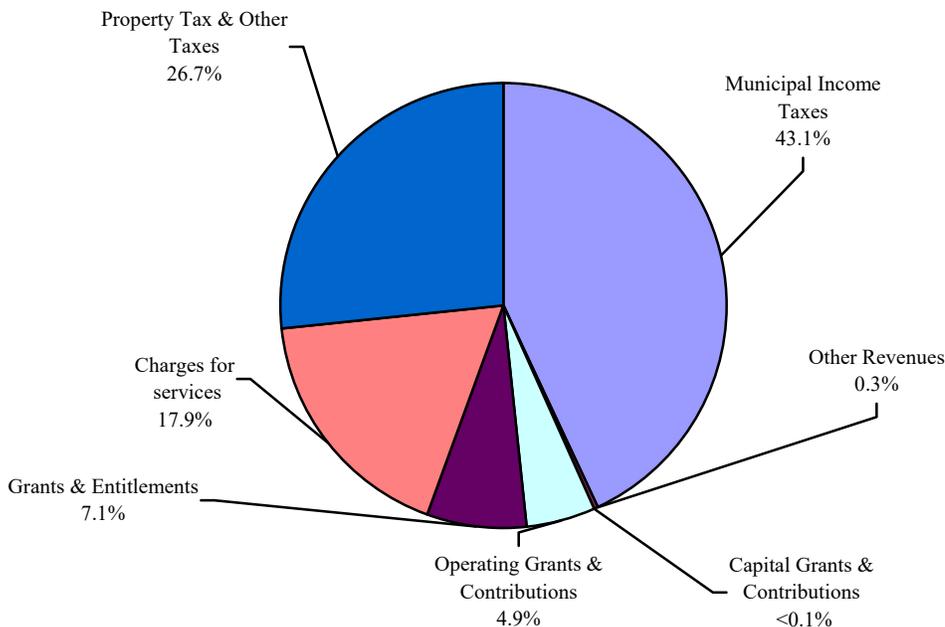
Governmental Activities

Overall, total governmental activities revenues increased by \$1,914,456. Program revenues represent 22.8% of the total governmental activities revenues. This includes charges for services and both operating and capital grants. Program revenues increased in 2016 by \$327,056, a result of an increase in charges for services of \$630,987 which was offset by a decrease in operating and capital grants of \$303,931. The increase in charges for services is primarily due to an increase in building permits for commercial and residential projects. The decrease in grants can be mostly attributed to the Assistance to Firefighters Grant program operated by FEMA which was used to purchase self-contained breathing apparatus used by the Fire Department in the prior year.

General revenues represent the other 77.2% of total governmental activities with municipal income taxes at 43.1%, property and other local taxes at 26.7% and grants, entitlements and other miscellaneous revenues representing 7.4%. General revenues increased in 2016 by \$1,587,400, a result of an increase in municipal income tax.

Municipal income tax revenue, which comprises the City's largest source of general revenues, increased \$1,491,772 from 2015, which is an increase of approximately 10.6%. The increase in income taxes is due to increased amount collected from withholding collections and individual tax payer collections which is a result of the gradually improving economy. Property and other local taxes increased by \$64,707 which reflects the collections for the Great Northern TIF. Grants and entitlements and other revenues both increased less than one percent from 2015.

Revenues by Source, Governmental Activities



City of North Olmsted

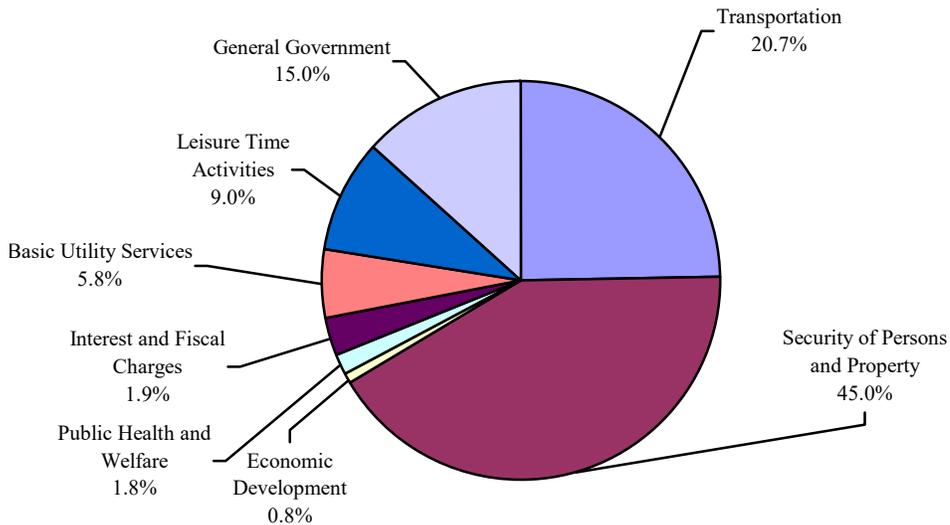
Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2016

In total, the City's governmental activities experienced an increase in 2016 expenses of \$1,356,759. Major factors contributing to the overall increase in expenses was the pension expense being recorded using GASB 68 which led to increases in security of persons and property and general government expenses. These increases were offset by a decrease in transportation. The remaining costs of Governmental Activities remained relatively stable as a result of the city's ability to control costs.

The City's expenses are categorized by function. Security of persons and property is the City's largest program function and represented 45.0% of program expenses in 2016. This includes the cost of providing police, dispatch, fire, and paramedic services. The second largest program function is transportation, which represents 20.7% of program expenses in 2016. 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 15.0% 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, etc.

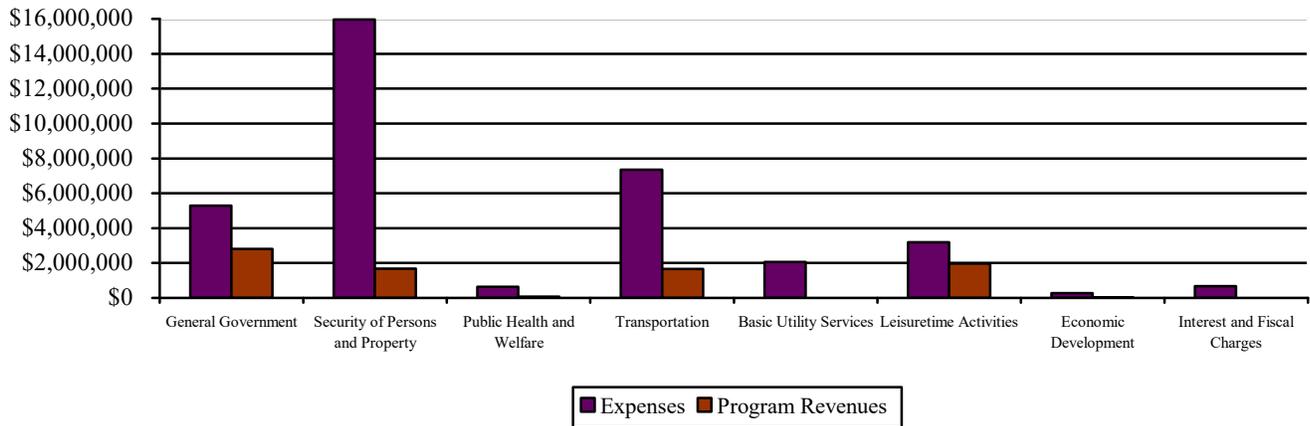
Expenses by Function, Governmental Activities



City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2016

As can be seen in the chart below, all programs have a heavy reliance on general revenues, with 77.2% of total 2016 revenues coming from general revenues.

Expenses and Program Revenues Governmental Activities



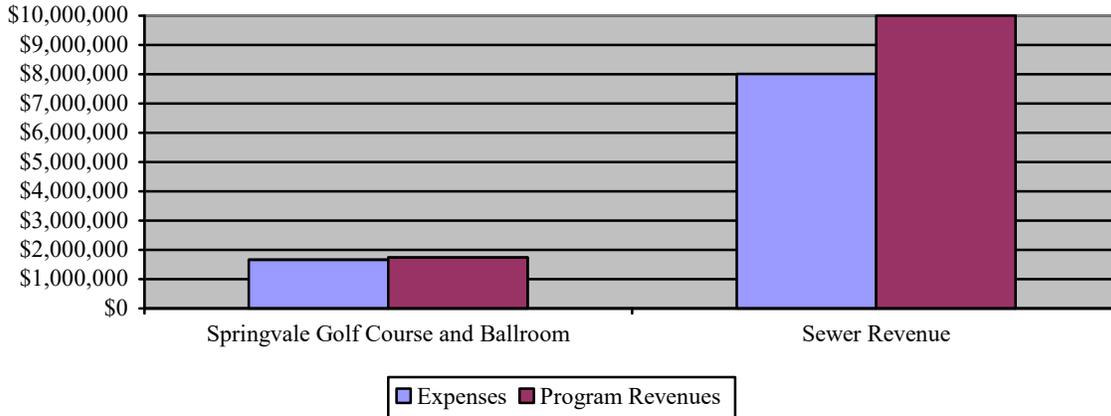
Business-Type Activities

Overall, total business-type activities revenue increased \$902,811 in 2016. 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 9.3%, which is a result of the increase in sewer rates in 2016. Springvale charges for services also increased in 2016 by 2.7%, which was primarily due to increased ballroom rentals which increased by 11.1%.

Business-type activities expense increased in 2016 by \$706,045, from the prior year. Sewer expenses increased by 8.1%, excluding the special item, while the Springvale expenses increased by 7.0% in 2016. The increase in Sewer expenses was due to plant improvements and renovations. The increase in Springvale expenses was due to the renovation project.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2016

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, 2016, the City's governmental funds reported combined ending fund balances of \$24,921,670. Of that amount, \$23,535,002 constitutes fund balances in a spendable form. The remaining \$1,386,668 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 \$35,732,576 and expenditures of \$35,403,344, resulting in revenues over expenditures of \$329,232. After consideration of \$1,685,199 in net other financing sources, the current year net change in fund balance was \$2,014,431.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2016

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 2016, the General Fund had total revenues of \$20,932,046 and expenditures of \$20,195,671, resulting in an increase in fund balance of \$786,751 after consideration of \$50,376 in net other financing sources, for an ending fund balance at December 31, 2016 of \$7,969,154. General Fund revenues increased \$1,182,776 from 2015, while expenditures increased by \$559,960. The increase in General Fund revenues was due to an increase in licenses and permits and municipal income tax revenues. The increase in municipal income tax of \$721,045 was due to an increase in income tax collected. The increase in licenses and permits of \$611,018 was due to an increase in revenues from building permits associated with development projects.

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 2016, the Permanent Improvements Fund had total revenues of \$2,299,537 and expenditures of \$1,722,923, resulting in an increase in fund balance of \$679,588 after consideration of \$102,974 in net other financing sources, for an ending fund balance at December 31, 2016 of \$4,445,098. Revenues increased by \$161,152 from the prior year primarily due to an increase in municipal income taxes. Expenditures decreased from the prior year by \$3,327,318 which was primarily due to a decrease in principal expenditures for debt in 2016.

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 2016, the General Obligation Bond Retirement Fund had total revenues of \$2,713,245 and expenditures of \$3,824,026 resulting in an increase in fund balance of \$496,628 after consideration of \$1,607,409 in net other financing sources, for an ending fund balance at December 31, 2016 of \$6,828,612. The General Obligation Bond Retirement Fund revenues decreased \$28,864 in 2016. This decrease was primarily due to less property tax received in 2016 as a result of decreased property valuations for tax year 2015 (collection year 2016). The expenditures are set by the bond and note payments and increased 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 2016. 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, 2016

For the General Fund, the original budgeted revenues and other financing sources were \$19,451,039. The final budgeted revenues and other financing sources were \$20,584,639. The City actually received \$20,919,934 in 2016. While the excess was a result of greater than anticipated revenues across several revenue types, the more significant variances were intergovernmental and license and permits. The City's intergovernmental revenues were greater than expected due to the City receiving approximately \$111,091 more in grants and local government revenue than was budgeted from the County and State. Licenses and permits were greater than anticipated by \$118,076 due to the City's conservative estimates for development projects.

The original appropriations, including other financing uses for the General Fund were \$22,465,512. The final appropriations, including other financing uses, were \$22,642,097. Actual expenditures, including other financing uses ended \$2,118,658 below the final budgeted amount. Transportation expenditures were less than budgeted across all areas in 2016, but the greatest variance was for materials and supplies due to decreased expenses for fuel and oil. Revenues exceeded expenditures by \$761,770 before \$365,275 in net other financing uses. This resulted in a net increase of the General Fund balance of \$396,495.

Capital Assets and Debt Administration

Capital Assets

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Land	\$ 4,445,992	\$ 4,445,992	\$ 2,340,714	\$ 2,340,714	\$ 6,786,706	\$ 6,786,706
Construction in progress	856,250	2,479,979	227,128	45,412,758	1,083,378	47,892,737
Other non-depreciable assets	23,000	23,000	-	-	23,000	23,000
Land improvements	991,131	1,065,367	2,731,938	1,022,617	3,723,069	2,087,984
Buildings and improvements	15,091,184	14,079,795	30,786,051	5,358,855	45,877,235	19,438,650
Furniture and fixtures	94,171	41,915	12,120	12,902	106,291	54,817
Vehicles and equipment	2,718,702	2,596,447	27,261,956	13,970,204	29,980,658	16,566,651
Infrastructure	<u>23,606,739</u>	<u>25,071,185</u>	<u>8,349,126</u>	<u>8,633,823</u>	<u>31,955,865</u>	<u>33,705,008</u>
Total	\$ <u>47,827,169</u>	\$ <u>49,803,680</u>	\$ <u>71,709,033</u>	\$ <u>76,751,873</u>	\$ <u>119,536,202</u>	\$ <u>126,555,553</u>

Total capital assets net of depreciation of the City's governmental activities as of December 31, 2016, were \$47,827,169, which was \$1,976,511 lower than December 31, 2015. The most significant additions were in roads of \$1,478,699 and building and improvements of \$1,704,761. The capital asset additions were offset by annual depreciation expense of \$4,501,527.

Business-type activities net capital assets decreased by \$5,042,840 from 2015 which is primarily due to the annual depreciation expense of \$2,201,160, and the replacement of buildings and equipment as a result of the completion of the wastewater treatments plant project. For additional information see Note 9 to the basic financial statements.

City of North Olmsted
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended December 31, 2016

Debt and Other Long-Term Obligations

As of December 31, 2016, the City of North Olmsted had \$115,238,711 in total debt and other long-term obligations outstanding with \$8,620,341 due within one year.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
General obligation bonds	\$ 17,790,965	\$ 22,169,951	\$ 2,943,063	\$ 4,862,340	\$ 20,734,028	\$ 27,032,291
OWDA loan	-	-	54,453,420	56,857,463	54,453,420	56,857,463
OPWC loans	-	-	-	65,167	-	65,167
Police pension liability	74,088	77,728	-	-	74,088	77,728
Long-term notes	1,605,000	-	-	-	1,605,000	-
Compensated absences	4,951,974	4,813,691	440,063	392,846	5,392,037	5,206,537
Claims payable	519,586	118,540	-	-	519,586	118,540
Capital lease payable	94,676	167,644	12,890	23,374	107,566	191,018
Net pension liability	<u>29,855,265</u>	<u>23,351,150</u>	<u>2,497,721</u>	<u>1,843,485</u>	<u>32,352,986</u>	<u>25,194,635</u>
Total	<u>\$ 54,891,554</u>	<u>\$ 50,698,704</u>	<u>\$ 60,347,157</u>	<u>\$ 64,044,675</u>	<u>\$ 115,238,711</u>	<u>\$ 114,743,379</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 several 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 \$68,470,792 at December 31, 2016. 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 continues to experience many financial challenges as the State and our regional economies recover from the recession. Though the City will never regain the \$1 million in State revenue cuts, there have been some positive economic indicators in 2016. For the third time in the last ten years, municipal income tax revenue exceeded the levels of 2007. The housing market also showed continued improvement with increases in both the number of residential properties sold and average sales price, 540 and \$131,173, respectively. City building permits increased by 13% due to several large projects started during the year. The City has had the financial flexibility to pay down debt without sacrificing City services and the ability to improve infrastructure and City buildings to enhance the community for the residents. With lower debt service requirements in 2017, the City will be able to increase budget stabilization fund contributions, divert ambulance collections to the EMS fund to reduce future borrowing on equipment and capital for safety services, and provide more resources to maintain City streets or save for future projects.

City of North Olmsted

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended December 31, 2016

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, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	North Olmsted Commission on Paratransit, Inc.
Assets:				
Equity in pooled cash and cash equivalents	\$ 21,886,890	\$ 8,187,030	\$ 30,073,920	\$ 40,141
Accounts receivable	383,929	-	383,929	-
Materials and supplies inventory	317,614	206,107	523,721	-
Prepaid items	132,441	79,111	211,552	-
Internal balances	4,621,065	(4,621,065)	-	-
Intergovernmental receivable	1,857,688	2,817,355	4,675,043	-
Income taxes receivable	4,131,593	-	4,131,593	-
Taxes receivable - property and other	9,113,038	-	9,113,038	-
Non-depreciable capital assets	5,325,242	2,567,842	7,893,084	-
Depreciable capital assets, net	42,501,927	69,141,191	111,643,118	-
Net pension asset	36,840	11,317	48,157	-
Total assets	<u>90,308,267</u>	<u>78,388,888</u>	<u>168,697,155</u>	<u>40,141</u>
Deferred outflows of resources:				
Deferred loss on refunding	292,461	110,524	402,985	-
Pension	<u>8,275,798</u>	<u>984,693</u>	<u>9,260,491</u>	<u>-</u>
Total deferred outflows or resources	<u>8,568,259</u>	<u>1,095,217</u>	<u>9,663,476</u>	<u>-</u>
Liabilities:				
Accounts and contracts payable	498,143	132,798	630,941	-
Accrued wages and benefits	674,313	78,759	753,072	-
Intergovernmental payable	15,533	13,413	28,946	-
Retainage payable	-	81,061	81,061	-
Accrued interest payable	53,539	726,019	779,558	-
Matured compensated absences	48,034	-	48,034	-
Long-term liabilities:				
Due within one year	5,435,675	3,184,666	8,620,341	-
Due in more than one year	19,600,614	54,664,770	74,265,384	-
Net pension liability	<u>29,855,265</u>	<u>2,497,721</u>	<u>32,352,986</u>	<u>-</u>
Total liabilities	<u>56,181,116</u>	<u>61,379,207</u>	<u>117,560,323</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes	8,764,816	-	8,764,816	-
Payments in lieu of taxes	170,424	-	170,424	-
Pension	<u>328,189</u>	<u>58,213</u>	<u>386,402</u>	<u>-</u>
Total deferred inflows of resources	<u>9,263,429</u>	<u>58,213</u>	<u>9,321,642</u>	<u>-</u>
Net position:				
Net investment in capital assets	28,628,989	14,329,123	42,958,112	-
Restricted for:				
Debt service	8,442,223	-	8,442,223	-
Capital projects	4,977,260	-	4,977,260	-
Highways and streets	2,455,507	-	2,455,507	-
Public safety	148,194	-	148,194	-
Solid waste management	1,603,317	-	1,603,317	-
Federal and other grants	432,021	-	432,021	-
Unrestricted (deficit)	<u>(13,255,530)</u>	<u>3,717,562</u>	<u>(9,537,968)</u>	<u>40,141</u>
Total net position	<u>\$ 33,431,981</u>	<u>\$ 18,046,685</u>	<u>\$ 51,478,666</u>	<u>\$ 40,141</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, 2016

	<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	\$ 5,299,633	\$ 2,816,339	\$ 1,555	\$ -
Security of persons and property	15,959,086	1,511,930	160,833	3,518
Public health and welfare	631,709	9,016	61,731	-
Transportation	7,352,641	120,094	1,542,246	-
Basic utility services	2,063,026	-	5,500	-
Leisure time activities	3,191,927	1,971,094	-	-
Economic development	271,870	12,524	-	-
Interest and fiscal charges	668,492	-	-	-
Total governmental activities	<u>35,438,384</u>	<u>6,440,997</u>	<u>1,771,865</u>	<u>3,518</u>
Business-type activities:				
Springvale golf course and ballroom	1,665,971	1,739,923	-	-
Sewer revenue	<u>8,005,368</u>	<u>10,039,509</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>9,671,339</u>	<u>11,779,432</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 45,109,723</u>	<u>\$ 18,220,429</u>	<u>\$ 1,771,865</u>	<u>\$ 3,518</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
- Special item - loss on disposal of capital assets
- Total general revenues, transfers and special item
- 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.
\$ (2,481,739)	\$ -	\$ (2,481,739)	\$ -
(14,282,805)	-	(14,282,805)	-
(560,962)	-	(560,962)	-
(5,690,301)	-	(5,690,301)	-
(2,057,526)	-	(2,057,526)	-
(1,220,833)	-	(1,220,833)	-
(259,346)	-	(259,346)	-
(668,492)	-	(668,492)	-
<u>(27,222,004)</u>	<u>-</u>	<u>(27,222,004)</u>	<u>-</u>
-	73,952	73,952	-
-	2,034,141	2,034,141	-
-	2,108,093	2,108,093	-
<u>(27,222,004)</u>	<u>2,108,093</u>	<u>(25,113,911)</u>	<u>-</u>
-	-	-	(36)
5,052,530	-	5,052,530	-
831,214	-	831,214	-
207,819	-	207,819	-
206,291	-	206,291	-
3,324,927	-	3,324,927	-
10,871,939	-	10,871,939	-
2,329,701	-	2,329,701	-
2,329,701	-	2,329,701	-
2,569,538	-	2,569,538	-
64,238	-	64,238	-
63,590	-	63,590	-
27,851,488	-	27,851,488	-
52,640	(52,640)	-	-
-	(3,454,506)	(3,454,506)	-
<u>27,904,128</u>	<u>(3,507,146)</u>	<u>24,396,982</u>	<u>-</u>
682,124	(1,399,053)	(716,929)	(36)
32,749,857	19,445,738	52,195,595	40,177
\$ <u>33,431,981</u>	\$ <u>18,046,685</u>	\$ <u>51,478,666</u>	\$ <u>40,141</u>

City of North Olmsted, Ohio

Balance Sheet Governmental Funds

December 31, 2016

	<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	\$ 5,639,248	\$ 4,106,980	\$ 2,615,620	\$ 5,282,305	\$ 17,644,153
Income taxes receivable	2,892,115	619,739	-	619,739	4,131,593
Taxes receivable - property and other	5,647,050	-	1,191,476	2,274,512	9,113,038
Intergovernmental receivable	647,344	3,540	218,630	988,174	1,857,688
Accounts receivable	360,775	-	-	23,154	383,929
Materials and supplies inventory	241,182	-	-	76,432	317,614
Prepaid items	105,768	-	-	26,673	132,441
Non-current assets:					
Advances to other funds	<u>936,613</u>	<u>-</u>	<u>4,212,992</u>	<u>-</u>	<u>5,149,605</u>
Total assets	<u>\$ 16,470,095</u>	<u>\$ 4,730,259</u>	<u>\$ 8,238,718</u>	<u>\$ 9,290,989</u>	<u>\$ 38,730,061</u>
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Accounts and contracts payable	\$ 188,941	\$ -	\$ -	\$ 261,335	\$ 450,276
Accrued wages and benefits	622,121	-	-	52,192	674,313
Matured compensated absences	48,034	-	-	-	48,034
Intergovernmental payable	<u>1,762</u>	<u>-</u>	<u>-</u>	<u>5,059</u>	<u>6,821</u>
Total liabilities	<u>860,858</u>	<u>-</u>	<u>-</u>	<u>318,586</u>	<u>1,179,444</u>
Deferred inflows or resources:					
Property taxes	5,478,257	-	1,111,700	2,174,859	8,764,816
Payments in lieu of taxes	-	-	-	170,424	170,424
Unavailable revenues	<u>2,161,826</u>	<u>285,161</u>	<u>298,406</u>	<u>948,314</u>	<u>3,693,707</u>
Total deferred inflows of resources	<u>7,640,083</u>	<u>285,161</u>	<u>1,410,106</u>	<u>3,293,597</u>	<u>12,628,947</u>
Fund balances:					
Nonspendable	1,283,563	-	-	103,105	1,386,668
Restricted	-	4,445,098	6,828,612	5,328,228	16,601,938
Committed	62,454	-	-	252,989	315,443
Assigned	4,684,994	-	-	-	4,684,994
Unassigned (deficit)	<u>1,938,143</u>	<u>-</u>	<u>-</u>	<u>(5,516)</u>	<u>1,932,627</u>
Total fund balances	<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>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,470,095</u>	<u>\$ 4,730,259</u>	<u>\$ 8,238,718</u>	<u>\$ 9,290,989</u>	<u>\$ 38,730,061</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, 2016

Total governmental fund balances \$ 24,921,670

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. 47,827,169

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

Property and other taxes	\$ 321,522	
Municipal income taxes	1,877,474	
Intergovernmental	1,347,412	
Charges for services	<u>147,299</u>	
Total		3,693,707

In the Statement of Activities, interest is accrued on outstanding long-term obligations, whereas in governmental funds, an interest expenditure is reported when due. (53,539)

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

Police pension liability	(74,088)	
General obligation bonds	(17,790,965)	
Deferred charge on refunding	292,461	
Long-term notes	(1,605,000)	
Capital leases payable	(94,676)	
Compensated absences	<u>(4,951,974)</u>	
Total		(24,224,242)

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	3,666,572	
Internal balances	<u>(528,540)</u>	
Total		3,138,032

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	36,840	
Deferred Outflows	8,275,798	
Net Pension Liability	(29,855,265)	
Deferred Inflows	<u>(328,189)</u>	
Total		<u>(21,870,816)</u>

Net position of governmental activities \$ 33,431,981

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, 2016

	<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	\$ 4,671,181	\$ -	\$ 2,271,734	\$ 2,622,805	\$ 9,565,720
Municipal income taxes	10,698,133	2,292,457	-	2,292,457	15,283,047
Payments in lieu of taxes	-	-	-	530,152	530,152
Charges for services	1,807,926	-	-	1,982,360	3,790,286
Fines, licenses and permits	2,095,675	-	-	356,098	2,451,773
Intergovernmental	1,562,659	7,080	437,260	1,932,111	3,939,110
Investment income	58,485	-	4,251	1,502	64,238
Miscellaneous income	37,987	-	-	70,263	108,250
Total revenues	<u>20,932,046</u>	<u>2,299,537</u>	<u>2,713,245</u>	<u>9,787,748</u>	<u>35,732,576</u>
Expenditures:					
Current:					
General government	4,470,446	-	-	133,336	4,603,782
Security of persons and property	12,707,235	-	-	1,133,749	13,840,984
Public health and welfare	481,120	-	-	66,314	547,434
Transportation	2,237,521	1,709,825	-	1,704,298	5,651,644
Basic utility services	-	-	-	2,056,094	2,056,094
Leisure time activities	-	-	-	2,863,912	2,863,912
Economic development	280,818	-	-	47,258	328,076
Capital outlay	-	-	-	421,515	421,515
Debt service:					
Principal	14,864	-	3,372,000	956,744	4,343,608
Interest and fiscal charges	3,667	-	448,076	277,504	729,247
Issuance costs	-	13,098	3,950	-	17,048
Total expenditures	<u>20,195,671</u>	<u>1,722,923</u>	<u>3,824,026</u>	<u>9,660,724</u>	<u>35,403,344</u>
Excess (deficiency) of revenues over expenditures	<u>736,375</u>	<u>576,614</u>	<u>(1,110,781)</u>	<u>127,024</u>	<u>329,232</u>
Other financing sources (uses):					
Issuance of notes	-	1,605,000	-	-	1,605,000
Premium on issuance of notes	-	7,383	-	-	7,383
Sale of capital assets	20,176	-	-	-	20,176
Transfers - in	60,200	-	1,607,409	30,000	1,697,609
Transfers - out	<u>(30,000)</u>	<u>(1,509,409)</u>	<u>-</u>	<u>(105,560)</u>	<u>(1,644,969)</u>
Total other financing sources (uses)	<u>50,376</u>	<u>102,974</u>	<u>1,607,409</u>	<u>(75,560)</u>	<u>1,685,199</u>
Net change in fund balances	786,751	679,588	496,628	51,464	2,014,431
Fund balances, beginning of year	<u>7,182,403</u>	<u>3,765,510</u>	<u>6,331,984</u>	<u>5,627,342</u>	<u>22,907,239</u>
Fund balances, end 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>

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, 2016

Net change in fund balances - total governmental funds \$ 2,014,431

*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	\$ 2,534,759	
Depreciation expense	<u>(4,501,527)</u>	
Total		(1,966,768)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. (9,743)

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	57,061	
Municipal income taxes	248,294	
Charges for services	48,517	
Intergovernmental	<u>(36,396)</u>	
Total		317,476

Other financing sources in the governmental funds increase long-term liabilities in the Statement of Net Position. (1,605,000)
Long-term notes

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	4,267,000	
Police pension liability	3,640	
Capital leases	<u>72,968</u>	
Total		4,343,608

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	20,715	
Compensated absences	(138,283)	
Amortization of premium	111,986	
Amortization of deferred loss on refunding	<u>(54,898)</u>	
Total		(60,480)

(Continued)

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, 2016

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	(588,342)	
Internal balances	<u>74,504</u>	
Total		(513,838)

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

2,328,361

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

(4,165,923)

Change in net position of governmental activities

\$ 682,124

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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 9,980,800	\$ 10,549,400	\$ 10,612,074	\$ 62,674
Property and other local taxes	4,590,923	4,590,923	4,672,742	81,819
Charges for services	1,976,000	1,974,000	1,916,702	(57,298)
Licenses and permits	1,226,100	1,706,100	1,824,176	118,076
Fines, licenses and permits	256,000	256,000	273,267	17,267
Intergovernmental	1,276,216	1,343,216	1,454,307	111,091
Investment income	40,000	60,000	70,174	10,174
Miscellaneous income	<u>25,000</u>	<u>25,000</u>	<u>20,967</u>	<u>(4,033)</u>
Total revenues	<u>19,371,039</u>	<u>20,504,639</u>	<u>20,844,409</u>	<u>339,770</u>
Expenditures:				
Current:				
General government	4,714,762	4,889,611	4,428,560	461,051
Security of persons and property	12,688,335	12,688,336	12,073,906	614,430
Public health and welfare	522,583	522,583	460,221	62,362
Transportation	3,728,687	3,725,214	2,804,692	920,522
Basic utility services	20,300	23,775	20,778	2,997
Economic development	<u>335,045</u>	<u>334,295</u>	<u>294,482</u>	<u>39,813</u>
Total expenditures	<u>22,009,712</u>	<u>22,183,814</u>	<u>20,082,639</u>	<u>2,101,175</u>
Excess (deficiency) of revenues over expenditures	<u>(2,638,673)</u>	<u>(1,679,175)</u>	<u>761,770</u>	<u>2,440,945</u>
Other financing sources (uses):				
Sales of capital assets	30,000	30,000	25,525	(4,475)
Transfers - in	50,000	50,000	50,000	-
Advances - out	-	(497)	-	497
Transfers - out	<u>(455,800)</u>	<u>(457,786)</u>	<u>(440,800)</u>	<u>16,986</u>
Total other financing sources (uses)	<u>(375,800)</u>	<u>(378,283)</u>	<u>(365,275)</u>	<u>13,008</u>
Net change in fund balance	(3,014,473)	(2,057,458)	396,495	2,453,953
Prior year encumbrances	418,027	418,027	418,027	-
Fund balance, beginning of year	<u>2,985,002</u>	<u>2,985,002</u>	<u>2,985,002</u>	<u>-</u>
Fund balance, end of year	\$ <u>388,556</u>	\$ <u>1,345,571</u>	\$ <u>3,799,524</u>	\$ <u>2,453,953</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, 2016

	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	\$ 460,445	\$ 7,726,585	\$ 8,187,030	\$ 4,242,737
Materials and supplies inventory	33,229	172,878	206,107	-
Prepaid items	10,480	68,631	79,111	-
Intergovernmental receivable	-	<u>2,817,355</u>	<u>2,817,355</u>	-
Total current assets	<u>504,154</u>	<u>10,785,449</u>	<u>11,289,603</u>	<u>4,242,737</u>
Non-current assets:				
Non-depreciable capital assets	2,370,181	197,661	2,567,842	-
Depreciable capital assets, net	2,622,070	66,519,121	69,141,191	-
Net pension asset	<u>2,566</u>	<u>8,751</u>	<u>11,317</u>	-
Total non-current assets	<u>4,994,817</u>	<u>66,725,533</u>	<u>71,720,350</u>	-
Total assets	<u>5,498,971</u>	<u>77,510,982</u>	<u>83,009,953</u>	<u>4,242,737</u>
Deferred outflows or resources:				
Deferred loss on refunding	71,480	39,044	110,524	-
Pension	<u>223,172</u>	<u>761,521</u>	<u>984,693</u>	-
Total deferred outflows or resources	<u>294,652</u>	<u>800,565</u>	<u>1,095,217</u>	-
Liabilities:				
Current:				
Accounts and contracts payable	41,608	91,190	132,798	47,867
Accrued wages and benefits	11,321	67,438	78,759	-
Intergovernmental payable	154	13,259	13,413	8,712
Retainage payable	-	81,061	81,061	-
Accrued interest payable	8,592	717,427	726,019	-
Claims payable	-	-	-	510,701
Accrued compensated absences	23,883	145,766	169,649	-
Capital lease payable	9,416	800	10,216	-
General obligation bond payable	480,000	61,000	541,000	-
OWDA loan payable	-	<u>2,463,801</u>	<u>2,463,801</u>	-
Total current liabilities	<u>574,974</u>	<u>3,641,742</u>	<u>4,216,716</u>	<u>567,280</u>
Long-term liabilities (net of current portion):				
Advances from other funds	4,455,555	694,050	5,149,605	-
Claims payable	-	-	-	8,885
Accrued compensated absences	22,610	247,804	270,414	-
Capital lease payable	-	2,675	2,675	-
General obligation bonds payable	2,158,758	243,304	2,402,062	-
OWDA loan payable	-	51,989,619	51,989,619	-
Net pension liability	<u>566,084</u>	<u>1,931,637</u>	<u>2,497,721</u>	-
Total long-term liabilities	<u>7,203,007</u>	<u>55,109,089</u>	<u>62,312,096</u>	<u>8,885</u>
Total liabilities	<u>7,777,981</u>	<u>58,750,831</u>	<u>66,528,812</u>	<u>576,165</u>
Deferred inflows of resources:				
Pension	<u>13,195</u>	<u>45,018</u>	<u>58,213</u>	-
Net position:				
Net investment in capital assets	2,415,557	11,913,566	14,329,123	-
Unrestricted (deficit)	<u>(4,413,110)</u>	<u>7,602,132</u>	<u>3,189,022</u>	<u>3,666,572</u>
Total net position	\$ <u>(1,997,553)</u>	\$ <u>19,515,698</u>	<u>17,518,145</u>	\$ <u>3,666,572</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>528,540</u>	
		Net position business-type activities	\$ <u>18,046,685</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, 2016

	Business-Type Activities – Enterprise Funds			Governmental Activities
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Operating revenues:				
Charges for services	\$ 1,739,923	\$ 10,039,509	\$ 11,779,432	\$ 3,010,119
Refunds	-	-	-	7,487
Total operating revenues	<u>1,739,923</u>	<u>10,039,509</u>	<u>11,779,432</u>	<u>3,017,606</u>
Operating expenses:				
Salaries	477,487	1,627,446	2,104,933	-
Benefits	119,772	614,400	734,172	-
Contractual services	367,857	1,708,024	2,075,881	598,388
Materials and supplies	346,871	378,167	725,038	-
Claims	-	-	-	3,007,560
Depreciation	227,964	1,973,196	2,201,160	-
Total operating expenses	<u>1,539,951</u>	<u>6,301,233</u>	<u>7,841,184</u>	<u>3,605,948</u>
Operating income	199,972	3,738,276	3,938,248	(588,342)
Non-operating revenues (expenses):				
Interest and fiscal charges	(126,810)	(1,512,401)	(1,639,211)	-
Loss on disposal of capital assets	-	(116,440)	(116,440)	-
Total	<u>(126,810)</u>	<u>(1,628,841)</u>	<u>(1,755,651)</u>	<u>-</u>
Income before transfers and special item	73,162	2,109,435	2,182,597	(588,342)
Transfers - out	(4,280)	(48,360)	(52,640)	-
Special item - loss on disposal of capital assets	-	(3,454,506)	(3,454,506)	-
Change in net position	68,882	(1,393,431)	(1,324,549)	(588,342)
Net position, beginning of year	<u>(2,066,435)</u>	<u>20,909,129</u>		<u>4,254,914</u>
Net position, end of year	\$ <u>(1,997,553)</u>	\$ <u>19,515,698</u>		\$ <u>3,666,572</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>(74,504)</u>
Change in net position business-type activities	\$ <u>(1,399,053)</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, 2016

	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	\$ 1,739,923	\$ 9,691,674	\$ 11,431,597	\$ 3,010,119
Refunds	-	-	-	7,487
Cash paid for goods and services	(352,800)	(1,774,785)	(2,127,585)	(593,770)
Cash paid for materials and supplies	(361,399)	(405,649)	(767,048)	-
Cash paid for employee services and benefits	(559,108)	(2,187,815)	(2,746,923)	-
Cash paid for claims	-	-	-	(2,606,514)
Net cash provided by (used for) operating activities	<u>466,616</u>	<u>5,323,425</u>	<u>5,790,041</u>	<u>(182,678)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(136,298)	(557,252)	(693,550)	-
Proceeds from capital debt – loans	-	41,522	41,522	-
Capital lease principal paid	(9,416)	(1,067)	(10,483)	-
Capital lease interest paid	-	(45)	(45)	-
Loan principal paid - OPWC	-	(65,167)	(65,167)	-
Loan principal paid - OWDA	-	(2,445,565)	(2,445,565)	-
Loan interest paid	-	(1,478,882)	(1,478,882)	-
General obligation bonds principal paid	(504,000)	(1,399,000)	(1,903,000)	-
General obligation bonds interest paid	(121,679)	(70,492)	(192,171)	-
Net cash used for capital and related financing activities	<u>(771,393)</u>	<u>(5,975,948)</u>	<u>(6,747,341)</u>	<u>-</u>
Cash flows from noncapital financing activities:				
Advances - in	540,564	29,834	570,398	-
Transfers - out	(4,280)	(48,360)	(52,640)	-
Net cash provided by (used for) noncapital financing activities	<u>536,284</u>	<u>(18,526)</u>	<u>517,758</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	231,507	(671,049)	(439,542)	(182,678)
Cash and cash equivalents, beginning of year	<u>228,938</u>	<u>8,397,634</u>	<u>8,626,572</u>	<u>4,425,415</u>
Cash and cash equivalents, end of year	\$ <u>460,445</u>	\$ <u>7,726,585</u>	\$ <u>8,187,030</u>	\$ <u>4,242,737</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, 2016

	Business-Type Activities – Enterprise Funds			Governmental
	Springvale Golf Course and Ballroom	Sewer Revenue	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ 199,972	\$ 3,738,276	\$ 3,938,248	\$ (588,342)
Adjustments:				
Depreciation	227,964	1,973,196	2,201,160	-
Changes in assets and liabilities:				
Materials and supplies inventory	(7,582)	(13,896)	(21,478)	-
Intergovernmental receivable	-	(347,835)	(347,835)	-
Prepaid items	(584)	16,988	16,404	-
Net pension asset	(1,262)	(3,882)	(5,144)	-
Deferred outflows – pension	42,358	157,046	199,404	-
Accounts and contracts payable	8,695	(108,514)	(99,819)	(491)
Accrued wages and benefits	3,283	13,640	16,923	-
Intergovernmental payable	-	11,179	11,179	5,109
Claims payable	-	-	-	401,046
Matured compensated absences	-	(15,313)	(15,313)	-
Accrued compensated absences	8,012	39,205	47,217	-
Net pension liability	(7,070)	(112,200)	(119,270)	-
Deferred inflows - pension	(7,170)	(24,465)	(31,635)	-
Net cash provided (used) by operating activities	\$ <u>466,616</u>	\$ <u>5,323,425</u>	\$ <u>5,790,041</u>	\$ <u>(182,678)</u>
Non-cash capital financing activities:				
Change in capital assets purchased on credit	\$ 18,715	\$ 17,001	\$ 35,716	\$ -
Amortization of premium on bonds classified as interest expense	(5,292)	(14,382)	(19,674)	-
Amortization of deferred loss on refunding classified as interest expense	8,660	7,809	16,469	-

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, 2016

Assets:	
Equity in pooled cash and cash equivalents	\$ <u>744,410</u>
Liabilities:	
Deposits held and due to others	\$ <u>744,410</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2016

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.) provided 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. operated on a fiscal year ending December 31 and the only revenues generated related to the sale of assets. 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, 2016

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, 2016

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, 2016

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, 2016

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, 2016

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, 2016, 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, 2016, 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 a 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, 2016

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, 2016, but which were levied to finance fiscal year 2017 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, 2016

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 2016, investments were limited to STAR Ohio, negotiable certificates of deposit, money market accounts, U.S. agency securities, and municipal bonds.

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 2016, 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 2016 amounted to \$58,485, which includes \$47,473 assigned from other City funds.

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

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 expensed/expensed when used. Inventory consists of expendable supplies.

H. Prepaid Items

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

I. Capital Assets

General capital assets are 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 fair market 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, 2016

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, 2016

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, 2016

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 circumstances when the balance can be appropriated are not sufficiently detailed, the balance of \$373,000 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 \$18,058,522 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, 2016

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 did not have any contributions of capital for the year ended December 31, 2016.

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, 2016

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. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are unusual in nature or infrequent in occurrence. During 2016, the City disposed of capital assets associated with the completion of the new wastewater treatment plant that had a remaining net book value of \$3,454,506. The average remaining estimated useful life of the disposed capital assets was less than 6 years. This transaction was recorded as a special item.

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 2015 financial statements in order to conform to the 2016 presentation.

Note 3: Change in Accounting Principles

For the year ended December 31, 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, GASB Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and GASB Statement No. 82, *Pension Issues-an Amendment of GASB Statements No. 67, No. 68 and No. 73*.

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated into the City's financial statements; however, there was no effect on beginning net position.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 3: Change in Accounting Principles (continued)

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68. These changes were incorporated in the City's financial statements; however, there was no effect on beginning net position.

GASB Statement No. 76 identifies in the context of the current governmental financial reporting environment - the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. These changes were incorporated into the City's financial statements; however, there was no effect on the beginning net position.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure, for financial reporting purposes, all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance and also establishes additional note disclosure requirements for governments that participate in those pools. The City incorporated the corresponding GASB 79 guidance into their financial statements; however, there was no effect on beginning net position.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the City's financial statements; however, there was no effect on beginning net position.

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	\$ 936,613	\$ -	\$ -	\$ -	\$ 936,613
Inventory	241,182	-	-	76,432	317,614
Prepays	<u>105,768</u>	<u>-</u>	<u>-</u>	<u>26,673</u>	<u>132,441</u>
Total nonspendable	<u>1,283,563</u>	<u>-</u>	<u>-</u>	<u>103,105</u>	<u>1,386,668</u>

(Continued)

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

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	-	-	-	5,797	5,797
Recreation	-	-	-	16,076	16,076
Court computer	-	-	-	14,669	14,669
Alcohol education	-	-	-	25,401	25,401
Drug and law enforcement	-	-	-	49,046	49,046
Police and fire pension	-	-	-	9,190	9,190
Emergency medical services	-	-	-	2,773	2,773
Motor vehicle license tax	-	-	-	138,181	138,181
State highway	-	-	-	438,360	438,360
Street maintenance	-	-	-	318,756	318,756
Public way management	-	-	-	16,923	16,923
Solid waste management	-	-	-	1,318,156	1,318,156
Great Northern TIF	-	-	-	1,030,957	1,030,957
Endowments and grants	-	-	-	250,545	250,545
CDBG	-	-	-	2,708	2,708
Title III grant	-	-	-	40,551	40,551
Fair capacity housing	-	-	-	104,176	104,176
FEMA grant	-	-	-	18,500	18,500
Federal grants	-	-	-	15,541	15,541
Debt service payments	-	-	6,828,612	1,264,921	8,093,533
Permanent improvements	-	4,445,098	-	-	4,445,098
Capital improvements	-	-	-	<u>247,001</u>	<u>247,001</u>
Total restricted	<u>-</u>	<u>4,445,098</u>	<u>6,828,612</u>	<u>5,328,228</u>	<u>16,601,938</u>
Committed to:					
Economic development	-	-	-	47,734	47,734
Senior center	-	-	-	11,288	11,288
Clague Park	-	-	-	3,065	3,065
Hotel/motel tax	-	-	-	51,799	51,799
STOP program	-	-	-	139,103	139,103
Purchases on order	<u>62,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,454</u>
Total committed	<u>62,454</u>	<u>-</u>	<u>-</u>	<u>252,989</u>	<u>315,443</u>
Assigned to:					
Separation pay	1,481,681	-	-	-	1,481,681
27 th pay	76,000	-	-	-	76,000
Year 2017 appropriations	3,004,321	-	-	-	3,004,321
Purchases on order	<u>122,992</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,992</u>
Total assigned	<u>4,684,994</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,684,994</u>
Unassigned	<u>1,938,143</u>	<u>-</u>	<u>-</u>	<u>(5,516)</u>	<u>1,932,627</u>
Total fund balance	\$ <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>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 5: Accountability

There is a deficit in the Casualty Loss Fund of \$5,516. The deficit is the result of a payable for an insurance settlement. The General Fund is liable for a deficit in this fund and provides operating 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) 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.

Net Change in Fund Balance

	<u>General</u>
GAAP basis	\$ 786,751
Increase (decrease) due to:	
Revenue accruals	(20,599)
Expenditure accruals	(259,749)
Outstanding encumbrances	(245,698)
Fair value adjustment for investments	(11,689)
To reclassify the net change in fund balance for funds combined with the General Fund for GASB 54	<u>147,479</u>
Budget basis	\$ <u>396,495</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

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;
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 two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Investment grade obligations of state and local governments, and public authorities;
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;

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 7: Deposits and Investments (continued)

6. The State Treasurer’s investment pool (STAR Ohio) and,
7. 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.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City’s deposits may not be returned to it. Protection of the City’s deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds or by a single collateral pool established by the financial institution. The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by eligible securities pledged to and deposited either within the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105% of the deposits being secured.

At year-end, the carrying amount of the City’s deposits was \$21,500,839 and the bank balance was \$22,004,771. Of the bank balance \$11,153,313 was covered by the Federal Depository Insurance Corporation and \$10,851,458 was uninsured and collateralized with securities held by the pledging institution’s trust department, not in the City’s name.

Investments

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

	<u>Fair Value</u>	Maturities (in years) <u>Less than 1</u>	Maturities (in years) <u>More than 1</u>
Municipal bonds	\$ 138,726	\$ 138,726	\$ -
U.S. agency securities	764,896	-	764,896
STAR Ohio	<u>8,413,869</u>	<u>8,413,869</u>	<u>-</u>
Total	<u>\$ 9,317,491</u>	<u>\$ 8,552,595</u>	<u>\$ 764,896</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 7: Deposits and Investments (continued)

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

The City has the following recurring fair value measurements as of December 31, 2016:

- Municipal bonds and U.S. agency securities are valued based on Level 2 inputs using matrix pricing techniques.
- STAR Ohio is measured based on amortized cost.

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 carries an "AAAm" money market rating by Standard & Poor's. The municipal bonds and U.S. agency securities carry an "A2" and "AAA" rating by Moody's, respectively.

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2016:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Municipal bonds	1.5%
U.S. agency securities	8.2%
STAR Ohio	90.3%

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 8: Receivables

Receivables at December 31, 2016, 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 2016 for real and public utility property taxes represents collections of the 2015 taxes.

Real property taxes are levied after October 1, 2016, on the assessed value as of January 1, 2016, the lien date. Assessed values are established by State law at 35% of appraised market value. 2016 real property taxes are collected in and intended to finance 2017. 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. 2016 public utility property taxes which became a lien on December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2016, was \$13.30 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2016 property tax receipts were based as follows:

Real estate	
Residential/Agriculture	\$ 529,768,620
Commercial/Industrial/Mineral	240,462,420
Public utility tangible personal property	<u>15,858,070</u>
Total valuation	\$ <u>786,089,110</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, 2016 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 2016 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 8: Receivables (continued)

B. Income Taxes

The City levies and collects an income tax of two percent 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).

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental activities:	
Local government	\$ 327,405
Homestead and rollback	594,385
Gasoline tax	540,207
CAT tax reimbursement	71,151
Permissive tax	18,296
Auto registration	108,227
Miscellaneous	27,593
Payments in lieu of taxes	<u>170,424</u>
Total governmental activities	1,857,688
Business-type activities:	
Sewer charges	<u>2,817,355</u>
Total	\$ <u><u>4,675,043</u></u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 9: Capital Assets

A summary of changes in capital assets during 2016 follows:

	Balance 12/31/15	Additions	Disposals	Reclassifications and Transfers	Balance 12/31/16
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 4,445,992	\$ -	\$ -	\$ -	\$ 4,445,992
Art	23,000	-	-	-	23,000
Construction in progress	<u>2,479,979</u>	<u>579,770</u>	<u>(2,203,499)</u>	<u>-</u>	<u>856,250</u>
Total capital assets not being depreciated	<u>6,948,971</u>	<u>579,770</u>	<u>(2,203,499)</u>	<u>-</u>	<u>5,325,242</u>
Capital assets, being depreciated:					
Land improvements	1,998,553	-	-	-	1,998,553
Buildings and improvements	31,648,522	1,704,761	-	-	33,353,283
Furniture and fixtures	546,048	58,531	-	-	604,579
Vehicles and equipment	10,626,035	559,098	(256,542)	(26,851)	10,901,740
Infrastructure:					
Roads	141,243,084	1,478,699	-	-	142,721,783
Bridges and culverts	<u>3,190,320</u>	<u>357,399</u>	<u>-</u>	<u>-</u>	<u>3,547,719</u>
Total capital assets, being depreciated	<u>189,252,562</u>	<u>4,158,488</u>	<u>(256,542)</u>	<u>(26,851)</u>	<u>193,127,657</u>
Less accumulated depreciation:					
Land improvements	(933,186)	(74,236)	-	-	(1,007,422)
Buildings and improvements	(17,568,727)	(693,372)	-	-	(18,262,099)
Furniture and fixtures	(504,133)	(6,275)	-	-	(510,408)
Vehicles and equipment	(8,029,588)	(427,100)	246,799	26,851	(8,183,038)
Infrastructure:					
Roads	(117,423,011)	(3,220,183)	-	-	(120,643,194)
Bridges and culverts	<u>(1,939,208)</u>	<u>(80,361)</u>	<u>-</u>	<u>-</u>	<u>(2,019,569)</u>
Total accumulated depreciation	<u>(146,397,853)</u>	<u>(4,501,527)</u>	<u>246,799</u>	<u>26,851</u>	<u>(150,625,730)</u>
Total capital assets, being depreciated, net	<u>42,854,709</u>	<u>(343,039)</u>	<u>(9,743)</u>	<u>-</u>	<u>42,501,927</u>
Total governmental capital assets, net	\$ <u>49,803,680</u>	\$ <u>236,731</u>	\$ <u>(2,213,242)</u>	\$ <u>-</u>	\$ <u>47,827,169</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 428,083
Security of persons and property	409,784
Transportation	3,458,246
Public health and welfare	9,833
Leisure time activities	191,321
Economic development	<u>4,260</u>
Total depreciation expense	\$ <u>4,501,527</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 9: Capital Assets (continued)

	Balance 12/31/15	Additions	Disposals	Reclassifications and Transfers	Balance 12/31/16
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 2,340,714	\$ -	\$ -	\$ -	\$ 2,340,714
Construction in progress	<u>45,412,758</u>	<u>283,491</u>	<u>(45,469,121)</u>	<u>-</u>	<u>227,128</u>
Total capital assets not being depreciated	<u>47,753,472</u>	<u>283,491</u>	<u>(45,469,121)</u>	<u>-</u>	<u>2,567,842</u>
Capital assets, being depreciated:					
Land improvements	2,326,224	1,846,797	-	-	4,173,021
Buildings and improvements	21,580,069	26,190,187	(2,615,922)	-	45,154,334
Furniture and fixtures	81,047	-	-	-	81,047
Vehicles and equipment	40,967,486	17,815,582	(24,945,904)	26,851	33,864,015
Sanitary sewer lines	<u>18,243,334</u>	<u>62,330</u>	<u>-</u>	<u>-</u>	<u>18,305,664</u>
Total capital assets, being depreciated	<u>83,198,160</u>	<u>45,914,896</u>	<u>(27,561,826)</u>	<u>26,851</u>	<u>101,578,081</u>
Less accumulated depreciation:					
Land improvements	(1,303,607)	(137,476)	-	-	(1,441,083)
Buildings and improvements	(16,221,214)	(646,929)	2,499,860	-	(14,368,283)
Furniture and fixtures	(68,145)	(782)	-	-	(68,927)
Vehicles and equipment	(26,997,282)	(1,068,946)	21,491,020	(26,851)	(6,602,059)
Sanitary sewer lines	<u>(9,609,511)</u>	<u>(347,027)</u>	<u>-</u>	<u>-</u>	<u>(9,956,538)</u>
Total accumulated depreciation	<u>(54,199,759)</u>	<u>(2,201,160)</u>	<u>23,990,880</u>	<u>(26,851)</u>	<u>(32,436,890)</u>
Total capital assets, being depreciated, net	<u>28,998,401</u>	<u>43,713,736</u>	<u>(3,570,946)</u>	<u>-</u>	<u>69,141,191</u>
Total business-type capital assets, net	\$ <u>76,751,873</u>	\$ <u>43,997,227</u>	\$ <u>(49,040,067)</u>	\$ <u>-</u>	\$ <u>71,709,033</u>

During the year, the City transferred a vehicle from the Governmental Activities to the Sewer Revenue Fund. The vehicle had a cost basis of \$26,851 and accumulated depreciation of \$26,851. This transfer is reported in the reclassifications and 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.

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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 10: Defined Benefit Pension Plans (continued)

A. Net Pension Liability (continued)

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 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.

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, 2016

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 plan has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% 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 plan.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

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 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 (the defined benefit element) and a defined contribution element. Eligibility regarding age and years of service in the Combined plan is the same as the Traditional 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 Traditional plan.

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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 10: Defined Benefit Pension Plans (continued)

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

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

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

In 2016, the City's contractually required contribution, net of post-employment health care benefits, was \$1,038,100. Of this amount, \$138,240 is reported as accrued wages and benefits at December 31, 2016.

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

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

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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 10: Defined Benefit Pension Plans (continued)

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5% 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 Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighter</u>
2016 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %
2016 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:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %

In 2016, the City's contractually required contribution, net of post-employment health care benefits was \$1,534,192. Of this amount, \$221,530 is reported as accrued wages and benefits at December 31, 2016.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

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

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. 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	0.062146%	0.117384%	0.341655%	
Proportion of the net pension liability (asset) current measurement date	<u>0.061367%</u>	<u>0.098960%</u>	<u>0.337684%</u>	
Change in Proportionate Share	(0.000779%)	(0.018424%)	(0.003971%)	
Proportionate share of the net pension liability (asset)	\$ 10,629,538	\$ (48,157)	\$ 21,723,448	\$ 32,304,829
Pension expense	\$ 1,484,137	\$ 26,252	\$ 2,942,824	\$ 4,453,213

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

	<u>OPERS Traditional</u>	<u>OPERS Combined</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflow of resources				
City contributions subsequent to the measurement date	\$ 992,473	\$ 45,627	\$ 1,534,192	\$ 2,572,292
Differences in employer contributions and change in proportionate share	-	7,242	-	7,242
Net difference between projected and actual earnings on pension plan investments	<u>3,124,421</u>	<u>20,792</u>	<u>3,535,744</u>	<u>6,680,957</u>
Total deferred outflow of resources	\$ <u>4,116,894</u>	\$ <u>73,661</u>	\$ <u>5,069,936</u>	\$ <u>9,260,491</u>
Deferred inflow of resources				
Differences in employer contributions and change in proportionate share	\$ 20,388	\$ -	\$ 77,659	\$ 98,047
Difference between expected and actual experience	<u>205,383</u>	<u>21,974</u>	<u>60,998</u>	<u>288,355</u>
Total deferred inflow of resources	\$ <u>225,771</u>	\$ <u>21,974</u>	\$ <u>138,657</u>	\$ <u>386,402</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

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)

The \$2,572,292 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending December 31:	OPERS		OPERS		OP&F	Total
	Traditional		Combined			
2017	\$ 673,934	\$	3,426	\$	904,342	\$ 1,581,702
2018	723,896		3,426		904,342	1,631,664
2019	793,766		3,426		904,342	1,701,534
2020	707,054		2,846		715,854	1,425,754
2021	-		(1,917)		(26,716)	(28,633)
2022-2025	-		(5,147)		(5,077)	(10,224)
	\$ <u>2,898,650</u>	\$	<u>6,060</u>	\$	<u>3,397,087</u>	\$ <u>6,301,797</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.

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

Experience Study	OPERS	
	<u>Traditional Plan</u>	<u>Combined Plan</u>
Actuarial Cost Method	5-year period ended	5-year period ended
Actuarial Assumptions:	December 31, 2010	December 31, 2010
Investment Rate of Return	Individual Entry Age	Individual Entry Age
Wage Inflation	8%	8%
Future Salary Increases, including 3.75% inflation	3.75%	3.75%
COLA	4.25 to 10.05%	4.25 to 8.05%
	3% Simple	3% Simple

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 10: Defined Benefit Pension Plans (continued)

E. Actuarial Assumptions – OPERS (continued)

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

OPERS manages investments in four investment portfolios: the defined benefits portfolio, the health care portfolio, the 115 health care trust portfolio and the defined contribution portfolio. The defined benefit portfolio includes the investment assets of the Traditional plan, the defined benefit component of the Combined plan, the annuitized accounts of the Member-Directed plan and the VEBA Trust. Within the defined benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return, net of investment expenses, is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the defined benefit portfolio is 0.40% for 2015.

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

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 10: Defined Benefit Pension Plans (continued)

E. Actuarial Assumptions – OPERS (continued)

Discount Rate The discount rate used to measure the total pension liability was 8%. 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.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7%) or one-percentage-point higher (9%) than the current rate:

	1% Decrease <u>(7%)</u>	Discount Rate <u>(8%)</u>	1% Increase <u>(9%)</u>
City’s proportionate share of the net pension liability – Traditional	\$ 16,935,451	\$ 10,629,538	\$ 5,310,700
City’s proportionate share of the net pension asset – Combined	\$ (990)	\$ (48,157)	\$ (86,095)

Changes between Measurement Date and Report Date In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0% to 7.5%. Although the exact amount of these changes is not known, the impact to the City’s net position liability is expected to be significant.

F. Actuarial Assumptions – OP&F

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

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 10: Defined Benefit Pension Plans (continued)

F. Actuarial Assumptions – OP&F (continued)

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.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2015 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- %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income	20.00	1.62
Global Inflation Protected	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 10: Defined Benefit Pension Plans (continued)

F. Actuarial Assumptions – OP&F (continued)

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.

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	\$ 28,650,319	\$ 21,723,448	\$ 15,855,708

Note 11: Post-Employment Benefits

A. Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional 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.

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

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 11: Post-Employment Benefits (continued)

A. Ohio Public Employees Retirement System (continued)

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

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the 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 is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, 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 plan and Combined plan was 2.0% during calendar year 2016. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% 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 into the RMA for participants in the Member-Directed plan for 2016 was 4.0%.

The City's contributions for health care for the years ended December 31, 2016, 2015, and 2014 were \$178,021, \$175,721, and \$163,930, respectively. The full amount has been contributed for 2015 and 2014. For 2016, 89% has been contributed for 2016 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 health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 11: Post-Employment Benefits (continued)

B. Ohio Police and Fire Pension Fund (continued)

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

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits 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% 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% 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, 2016 through December 31, 2016. 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, 2016, 2015, and 2014 were \$20,228 and \$16,645, \$20,652 and \$16,704, and \$19,730 and \$14,732, respectively. The full amount has been contributed for 2015 and 2014. For 2016, 87% for police and 86% 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, 2016

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 2016, self-insurance was in effect for claims up to \$100,000 per covered individual and \$3,308,955 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 \$484,046 as estimated by the third-party administrator and reported in the Hospitalization Internal Service Fund at December 31, 2016, 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 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
Unpaid claims, beginning of year	\$ 48,654	\$ 55,608
Incurred claims and adjustments	2,988,755	2,268,606
Claims payments	<u>(2,553,363)</u>	<u>(2,275,560)</u>
Unpaid claims, end of year	\$ <u>484,046</u>	\$ <u>48,654</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, 2016

Note 12: Risk Management (continued)

C. Workers' Compensation Program (continued)

The claims liability of \$35,540 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 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
Unpaid claims, beginning of year	\$ 69,886	\$ 130,407
Incurred claims and adjustments	18,804	10,970
Claims payments	<u>(53,150)</u>	<u>(71,491)</u>
Unpaid claims, end of year	\$ <u>35,540</u>	\$ <u>69,886</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
Capital improvements bonds	2006	2016	4.5	7,325,000
Fire station improvement bonds	2006	2016	4.25	3,990,000
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
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 bonds	2006	2016	4.5	450,000
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
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
OPWC sanitary sewer loan	1994	2016	0.00	2,610,456

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 13: Long-Term Obligations (continued)

Changes in long-term obligations during the year ended December 31, 2016, consisted of the following:

	Balance <u>12/31/15</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>12/31/16</u>	Amounts Due <u>in One Year</u>
Governmental activities:					
General obligation bonds:					
Various purpose bonds refunding	\$ 2,248,000	\$ -	\$ 1,677,000	\$ 571,000	\$ 124,000
Premium on various purpose bonds refunding	72,534	-	12,090	60,444	-
Library improvements refunding	3,755,000	-	680,000	3,075,000	715,000
Premium on library improvements bonds refunding	155,063	-	31,013	124,050	-
Capital improvements bonds	560,000	-	560,000	-	-
Fire station improvement bonds	195,000	-	195,000	-	-
Street improvement bonds	2,115,000	-	465,000	1,650,000	475,000
Premium on street improvement bonds	84,470	-	16,895	67,575	-
Capital improvement and equipment bonds	3,990,000	-	400,000	3,590,000	725,000
Premium on capital improvement and equipment bonds	96,316	-	12,039	84,277	-
Capital improvement and refunding bonds	6,120,000	-	270,000	5,850,000	530,000
Premium on capital improvement and refunding bonds	357,211	-	23,814	333,397	-
Fire station improvement refunding bonds	2,260,000	-	20,000	2,240,000	220,000
Premium on fire station improvement bond refunding	<u>161,357</u>	<u>-</u>	<u>16,135</u>	<u>145,222</u>	<u>-</u>
Total general obligation bonds	22,169,951	-	4,378,986	17,790,965	2,789,000
Police pension liability	77,728	-	3,640	74,088	3,797
Long-term notes	-	1,605,000	-	1,605,000	155,000
Capital lease payable	167,644	-	72,968	94,676	59,347
Claims payable	118,540	3,007,559	2,606,513	519,586	510,701
Compensated absences payable	4,813,691	916,143	777,860	4,951,974	1,917,830
Net pension liability	<u>23,351,150</u>	<u>6,504,115</u>	<u>-</u>	<u>29,855,265</u>	<u>-</u>
Total governmental activities	\$ <u>50,698,704</u>	\$ <u>12,032,817</u>	\$ <u>7,839,967</u>	\$ <u>54,891,554</u>	\$ <u>5,435,675</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 13: Long-Term Obligations (continued)

	Balance 12/31/15	Increase	Decrease	Balance 12/31/16	Amounts Due in One Year
Business - type activities:					
General obligation bonds:					
Various purpose and golf course improvements bonds refunding	\$ 4,247,000	\$ -	\$ 1,748,000	\$ 2,499,000	\$ 466,000
Premium on various purpose and golf course improvement bonds refunding	83,714	-	13,952	69,762	-
Capital improvement bonds	40,000	-	40,000	-	-
Capital improvement and equipment bonds	240,000	-	45,000	195,000	45,000
Capital improvement and refunding bonds	240,000	-	70,000	170,000	30,000
Premium on capital improvement and refunding bonds	11,626	-	2,325	9,301	-
Total general obligation bonds	4,862,340	-	1,919,277	2,943,063	541,000
OWDA sanitary sewer loans	56,857,463	41,522	2,445,565	54,453,420	2,463,801
OPWC sanitary sewer loan	65,167	-	65,167	-	-
Capital lease payable	23,374	-	10,484	12,890	10,216
Compensated absences payable	392,846	113,905	66,688	440,063	169,649
Net pension liability	1,843,485	654,236	-	2,497,721	-
Total business - type activities	\$ <u>64,044,675</u>	\$ <u>809,663</u>	\$ <u>4,507,181</u>	\$ <u>60,347,157</u>	\$ <u>3,184,666</u>

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.

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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 13: Long-Term Obligations (continued)

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, 2016.

The City's overall legal debt margin was \$68,470,792 at December 31, 2016.

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

Year	Governmental Activities			
	General Obligation Bonds		Police Pension	
	Principal	Interest	Principal	Interest
2017	\$ 2,789,000	\$ 565,060	\$ 3,797	\$ 3,109
2018	2,637,000	511,345	3,960	2,946
2019	2,596,000	454,225	4,130	2,776
2020	2,659,000	400,145	4,307	2,598
2021	1,520,000	182,213	4,492	2,413
2022-2026	4,145,000	410,562	25,525	9,001
2027-2031	630,000	56,000	27,877	3,031
Totals	\$ <u>16,976,000</u>	\$ <u>2,579,550</u>	\$ <u>74,088</u>	\$ <u>25,874</u>

Year	Governmental Activities (continued)	
	Total	
	Principal	Interest
2017	\$ 2,792,797	\$ 568,169
2018	2,640,960	514,291
2019	2,600,130	457,001
2020	2,663,307	402,743
2021	1,524,492	184,626
2022-2026	4,170,525	419,563
2027-2031	657,877	59,031
Totals	\$ <u>17,050,088</u>	\$ <u>2,605,424</u>

Year	Business-Type Activities			
	General Obligation Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest
2017	\$ 541,000	\$ 114,035	\$ 2,463,801	\$ 1,362,759
2018	578,000	93,088	2,464,652	1,301,011
2019	594,000	70,551	2,504,610	1,239,049
2020	626,000	46,718	2,545,291	1,176,062
2021	525,000	21,525	2,586,713	1,112,033
2022-2026	-	-	13,581,823	4,561,833
2027-2031	-	-	14,737,387	2,792,982
2032-2035	-	-	13,569,143	904,317
Totals	\$ <u>2,864,000</u>	\$ <u>345,917</u>	\$ <u>54,453,420</u>	\$ <u>14,450,046</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 13: Long-Term Obligations (continued)

Year	Business-Type Activities (continued)	
	Total	
	Principal	Interest
2017	\$ 3,004,801	\$ 1,476,794
2018	3,042,652	1,394,099
2019	3,098,610	1,309,600
2020	3,171,291	1,222,780
2021	3,111,713	1,133,558
2022-2026	13,581,823	4,561,833
2027-2031	14,737,387	2,792,982
2032-2035	<u>13,569,143</u>	<u>904,317</u>
Totals	\$ <u>57,317,420</u>	\$ <u>14,795,963</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, 2016 follows:

	Governmental Activities	Business-Type Activities
Assets:		
Vehicles and equipment	\$ 236,771	\$ 42,208
Less: accumulated depreciation	<u>(56,178)</u>	<u>(7,187)</u>
Current book value	\$ <u>180,593</u>	\$ <u>35,021</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, 2016.

Year	Governmental Activities	Business-Type Activities
2017	\$ 63,730	\$ 10,443
2018	13,686	1,026
2019	13,505	1,027
2020	<u>12,289</u>	<u>941</u>
Total minimum lease payments	103,210	13,437
Less: amount representing interest	<u>(8,533)</u>	<u>(545)</u>
Present value of minimum lease payments	\$ <u>94,677</u>	\$ <u>12,892</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 14: Lease Obligations (continued)

The following is a schedule of the future long-term minimum lease payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of December 31, 2016.

<u>Year</u>	<u>Governmental Activities</u>
2017	\$ <u>603</u>

The total cost for operating leases in 2016 was \$1,439 for governmental activities and \$72,975 for business-type activities.

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 January 26, 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%.

On January 26, 2017, 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 bonds mature on December 1, 2020 and have an interest rate between 2.0% and 4.0%.

Note 17: Construction and Other Significant Commitments

At December 31, 2016, 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 signalization project	\$ 440,000	\$ 418,645	\$ 21,355
Police station HVAC project	380,000	333,718	46,282
Pine drainage basin	257,263	23,798	233,465
Country club boulevard streetscape	103,806	80,088	23,718
Springvale renovations phase I	<u>3,350,000</u>	<u>124,370</u>	<u>3,225,630</u>
Total commitments	<u>\$ 4,531,069</u>	<u>\$ 980,619</u>	<u>\$ 3,550,450</u>

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 17: Construction and Other Significant Commitments (continued)

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	\$ 185,446
Capital Improvements Fund	87,483
Other Governmental Funds	<u>437,134</u>
Total other significant commitments	<u>\$ 710,063</u>

Note 18: Interfund Activity

A. Interfund Transfers

Interfund transfers for the year ended December 31, 2016 consisted of the following:

	<u>Transfer From</u>					<u>Total</u>
	<u>General Fund</u>	<u>Permanent Improvement Fund</u>	<u>Non-major Governmental Funds</u>	<u>Springvale Golf and Ballroom Fund</u>	<u>Sewer Revenue Fund</u>	
Transfer to:						
General Fund	\$ -	\$ -	\$ 7,560	\$ 4,280	\$ 48,360	\$ 60,200
General Obligation Bond Retirement Fund	-	1,509,409	98,000	-	-	1,607,409
Non-major Governmental Funds	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
Total	<u>\$ 30,000</u>	<u>\$ 1,509,409</u>	<u>\$ 105,560</u>	<u>\$ 4,280</u>	<u>\$ 48,360</u>	<u>\$ 1,697,609</u>

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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 18: Interfund Activity (continued)

B. Interfund Balances

As of December 31, 2016, interfund balances were as follows:

	Receivable		Payable	
	Interfund	Advance to Other Funds	Interfund	Advance from Other Funds
Governmental Activities:				
General Fund	\$ -	\$ 936,613	\$ -	\$ -
General Obligation Bond Retirement Fund	-	4,212,992	-	-
Total Governmental Activities	-	5,149,605	-	-
Business-Type Activities:				
Springvale Golf Course and Ballroom Fund	-	-	-	4,455,555
Sewer Revenue Fund	-	-	-	694,050
Total Business-Type Activities	-	-	-	5,149,605
Total	\$ -	\$ 5,149,605	\$ -	\$ 5,149,605

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.

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 2016, the City contributed \$62,962. 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.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

Note 20: Contingent Liabilities

The City is unaware of any un-asserted claims pending against it as of December 31, 2016. 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.

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, 2016, the City abated property taxes totaling \$210,669 under this program.

City of North Olmsted, Ohio

Notes to the Basic Financial Statements (Continued)

For the Year Ended December 31, 2016

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.

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 \$40,141 and the bank balance was \$40,141, 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 Three Years

	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
City's proportion of the net pension liability	0.061367%	0.062146%	0.062146%
City's proportionate share of the net pension liability	\$ 10,629,538	\$ 7,495,502	\$ 7,326,204
City's covered payroll	\$ 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	130.09%	98.17%	101.84%
Plan fiduciary net position as a percentage of the total pension liability	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.

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 Three Years

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

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 Three Years

	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
City's proportion of the net pension liability	0.337684%	0.341655%	0.341646%
City's proportionate share of the net pension liability	\$ 21,723,448	\$ 17,699,133	\$ 16,639,651
City's covered payroll	\$ 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	294.05%	264.18%	247.90%
Plan fiduciary net position as a percentage of the total pension liability	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.

City of North Olmsted, Ohio

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

For the Last Ten Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually-required contribution	\$ 992,473	\$ 980,493	\$ 916,217	\$ 935,199	\$ 690,331
Contributions in relation to the contractually-required contribution	<u>(992,473)</u>	<u>(980,493)</u>	<u>(916,217)</u>	<u>(935,199)</u>	<u>(690,331)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
City covered payroll	\$ 8,270,612	\$ 8,170,779	\$ 7,635,146	\$ 7,193,840	\$ 6,903,306
Contributions as a percentage of covered payroll	12.00%	12.00%	12.00%	13.00%	10.00%
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually-required contribution	\$ 655,112	\$ 582,690	\$ 583,577	\$ 551,539	\$ 654,007
Contributions in relation to the contractually-required contribution	<u>(655,112)</u>	<u>(582,690)</u>	<u>(583,577)</u>	<u>(551,539)</u>	<u>(654,007)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
City covered payroll	\$ 6,551,122	\$ 6,474,335	\$ 6,865,616	\$ 7,879,128	\$ 7,832,416
Contributions as a percentage of covered payroll	10.00%	9.00%	8.50%	7.00%	8.35%

City of North Olmsted, Ohio

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

For the Last Ten Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually-required contribution	\$ 45,627	\$ 46,303	\$ 49,608	\$ 44,193	\$ 32,622
Contributions in relation to the contractually-required contribution	<u>(45,627)</u>	<u>(46,303)</u>	<u>(49,608)</u>	<u>(44,193)</u>	<u>(32,622)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
City covered payroll	\$ 380,227	\$ 385,862	\$ 413,399	\$ 339,946	\$ 326,217
Contributions as a percentage of covered payroll	12.00%	12.00%	12.00%	13.00%	10.00%
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually-required contribution	\$ 30,957	\$ 27,535	\$ 27,577	\$ 26,063	\$ 30,905
Contributions in relation to the contractually-required contribution	<u>(30,957)</u>	<u>(27,535)</u>	<u>(27,577)</u>	<u>(26,063)</u>	<u>(30,905)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
City covered payroll	\$ 309,574	\$ 305,945	\$ 324,435	\$ 372,329	\$ 370,122
Contributions as a percentage of covered payroll	10.00%	9.00%	8.50%	7.00%	8.35%

City of North Olmsted, Ohio

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

For the Last Ten Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually-required contribution	\$ 1,534,192	\$ 1,552,780	\$ 1,413,097	\$ 1,209,419	\$ 952,073
Contributions in relation to the contractually-required contribution	<u>(1,534,192)</u>	<u>(1,552,780)</u>	<u>(1,413,097)</u>	<u>(1,209,419)</u>	<u>(952,073)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
City covered payroll	\$ 7,292,482	\$ 7,387,575	\$ 6,699,634	\$ 6,712,291	\$ 6,424,504
Contributions as a percentage of covered payroll	21.04%	21.02%	21.09%	18.02%	14.82%
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually-required contribution	\$ 866,244	\$ 943,463	\$ 984,274	\$ 1,126,152	\$ 1,004,550
Contributions in relation to the contractually-required contribution	<u>(866,244)</u>	<u>(943,463)</u>	<u>(984,274)</u>	<u>(1,126,152)</u>	<u>(1,004,550)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
City covered payroll	\$ 5,841,179	\$ 6,380,377	\$ 6,667,215	\$ 7,621,158	\$ 6,786,073
Contributions as a percentage of covered payroll	14.83%	14.79%	14.76%	14.78%	14.80%

City of North Olmsted, Ohio

Combining Statements – Non-Major Funds Fund Descriptions

For the Year Ended December 31, 2016

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, 2016

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, 2016

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 - The Capital Improvement Fund is used to account 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, 2016

	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	\$ 3,750,437	\$ 1,264,921	\$ 266,947	\$ 5,282,305
Income taxes receivable	619,739	-	-	619,739
Taxes receivable - property and other	1,251,239	1,023,273	-	2,274,512
Intergovernmental receivable	921,138	67,036	-	988,174
Accounts receivable	23,154	-	-	23,154
Inventories and supplies	76,432	-	-	76,432
Prepaid items	26,673	-	-	26,673
Total assets	<u>\$ 6,668,812</u>	<u>\$ 2,355,230</u>	<u>\$ 266,947</u>	<u>\$ 9,290,989</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts and contracts payable	\$ 241,389	\$ -	\$ 19,946	\$ 261,335
Accrued wages and benefits	52,192	-	-	52,192
Intergovernmental payable	5,059	-	-	5,059
Total liabilities	<u>298,640</u>	<u>-</u>	<u>19,946</u>	<u>318,586</u>
Deferred inflows of resources:				
Property taxes	1,187,848	987,011	-	2,174,859
Payments in lieu of taxes	170,424	-	-	170,424
Unavailable revenues	845,016	103,298	-	948,314
Total deferred inflows of resources	<u>2,203,288</u>	<u>1,090,309</u>	<u>-</u>	<u>3,293,597</u>
Fund balances:				
Nonspendable	103,105	-	-	103,105
Restricted	3,816,306	1,264,921	247,001	5,328,228
Committed	252,989	-	-	252,989
Unassigned (deficit)	(5,516)	-	-	(5,516)
Total fund balances	<u>4,166,884</u>	<u>1,264,921</u>	<u>247,001</u>	<u>5,678,806</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,668,812</u>	<u>\$ 2,355,230</u>	<u>\$ 266,947</u>	<u>\$ 9,290,989</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, 2016

	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	\$ 1,590,205	\$ 1,032,600	\$ -	\$ 2,622,805
Municipal income taxes	2,292,457	-	-	2,292,457
Payments in lieu of taxes	530,152	-	-	530,152
Charges for services	1,982,360	-	-	1,982,360
Fines, licenses and permits	356,098	-	-	356,098
Intergovernmental	1,782,668	149,443	-	1,932,111
Investment income	1,502	-	-	1,502
Miscellaneous income	70,263	-	-	70,263
Total revenues	<u>8,605,705</u>	<u>1,182,043</u>	<u>-</u>	<u>9,787,748</u>
Expenditures:				
Current:				
General government	118,442	-	14,894	133,336
Security of persons and property	1,133,749	-	-	1,133,749
Public health and welfare	66,314	-	-	66,314
Transportation	1,704,298	-	-	1,704,298
Basic utility services	2,056,094	-	-	2,056,094
Leisure time activities	2,863,912	-	-	2,863,912
Economic development	47,258	-	-	47,258
Capital outlay	-	-	421,515	421,515
Debt service:				
Principal	61,744	895,000	-	956,744
Interest and fiscal charges	5,047	272,457	-	277,504
Total expenditures	<u>8,056,858</u>	<u>1,167,457</u>	<u>436,409</u>	<u>9,660,724</u>
Excess (deficiency) of revenues over expenditures	<u>548,847</u>	<u>14,586</u>	<u>(436,409)</u>	<u>127,024</u>
Other financing sources (uses):				
Transfers - in	30,000	-	-	30,000
Transfers - out	(105,560)	-	-	(105,560)
Total other financing sources (uses)	<u>(75,560)</u>	<u>-</u>	<u>-</u>	<u>(75,560)</u>
Net change in fund balances	473,287	14,586	(436,409)	51,464
Fund balances, beginning of year	<u>3,693,597</u>	<u>1,250,335</u>	<u>683,410</u>	<u>5,627,342</u>
Fund balances, end of year	\$ <u>4,166,884</u>	\$ <u>1,264,921</u>	\$ <u>247,001</u>	\$ <u>5,678,806</u>

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Special Revenue Funds

December 31, 2016

	<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	\$ 17,452	\$ 2,708	\$ 25,061	\$ 47,734	\$ 18,500	\$ 15,541
Income taxes receivable	-	-	-	-	-	-
Taxes receivable - property and other	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	-
Accounts receivable	-	-	340	-	-	-
Inventories and supplies	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 17,452</u>	<u>\$ 2,708</u>	<u>\$ 25,401</u>	<u>\$ 47,734</u>	<u>\$ 18,500</u>	<u>\$ 15,541</u>
Liabilities, deferred inflows of resources and fund balances:						
Liabilities:						
Accounts and contracts payable	\$ 22,968	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-
Total liabilities	<u>22,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:						
Property taxes	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-
Unavailable revenues	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	2,708	25,401	-	18,500	15,541
Committed	-	-	-	47,734	-	-
Unassigned (deficit)	<u>(5,516)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>(5,516)</u>	<u>2,708</u>	<u>25,401</u>	<u>47,734</u>	<u>18,500</u>	<u>15,541</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,452</u>	<u>\$ 2,708</u>	<u>\$ 25,401</u>	<u>\$ 47,734</u>	<u>\$ 18,500</u>	<u>\$ 15,541</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>
\$ 123,602	\$ 166,468	\$ 3,065	\$ 34,744	\$ 2,773	\$ 427,918	\$ 198,633	\$ 1,030,957
-	-	-	-	-	-	-	-
-	820,872	-	19,877	-	-	-	-
18,296	53,629	-	-	-	48,633	599,802	170,424
-	1,804	-	-	-	-	-	-
-	-	-	-	-	45,215	31,217	-
-	26,673	-	-	-	-	-	-
<u>\$ 141,898</u>	<u>\$ 1,069,446</u>	<u>\$ 3,065</u>	<u>\$ 54,621</u>	<u>\$ 2,773</u>	<u>\$ 521,766</u>	<u>\$ 829,652</u>	<u>\$ 1,201,381</u>
\$ 3,286	\$ 104,515	\$ -	\$ 2,822	\$ -	\$ 4,454	\$ 72,445	\$ -
-	42,622	-	-	-	-	5,504	-
-	5,059	-	-	-	-	-	-
<u>3,286</u>	<u>152,196</u>	<u>-</u>	<u>2,822</u>	<u>-</u>	<u>4,454</u>	<u>77,949</u>	<u>-</u>
-	791,862	-	-	-	-	-	-
-	-	-	-	-	-	-	170,424
<u>431</u>	<u>82,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,737</u>	<u>401,730</u>	<u>-</u>
<u>431</u>	<u>874,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,737</u>	<u>401,730</u>	<u>170,424</u>
-	26,673	-	-	-	45,215	31,217	-
138,181	16,076	-	-	2,773	438,360	318,756	1,030,957
-	-	3,065	51,799	-	-	-	-
-	-	-	-	-	-	-	-
<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>\$ 141,898</u>	<u>\$ 1,069,446</u>	<u>\$ 3,065</u>	<u>\$ 54,621</u>	<u>\$ 2,773</u>	<u>\$ 521,766</u>	<u>\$ 829,652</u>	<u>\$ 1,201,381</u>

(Continued)

City of North Olmsted, Ohio

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

December 31, 2016

	<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	\$ 14,170	\$ 1,009,449	\$ 6,808	\$ 23,984	\$ 251,403	\$ 104,176
Income taxes receivable	-	619,739	-	-	-	-
Taxes receivable - property and other	-	-	-	-	-	-
Intergovernmental receivable	-	3,540	-	-	-	-
Accounts receivable	513	-	-	-	-	-
Inventories and supplies	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 14,683</u>	<u>\$ 1,632,728</u>	<u>\$ 6,808</u>	<u>\$ 23,984</u>	<u>\$ 251,403</u>	<u>\$ 104,176</u>
Liabilities, deferred inflows of resources and fund balances:						
Liabilities:						
Accounts and contracts payable	\$ 14	\$ 29,411	\$ 273	\$ -	\$ 858	\$ -
Accrued wages and benefits	-	-	738	-	-	-
Intergovernmental payable	-	-	-	-	-	-
Total liabilities	<u>14</u>	<u>29,411</u>	<u>1,011</u>	<u>-</u>	<u>858</u>	<u>-</u>
Deferred inflows of resources:						
Property taxes	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-
Unavailable revenues	-	285,161	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>285,161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	14,669	1,318,156	5,797	23,984	250,545	104,176
Committed	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances (deficit)	<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>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,683</u>	<u>\$ 1,632,728</u>	<u>\$ 6,808</u>	<u>\$ 23,984</u>	<u>\$ 251,403</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>
\$ 4,595	\$ 25,062	\$ 121,384	\$ 4,595	\$ 11,631	\$ 41,101	\$ 16,923	\$ 3,750,437
-	-	-	-	-	-	-	619,739
205,245	-	-	205,245	-	-	-	1,251,239
13,407	-	-	13,407	-	-	-	921,138
-	-	20,497	-	-	-	-	23,154
-	-	-	-	-	-	-	76,432
-	-	-	-	-	-	-	26,673
<u>\$ 223,247</u>	<u>\$ 25,062</u>	<u>\$ 141,881</u>	<u>\$ 223,247</u>	<u>\$ 11,631</u>	<u>\$ 41,101</u>	<u>\$ 16,923</u>	<u>\$ 6,668,812</u>
\$ -	\$ -	\$ -	\$ -	\$ 343	\$ -	\$ -	\$ 241,389
-	-	2,778	-	-	550	-	52,192
-	-	-	-	-	-	-	5,059
<u>-</u>	<u>-</u>	<u>2,778</u>	<u>-</u>	<u>343</u>	<u>550</u>	<u>-</u>	<u>298,640</u>
197,993	-	-	197,993	-	-	-	1,187,848
-	-	-	-	-	-	-	170,424
<u>20,659</u>	<u>-</u>	<u>-</u>	<u>20,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>845,016</u>
<u>218,652</u>	<u>-</u>	<u>-</u>	<u>218,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,203,288</u>
-	-	-	-	-	-	-	103,105
4,595	25,062	-	4,595	-	40,551	16,923	3,816,306
-	-	139,103	-	11,288	-	-	252,989
-	-	-	-	-	-	-	(5,516)
<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>\$ 223,247</u>	<u>\$ 25,062</u>	<u>\$ 141,881</u>	<u>\$ 223,247</u>	<u>\$ 11,631</u>	<u>\$ 41,101</u>	<u>\$ 16,923</u>	<u>\$ 6,668,812</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, 2016

	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	1,095	-	-	-	-	-
Fines, licenses and permits	-	-	1,698	-	-	-
Intergovernmental	-	-	-	-	12,487	3,150
Investment income	-	-	-	-	-	-
Miscellaneous income	-	-	-	12,524	-	-
Total revenues	<u>1,095</u>	<u>-</u>	<u>1,698</u>	<u>12,524</u>	<u>12,487</u>	<u>3,150</u>
Expenditures:						
Current:						
General government	68,312	-	-	-	-	-
Security of persons and property	-	-	-	-	12,487	3,518
Public health and welfare	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Basic utility services	-	-	-	-	-	-
Leisure time activities	-	-	-	-	-	-
Economic development	-	-	-	47,258	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>68,312</u>	<u>-</u>	<u>-</u>	<u>47,258</u>	<u>12,487</u>	<u>3,518</u>
Excess (deficiency) of revenues over expenditures	<u>(67,217)</u>	<u>-</u>	<u>1,698</u>	<u>(34,734)</u>	<u>-</u>	<u>(368)</u>
Other financing sources (uses):						
Transfers - in	30,000	-	-	-	-	-
Transfers - out	-	-	-	-	-	-
Total other financing sources (uses)	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(37,217)	-	1,698	(34,734)	-	(368)
Fund balances, beginning of year	<u>31,701</u>	<u>2,708</u>	<u>23,703</u>	<u>82,468</u>	<u>18,500</u>	<u>15,909</u>
Fund balance (deficit), end 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>

<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>
\$ -	\$ 826,065	\$ -	\$ 351,076	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	530,152
-	1,960,784	-	-	-	-	-	-
-	-	-	-	-	-	-	-
228,546	107,257	-	-	-	97,689	1,230,832	-
192	-	-	-	-	942	364	-
-	-	-	-	-	-	4,196	-
<u>228,738</u>	<u>2,894,106</u>	<u>-</u>	<u>351,076</u>	<u>-</u>	<u>98,631</u>	<u>1,235,392</u>	<u>530,152</u>
-	-	-	-	-	-	-	-
-	-	-	318,938	-	-	-	-
-	-	-	-	-	-	-	-
152,684	-	-	-	-	195,387	1,355,714	-
-	-	-	-	-	-	-	-
-	2,855,267	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	61,194	-	-	-	-	-	-
-	5,027	-	-	-	-	-	-
<u>152,684</u>	<u>2,921,488</u>	<u>-</u>	<u>318,938</u>	<u>-</u>	<u>195,387</u>	<u>1,355,714</u>	<u>-</u>
<u>76,054</u>	<u>(27,382)</u>	<u>-</u>	<u>32,138</u>	<u>-</u>	<u>(96,756)</u>	<u>(120,322)</u>	<u>530,152</u>
-	-	-	-	-	-	-	-
-	(7,560)	-	(98,000)	-	-	-	-
-	(7,560)	-	(98,000)	-	-	-	-
76,054	(34,942)	-	(65,862)	-	(96,756)	(120,322)	530,152
<u>62,127</u>	<u>77,691</u>	<u>3,065</u>	<u>117,661</u>	<u>2,773</u>	<u>580,331</u>	<u>470,295</u>	<u>500,805</u>
\$ <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>

(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, 2016

	Court Computerization	Solid Waste Management	Community Diversion	Drug Enforcement	Endowment and Grant	Fair Capacity Housing
Revenues:						
Property and other local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal income taxes	-	2,292,457	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-
Charges for services	8,863	-	3,200	-	-	-
Fines, licenses and permits	-	-	-	-	-	-
Intergovernmental	-	12,580	20,240	-	-	-
Investment income	-	-	-	-	4	-
Miscellaneous income	-	-	-	-	45,947	-
Total revenues	<u>8,863</u>	<u>2,305,037</u>	<u>23,440</u>	<u>-</u>	<u>45,951</u>	<u>-</u>
Expenditures:						
Current:						
General government	5,940	-	-	-	27,371	16,819
Security of persons and property	-	-	-	-	2,651	-
Public health and welfare	-	-	23,358	-	21,367	-
Transportation	-	-	-	-	-	-
Basic utility services	-	2,056,094	-	-	-	-
Leisure time activities	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>5,940</u>	<u>2,056,094</u>	<u>23,358</u>	<u>-</u>	<u>51,389</u>	<u>16,819</u>
Excess (deficiency) of revenues over expenditures	<u>2,923</u>	<u>248,943</u>	<u>82</u>	<u>-</u>	<u>(5,438)</u>	<u>(16,819)</u>
Other financing sources (uses):						
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	2,923	248,943	82	-	(5,438)	(16,819)
Fund balances, beginning of year	<u>11,746</u>	<u>1,069,213</u>	<u>5,715</u>	<u>23,984</u>	<u>255,983</u>	<u>120,995</u>
Fund balances (deficit), end 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>

	<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>
\$	206,532	\$ -	\$ -	\$ 206,532	\$ -	\$ -	\$ -	\$ 1,590,205
	-	-	-	-	-	-	-	2,292,457
	-	-	-	-	-	-	-	530,152
	-	-	-	-	2,602	5,816	-	1,982,360
	-	2,297	350,658	-	1,445	-	-	356,098
	26,815	-	-	26,815	-	16,257	-	1,782,668
	-	-	-	-	-	-	-	1,502
	-	-	-	-	7,596	-	-	70,263
	<u>233,347</u>	<u>2,297</u>	<u>350,658</u>	<u>233,347</u>	<u>11,643</u>	<u>22,073</u>	<u>-</u>	<u>8,605,705</u>
	-	-	-	-	-	-	-	118,442
	255,369	-	285,417	255,369	-	-	-	1,133,749
	-	-	-	-	-	21,589	-	66,314
	-	-	-	-	-	-	513	1,704,298
	-	-	-	-	-	-	-	2,056,094
	-	-	-	-	8,645	-	-	2,863,912
	-	-	-	-	-	-	-	47,258
	-	-	-	-	550	-	-	61,744
	-	-	-	-	20	-	-	5,047
	<u>255,369</u>	<u>-</u>	<u>285,417</u>	<u>255,369</u>	<u>9,215</u>	<u>21,589</u>	<u>513</u>	<u>8,056,858</u>
	<u>(22,022)</u>	<u>2,297</u>	<u>65,241</u>	<u>(22,022)</u>	<u>2,428</u>	<u>484</u>	<u>(513)</u>	<u>548,847</u>
	-	-	-	-	-	-	-	30,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(105,560)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,560)</u>
	(22,022)	2,297	65,241	(22,022)	2,428	484	(513)	473,287
	<u>26,617</u>	<u>22,765</u>	<u>73,862</u>	<u>26,617</u>	<u>8,860</u>	<u>40,067</u>	<u>17,436</u>	<u>3,693,597</u>
\$	<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>

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Debt Service Funds

December 31, 2016

	Library Bond <u>Retirement</u>	Fire Station Bond <u>Retirement</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 710,014	\$ 554,907	\$ 1,264,921
Taxes receivable – property and other	750,436	272,837	1,023,273
Intergovernmental receivable	<u>49,160</u>	<u>17,876</u>	<u>67,036</u>
Total assets	\$ <u>1,509,610</u>	\$ <u>845,620</u>	\$ <u>2,355,230</u>
Liabilities, deferred inflows of resources and fund balances:			
Deferred inflows of resources:			
Property taxes	\$ 723,844	\$ 263,167	\$ 987,011
Unavailable revenues	<u>75,752</u>	<u>27,546</u>	<u>103,298</u>
Total deferred inflows of resources	<u>799,596</u>	<u>290,713</u>	<u>1,090,309</u>
Fund balances:			
Restricted	<u>710,014</u>	<u>554,907</u>	<u>1,264,921</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>1,509,610</u>	\$ <u>845,620</u>	\$ <u>2,355,230</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, 2016

	Library Bond <u>Retirement</u>	Fire Station Bond <u>Retirement</u>	<u>Total</u>
Revenues:			
Property and other local taxes	\$ 757,265	\$ 275,335	\$ 1,032,600
Intergovernmental	<u>104,125</u>	<u>45,318</u>	<u>149,443</u>
Total revenues	<u>861,390</u>	<u>320,653</u>	<u>1,182,043</u>
Expenditures:			
Debt service:			
Principal	680,000	215,000	895,000
Interest and fiscal charges	<u>195,438</u>	<u>77,019</u>	<u>272,457</u>
Total expenditures	<u>875,438</u>	<u>292,019</u>	<u>1,167,457</u>
Net change in fund balances	(14,048)	28,634	14,586
Fund balances, beginning of year	<u>724,062</u>	<u>526,273</u>	<u>1,250,335</u>
Fund balances, end of year	\$ <u><u>710,014</u></u>	\$ <u><u>554,907</u></u>	\$ <u><u>1,264,921</u></u>

City of North Olmsted, Ohio

Combining Balance Sheet Non-Major Capital Project Funds

December 31, 2016

	<u>Capital Improvement</u>	<u>Building and Land Acquisition and Improvement</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ <u>182,334</u>	\$ <u>84,613</u>	\$ <u>266,947</u>
Liabilities, deferred inflows of resources and fund balances:			
Liabilities:			
Accounts and contracts payable	\$ 320	\$ 19,626	\$ 19,946
Fund balances:			
Restricted	<u>182,014</u>	<u>64,987</u>	<u>247,001</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>182,334</u>	\$ <u>84,613</u>	\$ <u>266,947</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, 2016

	<u>Capital Improvement</u>	<u>Building and Land Acquisition and Improvement</u>	<u>Total</u>
Expenditures:			
Current:			
General Government	14,894	-	14,894
Capital outlay	<u>362,746</u>	<u>58,769</u>	<u>421,515</u>
Total expenditures	<u>377,640</u>	<u>58,769</u>	<u>436,409</u>
Net change in fund balances	(377,640)	(58,769)	(436,409)
Fund balances, beginning of year	<u>559,654</u>	<u>123,756</u>	<u>683,410</u>
Fund balances, end of year	\$ <u><u>182,014</u></u>	\$ <u><u>64,987</u></u>	\$ <u><u>247,001</u></u>

City of North Olmsted, Ohio

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

December 31, 2016

	<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>2,932,421</u>	\$ <u>1,310,316</u>	\$ <u>4,242,737</u>
Liabilities:			
Current liabilities:			
Accounts and contracts payable	-	47,867	47,867
Intergovernmental payable	-	8,712	8,712
Claims payable	<u>484,046</u>	<u>26,655</u>	<u>510,701</u>
Total current liabilities	484,046	83,234	567,280
Long-term liabilities:			
Claims payable	<u>-</u>	<u>8,885</u>	<u>8,885</u>
Total liabilities	<u>484,046</u>	<u>92,119</u>	<u>576,165</u>
Net position:			
Unrestricted	\$ <u><u>2,448,375</u></u>	\$ <u><u>1,218,197</u></u>	\$ <u><u>3,666,572</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, 2016

	<u>Hospitalization</u>	<u>Workers' Compensation Self-Insurance</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Charges for services	\$ 2,712,523	\$ 297,596	\$ 3,010,119
Refunds	<u>7,487</u>	<u>-</u>	<u>7,487</u>
Total revenues	<u>2,720,010</u>	<u>297,596</u>	<u>3,017,606</u>
Operating expenses:			
Contractual services	489,951	108,437	598,388
Claims	<u>2,988,756</u>	<u>18,804</u>	<u>3,007,560</u>
Total operating expenses	<u>3,478,707</u>	<u>127,241</u>	<u>3,605,948</u>
Change in net position	(758,697)	170,355	(588,342)
Net position, beginning of year	<u>3,207,072</u>	<u>1,047,842</u>	<u>4,254,914</u>
Net position, end of year	\$ <u>2,448,375</u>	\$ <u>1,218,197</u>	\$ <u>3,666,572</u>

City of North Olmsted, Ohio

Combining Statement of Cash Flows Non-Major Internal Service Funds

For the Year Ended December 31, 2016

	<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	\$ 2,712,523	\$ 297,596	\$ 3,010,119
Refunds	7,487	-	7,487
Cash paid for goods and services	(489,951)	(103,819)	(593,770)
Cash paid for claims	<u>(2,553,364)</u>	<u>(53,150)</u>	<u>(2,606,514)</u>
Net cash (used for) provided by operating activities	<u>(323,305)</u>	<u>140,627</u>	<u>(182,678)</u>
Net (decrease) increase in cash and cash equivalents	(323,305)	140,627	(182,678)
Cash and cash equivalents, beginning of year	<u>3,255,726</u>	<u>1,169,689</u>	<u>4,425,415</u>
Cash and cash equivalents, end of year	\$ <u><u>2,932,421</u></u>	\$ <u><u>1,310,316</u></u>	\$ <u><u>4,242,737</u></u>
Reconciliation of operating (loss) income to net cash from operating activities:			
Operating (loss) income	\$ (758,697)	\$ 170,355	\$ (588,342)
Adjustments:			
Changes in assets/liabilities:			
Accounts and contracts payable	-	(491)	(491)
Intergovernmental payable	-	5,109	5,109
Claims payable	<u>435,392</u>	<u>(34,346)</u>	<u>401,046</u>
Net cash (used for) provided by operating activities	\$ <u><u>(323,305)</u></u>	\$ <u><u>140,627</u></u>	\$ <u><u>(182,678)</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, 2016

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Municipal income tax	\$ 9,980,800	\$ 10,549,400	\$ 10,612,074	\$ 62,674
Property and other taxes	4,590,923	4,590,923	4,672,742	81,819
Charges for services	1,976,000	1,974,000	1,916,702	(57,298)
Licenses and permits	1,226,100	1,706,100	1,824,176	118,076
Fines and forfeitures	256,000	256,000	273,267	17,267
Intergovernmental revenue	1,276,216	1,343,216	1,454,307	111,091
Investment income	40,000	60,000	70,174	10,174
Other revenue	25,000	25,000	20,967	(4,033)
Total revenues	<u>19,371,039</u>	<u>20,504,639</u>	<u>20,844,409</u>	<u>339,770</u>
Expenditures:				
Current:				
General government				
Council				
Salaries	158,599	158,599	155,115	3,484
Benefits	34,873	34,873	32,733	2,140
Materials and supplies	1,000	1,000	630	370
Contractual services	37,150	37,150	19,240	17,910
Capital outlay	<u>19,500</u>	<u>17,500</u>	<u>5,866</u>	<u>11,634</u>
Total council	<u>251,122</u>	<u>249,122</u>	<u>213,584</u>	<u>35,538</u>
Office of the mayor				
Salaries	150,771	150,771	150,721	50
Benefits	51,404	51,404	47,329	4,075
Materials and supplies	6,500	6,500	4,188	2,312
Contractual services	<u>34,285</u>	<u>34,285</u>	<u>22,191</u>	<u>12,094</u>
Total office of the Mayor	<u>242,960</u>	<u>242,960</u>	<u>224,429</u>	<u>18,531</u>
Mayor's court				
Salaries	150,797	150,797	142,305	8,492
Benefits	52,777	54,427	49,385	5,042
Materials and supplies	16,175	16,175	11,132	5,043
Contractual services	9,643	9,643	7,853	1,790
Capital outlay	<u>1,600</u>	<u>1,600</u>	<u>966</u>	<u>634</u>
Total Mayor's court	<u>230,992</u>	<u>232,642</u>	<u>211,641</u>	<u>21,001</u>
Finance department				
Salaries	348,471	348,471	339,358	9,113
Benefits	142,182	142,182	126,676	15,506
Materials and supplies	14,701	12,451	9,165	3,286
Contractual services	655,857	690,857	669,433	21,424
Capital outlay	<u>2,500</u>	<u>4,500</u>	<u>4,408</u>	<u>92</u>
Total finance department	<u>1,163,711</u>	<u>1,198,461</u>	<u>1,149,040</u>	<u>49,421</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, 2016

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Law department				
Salaries	198,827	199,877	196,193	3,684
Benefits	95,337	95,487	85,767	9,720
Materials and supplies	1,247	1,247	640	607
Contractual services	98,849	97,649	37,727	59,922
Total law department	<u>394,260</u>	<u>394,260</u>	<u>320,327</u>	<u>73,933</u>
Department of human resources				
Salaries	293,038	293,038	288,353	4,685
Benefits	108,976	108,976	99,270	9,706
Materials and supplies	27,084	27,084	24,066	3,018
Contractual services	190,032	191,382	184,464	6,918
Total department of human resources	<u>619,130</u>	<u>620,480</u>	<u>596,153</u>	<u>24,327</u>
Civil service				
Salaries	1,000	1,000	99	901
Benefits	167	167	73	94
Materials and supplies	400	400	135	265
Contractual services	30,800	30,800	8,289	22,511
Total civil service	<u>32,367</u>	<u>32,367</u>	<u>8,596</u>	<u>23,771</u>
Division of information technology				
Salaries				
Benefits	525	525	525	-
Materials and supplies	12,200	2,200	49	2,151
Contractual services	173,080	258,010	253,047	4,963
Capital outlay	73,000	66,569	40,088	26,481
Total division of information technology	<u>258,805</u>	<u>327,304</u>	<u>293,709</u>	<u>33,595</u>
Boards and commissions				
Salaries	2,116	2,266	2,065	201
Benefits	1,935	2,538	2,521	17
Materials and supplies	10,937	10,184	5,469	4,715
Contractual services	13,500	13,500	12,569	931
Total boards and commissions	<u>28,488</u>	<u>28,488</u>	<u>22,624</u>	<u>5,864</u>
Building department				
Salaries	739,242	699,242	666,962	32,280
Benefits	310,833	295,433	239,118	56,315
Materials and supplies	17,600	19,600	15,629	3,971
Contractual services	109,245	187,645	143,487	44,158
Capital outlay	6,500	6,500	4,475	2,025
Total building department	<u>1,183,420</u>	<u>1,208,420</u>	<u>1,069,671</u>	<u>138,749</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Engineering department				
Salaries	99,169	128,084	108,725	19,359
Benefits	17,042	33,727	26,930	6,797
Materials and supplies	1,000	1,000	989	11
Contractual services	192,296	192,296	182,142	10,154
Total engineering department	309,507	355,107	318,786	36,321
Total general government	4,714,762	4,889,611	4,428,560	461,051
Security of persons and property				
Public safety director				
Salaries	94,579	94,579	94,492	87
Benefits	34,466	34,501	31,902	2,599
Materials and supplies	2,013	2,013	631	1,382
Contractual services	11,380	10,809	10,287	522
Capital outlay	15,000	15,537	15,537	-
Total public safety director	157,438	157,439	152,849	4,590
Division of fire				
Salaries	3,491,528	3,491,528	3,425,108	66,420
Benefits	1,451,868	1,451,868	1,334,044	117,824
Materials and supplies	143,838	143,838	107,630	36,208
Contractual services	338,204	327,254	258,602	68,652
Capital outlay	95,498	106,448	104,898	1,550
Total fire division	5,520,936	5,520,936	5,230,282	290,654
Division of police				
Salaries	4,056,334	4,106,454	4,075,171	31,283
Benefits	1,467,041	1,441,546	1,340,657	100,889
Materials and supplies	134,407	119,807	100,928	18,879
Contractual services	276,189	266,164	223,341	42,823
Capital outlay	2,259	2,259	2,259	-
Total division of police	5,936,230	5,936,230	5,742,356	193,874
Emergency central dispatch				
Salaries	531,440	531,440	500,497	30,943
Benefits	196,227	196,227	174,517	21,710
Materials and supplies	2,153	2,153	243	1,910
Contractual services	11,500	11,500	3,032	8,468
Capital outlay	83,300	83,300	65,258	18,042
Total emergency central dispatch	824,620	824,620	743,547	81,073

(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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Corrections				
Salaries	94,886	94,886	74,005	20,881
Benefits	35,477	35,477	27,366	8,111
Materials and supplies	4,000	4,000	907	3,093
Contractual services	96,748	96,748	86,536	10,212
Capital outlay	18,000	18,000	16,058	1,942
Total corrections	<u>249,111</u>	<u>249,111</u>	<u>204,872</u>	<u>44,239</u>
Total security of persons and property	<u>12,688,335</u>	<u>12,688,336</u>	<u>12,073,906</u>	<u>614,430</u>
Public health and welfare				
Division of aging				
Salaries	174,173	174,123	169,374	4,749
Benefits	80,674	81,824	73,432	8,392
Materials and supplies	5,756	5,756	3,944	1,812
Contractual services	<u>120,637</u>	<u>119,537</u>	<u>86,841</u>	<u>32,696</u>
Total division of aging	<u>381,240</u>	<u>381,240</u>	<u>333,591</u>	<u>47,649</u>
Division of youth & family services				
Salaries	98,292	98,292	93,846	4,446
Benefits	24,390	24,390	22,599	1,791
Materials and supplies	3,830	3,830	1,816	2,014
Contractual services	12,631	12,631	7,221	5,410
Capital outlay	<u>2,200</u>	<u>2,200</u>	<u>1,148</u>	<u>1,052</u>
Total division of community and youth services	<u>141,343</u>	<u>141,343</u>	<u>126,630</u>	<u>14,713</u>
Total public health and welfare	<u>522,583</u>	<u>522,583</u>	<u>460,221</u>	<u>62,362</u>
Transportation				
Public service director				
Salaries	87,134	87,134	87,053	81
Benefits	22,511	22,511	21,380	1,131
Materials and supplies	1,300	1,300	903	397
Contractual services	573,637	573,101	546,890	26,211
Capital outlay	<u>15,800</u>	<u>17,757</u>	<u>17,261</u>	<u>496</u>
Total service director	<u>700,382</u>	<u>701,803</u>	<u>673,487</u>	<u>28,316</u>
Division of public works				
Salaries	829,977	831,577	685,557	146,020
Benefits	410,685	411,173	275,991	135,182
Materials and supplies	162,569	162,569	63,581	98,988
Contractual services	396,575	384,013	284,641	99,372
Capital outlay	<u>104,830</u>	<u>110,410</u>	<u>102,439</u>	<u>7,971</u>
Total division of public works	<u>1,904,636</u>	<u>1,899,742</u>	<u>1,412,209</u>	<u>487,533</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, 2016

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Division of fleet maintenance				
Salaries	397,443	398,743	386,820	11,923
Benefits	160,513	159,213	142,018	17,195
Materials and supplies	546,349	546,349	180,536	365,813
Contractual services	19,364	19,364	9,622	9,742
Total division of fleet maintenance	<u>1,123,669</u>	<u>1,123,669</u>	<u>718,996</u>	<u>404,673</u>
Total transportation	<u>3,728,687</u>	<u>3,725,214</u>	<u>2,804,692</u>	<u>920,522</u>
Basic utility services				
Service department				
Contractual services	<u>20,300</u>	<u>23,775</u>	<u>20,778</u>	<u>2,997</u>
Economic development				
Planning				
Salaries	186,191	186,416	186,161	255
Benefits	76,182	76,612	44,911	31,701
Materials and supplies	1,634	1,634	976	658
Contractual services	69,538	68,133	61,634	6,499
Capital outlay	<u>1,500</u>	<u>1,500</u>	<u>800</u>	<u>700</u>
Total planning	<u>335,045</u>	<u>334,295</u>	<u>294,482</u>	<u>39,813</u>
Total expenditures	<u>22,009,712</u>	<u>22,183,814</u>	<u>20,082,639</u>	<u>2,101,175</u>
Excess (deficiency) of revenues over expenditures	(2,638,673)	(1,679,175)	761,770	2,440,945
Other financing sources (uses):				
Sale of capital assets	30,000	30,000	25,525	(4,475)
Transfers - in	50,000	50,000	50,000	-
Advances - out	-	(497)	-	497
Transfers - out	<u>(455,800)</u>	<u>(457,786)</u>	<u>(440,800)</u>	<u>16,986</u>
Total other financing sources (uses)	<u>(375,800)</u>	<u>(378,283)</u>	<u>(365,275)</u>	<u>13,008</u>
Net change in fund balance	(3,014,473)	(2,057,458)	396,495	2,453,953
Prior year encumbrances	418,027	418,027	418,027	-
Fund balance beginning of year	<u>2,985,002</u>	<u>2,985,002</u>	<u>2,985,002</u>	-
Fund balance, end of year	\$ <u>388,556</u>	\$ <u>1,345,571</u>	\$ <u>3,799,524</u>	\$ <u>2,453,953</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General government				
Department of human resources				
Salaries	\$ -	\$ 44,860	\$ 44,860	\$ -
Benefits	-	650	650	-
Total department of human resources	-	45,510	45,510	-
Department of planning and development				
Salaries	40,000	40,000	27,686	12,314
Total general government	40,000	85,510	73,196	12,314
Security of persons and property				
Division of fire				
Salaries	80,000	80,000	-	80,000
Division of police				
Salaries	335,000	267,983	5,200	262,783
Benefits	-	75	75	-
Total division of police	335,000	268,058	5,275	262,783
Total security of persons and property	415,000	348,058	5,275	342,783
Transportation				
Division of public works				
Salaries	70,000	76,844	50,532	26,312
Benefits	8,555	7,829	733	7,096
Total division of public works	78,555	84,673	51,265	33,408
Sewer				
Salaries	60,000	75,314	29,909	45,405
Total expenditures	593,555	593,555	159,645	433,910
Excess (deficiency) of revenues over expenditures	(593,555)	(593,555)	(159,645)	433,910
Other financing sources (uses):				
Transfers - in	345,000	345,000	345,000	-
Net change in fund balance	(248,555)	(248,555)	185,355	433,910
Fund balance, beginning of year	1,344,360	1,344,360	1,344,360	-
Fund balance, end of year	\$ 1,095,805	\$ 1,095,805	\$ 1,529,715	\$ 433,910

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, 2016

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

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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 2,138,670	\$ 2,138,670	\$ 2,274,016	\$ 135,346
Intergovernmental revenue	-	-	7,080	7,080
Total revenues	<u>2,138,670</u>	<u>2,138,670</u>	<u>2,281,096</u>	<u>142,426</u>
Expenditures:				
Current:				
Transportation Service				
Contractual services	44,000	51,500	49,598	1,902
Capital outlay	<u>2,711,629</u>	<u>2,696,031</u>	<u>1,608,018</u>	<u>1,088,013</u>
Total service	2,755,629	2,747,531	1,657,616	1,089,915
Engineering				
Capital outlay	<u>519,836</u>	<u>519,836</u>	<u>427,115</u>	<u>92,721</u>
Total transportation	<u>3,275,465</u>	<u>3,267,367</u>	<u>2,084,731</u>	<u>1,182,636</u>
Debt service:				
Interest and fiscal charges	<u>5,000</u>	<u>13,098</u>	<u>13,098</u>	<u>-</u>
Total expenditures	<u>3,280,465</u>	<u>3,280,465</u>	<u>2,097,829</u>	<u>1,182,636</u>
Excess (deficiency) of revenues over expenditures	(1,141,795)	(1,141,795)	183,267	1,325,062
Other financing sources (uses):				
Note proceeds	1,605,000	1,605,000	1,612,383	7,383
Transfers - out	<u>(1,509,409)</u>	<u>(1,509,409)</u>	<u>(1,509,409)</u>	<u>-</u>
Total other financing sources (uses)	<u>95,591</u>	<u>95,591</u>	<u>102,974</u>	<u>7,383</u>
Net change in fund balance	(1,046,204)	(1,046,204)	286,241	1,332,445
Prior year encumbrances	316,925	316,925	316,925	-
Fund balance, beginning of year	<u>3,162,994</u>	<u>3,162,994</u>	<u>3,162,994</u>	<u>-</u>
Fund balance, end of year	\$ <u>2,433,715</u>	\$ <u>2,433,715</u>	\$ <u>3,766,160</u>	\$ <u>1,332,445</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 2,230,171	\$ 2,230,171	\$ 2,271,734	\$ 41,563
Intergovernmental revenue	428,402	428,402	437,260	8,858
Investment income	<u>2,000</u>	<u>2,000</u>	<u>4,251</u>	<u>2,251</u>
Total revenues	<u>2,660,573</u>	<u>2,660,573</u>	<u>2,713,245</u>	<u>52,672</u>
Expenditures:				
Debt service:				
Principal	7,774,841	7,785,732	7,785,732	-
Interest and fiscal charges	<u>2,239,825</u>	<u>2,175,044</u>	<u>2,123,079</u>	<u>51,965</u>
Total debt service	<u>10,014,666</u>	<u>9,960,776</u>	<u>9,908,811</u>	<u>51,965</u>
Excess (deficiency) of revenues over expenditures	(7,354,093)	(7,300,203)	(7,195,566)	104,637
Other financing sources (uses):				
Transfers - in	<u>7,232,360</u>	<u>7,232,360</u>	<u>7,202,360</u>	<u>(30,000)</u>
Net change in fund balance	(121,733)	(67,843)	6,794	74,637
Fund balance, beginning of year	<u>2,608,826</u>	<u>2,608,826</u>	<u>2,608,826</u>	<u>-</u>
Fund balance, end of year	\$ <u>2,487,093</u>	\$ <u>2,540,983</u>	\$ <u>2,615,620</u>	\$ <u>74,637</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 5,000	\$ 5,000	\$ 1,095	\$ (3,905)
Expenditures:				
Current:				
General government				
Department of human resources				
Contractual services	30,000	30,000	29,348	652
Engineering department				
Contractual services	42,093	42,093	31,388	10,705
Total general government	72,093	72,093	60,736	11,357
Security of persons and property				
Division of police				
Contractual services	10,000	10,000	-	10,000
Total expenditures	82,093	82,093	60,736	21,357
Excess (deficiency) of revenues over expenditures	(77,093)	(77,093)	(59,641)	17,452
Other financing sources(uses):				
Transfers - in	30,000	30,000	30,000	-
Net change in fund balance	(47,093)	(47,093)	(29,641)	17,452
Prior year encumbrances	19,843	19,843	19,843	-
Fund balance, beginning of year	27,250	27,250	27,250	-
Fund balance, end of year	\$ -	\$ -	\$ 17,452	\$ 17,452

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, 2016

	<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>2,708</u>	\$ <u>2,708</u>	\$ <u>2,708</u>	\$ <u>-</u>
Fund balance, end of year	\$ <u><u>2,708</u></u>	\$ <u><u>2,708</u></u>	\$ <u><u>2,708</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 – Alcohol Education Fund

For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 2,000	\$ 2,000	\$ 2,022	\$ 22
Expenditures:				
Current:				
Security of persons and property				
Police department				
Materials and supplies	<u>23,039</u>	<u>23,039</u>	<u>-</u>	<u>23,039</u>
Net change in fund balance	(21,039)	(21,039)	2,022	23,061
Fund balance, beginning of year	<u>23,039</u>	<u>23,039</u>	<u>23,039</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>2,000</u></u>	\$ <u><u>2,000</u></u>	\$ <u><u>25,061</u></u>	\$ <u><u>23,061</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other revenue	\$ 18,000	\$ 18,000	\$ 12,524	\$ (5,476)
Expenditures:				
Current:				
Economic development				
Finance department				
Salaries	4,500	4,500	4,500	-
Benefits	754	754	754	-
Total finance department	5,254	5,254	5,254	-
Department of planning and development				
Contractual services	52,500	52,500	51,795	705
Total expenditures	57,754	57,754	57,049	705
Net change in fund balance	(39,754)	(39,754)	(44,525)	(4,771)
Fund balance, beginning of year	82,468	82,468	82,468	-
Fund balance, end of year	\$ 42,714	\$ 42,714	\$ 37,943	\$ (4,771)

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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ -	\$ -	\$ 12,487	\$ 12,487
Expenditures:				
Current:				
Security of persons and property				
Capital outlay	<u>12,487</u>	<u>12,487</u>	<u>12,487</u>	<u>-</u>
Net change in fund balance	(12,487)	(12,487)	-	12,487
Prior year encumbrances	12,488	12,488	12,488	-
Fund balance, beginning of year	<u>6,012</u>	<u>6,012</u>	<u>6,012</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>6,013</u></u>	\$ <u><u>6,013</u></u>	\$ <u><u>18,500</u></u>	\$ <u><u>12,487</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ -	\$ 2,483	\$ 3,518	\$ 1,035
Expenditures:				
Current:				
Public health and welfare				
Department of planning and development				
Capital outlay	<u>-</u>	<u>3,983</u>	<u>3,518</u>	<u>465</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,500)</u>	<u>-</u>	<u>1,500</u>
Other financing sources (uses):				
Advances - in	-	497	-	(497)
Transfers - in	<u>-</u>	<u>1,986</u>	<u>-</u>	<u>(1,986)</u>
Total other financing sources (uses)	<u>-</u>	<u>2,483</u>	<u>-</u>	<u>(2,483)</u>
Net change in fund balance	-	983	-	(983)
Fund balance, beginning of year	<u>15,541</u>	<u>15,541</u>	<u>15,541</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>15,541</u></u>	\$ <u><u>16,524</u></u>	\$ <u><u>15,541</u></u>	\$ <u><u>(983)</u></u>

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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 230,000	\$ 230,000	\$ 228,694	\$ (1,306)
Interest	-	-	192	192
Total revenues	<u>230,000</u>	<u>230,000</u>	<u>228,886</u>	<u>(1,114)</u>
Expenditures:				
Current:				
Transportation				
Department of public service				
Materials and supplies	84,143	84,143	16,107	68,036
Contractual services	<u>164,000</u>	<u>164,000</u>	<u>110,996</u>	<u>53,004</u>
Total expenditures	<u>248,143</u>	<u>248,143</u>	<u>127,103</u>	<u>121,040</u>
Net change in fund balance	(18,143)	(18,143)	101,783	119,926
Prior year encumbrances	1,143	1,143	1,143	-
Fund balance, beginning of year	<u>17,243</u>	<u>17,243</u>	<u>17,243</u>	-
Fund balance, end of year	\$ <u><u>243</u></u>	\$ <u><u>243</u></u>	\$ <u><u>120,169</u></u>	\$ <u><u>119,926</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, 2016

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property and other taxes	\$ 810,972	\$ 810,972	\$ 826,068	\$ 15,096
Charges for services	1,977,040	1,987,040	1,953,866	(33,174)
Intergovernmental revenue	104,036	104,036	107,257	3,221
Other revenue	<u>500</u>	<u>500</u>	<u>6,625</u>	<u>6,125</u>
Total revenues	<u>2,892,548</u>	<u>2,902,548</u>	<u>2,893,816</u>	<u>(8,732)</u>
Expenditures:				
Current:				
Leisure time activities				
Recreation department				
Salaries	1,236,477	1,259,027	1,233,105	25,922
Benefits	373,642	395,067	359,803	35,264
Materials and supplies	192,988	184,588	161,391	23,197
Contractual services	<u>1,219,062</u>	<u>1,193,487</u>	<u>1,161,590</u>	<u>31,897</u>
Total expenditures	<u>3,022,169</u>	<u>3,032,169</u>	<u>2,915,889</u>	<u>116,280</u>
Excess (deficiency) of revenues over expenditures	(129,621)	(129,621)	(22,073)	107,548
Other financing sources (uses):				
Transfers - out	<u>(7,560)</u>	<u>(7,560)</u>	<u>(7,560)</u>	<u>-</u>
Net change in fund balance	(137,181)	(137,181)	(29,633)	107,548
Prior year encumbrances	73,480	73,480	73,480	-
Fund balance, beginning of year	<u>63,808</u>	<u>63,808</u>	<u>63,808</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>107</u></u>	\$ <u><u>107</u></u>	\$ <u><u>107,655</u></u>	\$ <u><u>107,548</u></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, 2016

	<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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 375,000	\$ 375,000	\$ 352,603	\$ (22,397)
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Materials and supplies	29,294	29,294	28,953	341
Contractual services	31,593	31,593	25,008	6,585
Capital outlay	<u>129,725</u>	<u>129,725</u>	<u>124,863</u>	<u>4,862</u>
Total fire department	<u>190,612</u>	<u>190,612</u>	<u>178,824</u>	<u>11,788</u>
Police department				
Materials and supplies	28,420	28,420	27,489	931
Contractual services	10,200	10,200	8,460	1,740
Capital outlay	<u>114,950</u>	<u>144,950</u>	<u>137,123</u>	<u>7,827</u>
Total police department	<u>153,570</u>	<u>183,570</u>	<u>173,072</u>	<u>10,498</u>
Total expenditures	<u>344,182</u>	<u>374,182</u>	<u>351,896</u>	<u>22,286</u>
Excess (deficiency) of revenues over expenditures	30,818	818	707	(111)
Other financing sources (uses):				
Transfers - out	<u>(128,000)</u>	<u>(98,000)</u>	<u>(98,000)</u>	<u>-</u>
Net change in fund balance	(97,182)	(97,182)	(97,293)	(111)
Prior year encumbrances	28,410	28,410	28,410	-
Fund balance, beginning of year	<u>69,001</u>	<u>69,001</u>	<u>69,001</u>	<u>-</u>
Fund balance, end of year	\$ <u>229</u>	\$ <u>229</u>	\$ <u>118</u>	\$ <u>(111)</u>

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, 2016

	<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>2,773</u>	\$ <u>2,773</u>	\$ <u>2,773</u>	\$ <u>-</u>
Fund balance, end of year	\$ <u><u>2,773</u></u>	\$ <u><u>2,773</u></u>	\$ <u><u>2,773</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 – State Highway Fund

For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 97,800	\$ 97,800	\$ 97,265	\$ (535)
Interest	<u>-</u>	<u>-</u>	<u>942</u>	<u>942</u>
Total revenues	<u>97,800</u>	<u>97,800</u>	<u>98,207</u>	<u>407</u>
Expenditures:				
Current:				
Transportation				
Service department				
Materials and supplies	163,000	163,000	142,475	20,525
Contractual services	<u>85,000</u>	<u>85,000</u>	<u>84,730</u>	<u>270</u>
Total expenditures	<u>248,000</u>	<u>248,000</u>	<u>227,205</u>	<u>20,795</u>
Net change in fund balance	(150,200)	(150,200)	(128,998)	21,202
Fund balance, beginning of year	<u>546,916</u>	<u>546,916</u>	<u>546,916</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>396,716</u></u>	\$ <u><u>396,716</u></u>	\$ <u><u>417,918</u></u>	\$ <u><u>21,202</u></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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 1,242,000	\$ 1,242,000	\$ 1,225,603	\$ (16,397)
Other revenue	-	-	4,195	4,195
Interest	-	-	364	364
Total revenues	<u>1,242,000</u>	<u>1,242,000</u>	<u>1,230,162</u>	<u>(11,838)</u>
Expenditures:				
Current:				
Transportation				
Service department				
Salaries	627,126	627,126	574,478	52,648
Benefits	243,536	243,536	193,056	50,480
Materials and supplies	372,759	372,759	279,902	92,857
Contractual services	158,425	158,425	193,458	(35,033)
Capital outlay	<u>81,149</u>	<u>81,149</u>	<u>81,151</u>	<u>(2)</u>
Total expenditures	<u>1,482,995</u>	<u>1,482,995</u>	<u>1,322,045</u>	<u>160,950</u>
Excess (deficiency) of revenues over expenditures	<u>(240,995)</u>	<u>(240,995)</u>	<u>(91,883)</u>	<u>149,112</u>
Prior year encumbrances	107,933	107,933	107,933	-
Fund balance, beginning of year	<u>133,674</u>	<u>133,674</u>	<u>133,674</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>612</u></u>	\$ <u><u>612</u></u>	\$ <u><u>149,724</u></u>	\$ <u><u>149,112</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ -	\$ -	\$ 530,152	\$ 530,152
Net change in fund balance	-	-	530,152	530,152
Fund balance, beginning of year	500,805	500,805	500,805	-
Fund balance, end of year	\$ 500,805	\$ 500,805	\$ 1,030,957	\$ 530,152

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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 8,900	\$ 8,900	\$ 9,095	\$ 195
Expenditures:				
Current:				
Public health and welfare				
Contractual services	6,230	6,230	5,416	814
Capital outlay	<u>3,699</u>	<u>3,699</u>	<u>926</u>	<u>2,773</u>
Total expenditures	<u>9,929</u>	<u>9,929</u>	<u>6,342</u>	<u>3,587</u>
Net change in fund balance	(1,029)	(1,029)	2,753	3,782
Prior year encumbrances	1,499	1,499	1,499	-
Fund balance, beginning of year	<u>9,747</u>	<u>9,747</u>	<u>9,747</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>10,217</u></u>	\$ <u><u>10,217</u></u>	\$ <u><u>13,999</u></u>	\$ <u><u>3,782</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income tax	\$ 2,138,670	\$ 2,138,670	\$ 2,274,016	\$ 135,346
Intergovernmental revenue	<u>5,000</u>	<u>5,000</u>	<u>12,580</u>	<u>7,580</u>
Total revenues	<u>2,143,670</u>	<u>2,143,670</u>	<u>2,286,596</u>	<u>142,926</u>
Expenditures:				
Current:				
Basic utility services				
Service department				
Salaries	75,000	139,282	136,025	3,257
Benefits	26,572	57,819	57,819	-
Contractual services	1,893,509	1,893,509	1,765,069	128,440
Capital outlay	<u>78,000</u>	<u>100,000</u>	<u>99,926</u>	<u>74</u>
Total expenditures	<u>2,073,081</u>	<u>2,190,610</u>	<u>2,058,839</u>	<u>131,771</u>
Net change in fund balance	70,589	(46,940)	227,757	274,697
Prior year encumbrances	5,085	5,085	5,085	-
Fund balance, beginning of year	<u>745,816</u>	<u>745,816</u>	<u>745,816</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>821,490</u></u>	\$ <u><u>703,961</u></u>	\$ <u><u>978,658</u></u>	\$ <u><u>274,697</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 21,500	\$ 21,500	\$ 13,440	\$ (8,060)
Intergovernmental revenue	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total revenues	<u>31,500</u>	<u>31,500</u>	<u>23,440</u>	<u>(8,060)</u>
Expenditures:				
Current:				
Public health and welfare				
Division of youth services				
Salaries	22,370	22,370	17,078	5,292
Benefits	3,748	3,748	2,896	852
Materials and supplies	1,250	1,250	984	266
Contractual services	<u>4,050</u>	<u>4,050</u>	<u>1,937</u>	<u>2,113</u>
Total expenditures	<u>31,418</u>	<u>31,418</u>	<u>22,895</u>	<u>8,523</u>
Net change in fund balance	82	82	545	463
Fund balance, beginning of year	<u>6,038</u>	<u>6,038</u>	<u>6,038</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>6,120</u></u>	\$ <u><u>6,120</u></u>	\$ <u><u>6,583</u></u>	\$ <u><u>463</u></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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Security of persons and property				
Police department				
Materials and supplies	\$ 23,984	\$ 23,984	\$ -	\$ 23,984
Net change in fund balance	(23,984)	(23,984)	-	23,984
Fund balance, beginning of year	23,984	23,984	23,984	-
Fund balance, end of year	\$ -	\$ -	\$ 23,984	\$ 23,984

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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other revenue	\$ 30,500	\$ 30,500	\$ 45,950	\$ 15,450
Expenditures:				
Current:				
General government				
Mayor				
Contractual services	-	25,000	25,000	-
Security of persons and property				
Fire department				
Capital outlay	1,533	1,533	-	1,533
Police department				
Materials and supplies	11,678	11,678	2,651	9,027
Total security of persons and property	13,211	13,211	2,651	10,560
Leisure time activities				
Parks and recreation				
Capital outlay	989	989	-	989
Public health and welfare				
Division of youth and family services				
Materials and supplies	52,785	52,785	13,055	39,730
Contractual services	50,970	50,970	10,386	40,584
Total public health and welfare	103,755	103,755	23,441	80,314
Economic development				
Department of planning and development				
Contractual services	28,625	3,625	2,371	1,254
Total economic development	28,625	3,625	2,371	1,254
Total current expenditures	146,580	146,580	53,463	93,117
Excess (deficiency) of revenues over expenditures	(116,080)	(116,080)	(7,513)	108,567
Other financing sources (uses):				
Transfers - in	15,000	15,000	-	(15,000)
Net change in fund balance	(101,080)	(101,080)	(7,513)	93,567
Prior year encumbrances	7,152	7,152	7,152	-
Fund balance, beginning of year	251,666	251,666	251,666	-
Fund balance, end of year	\$ 157,738	\$ 157,738	\$ 251,305	\$ 93,567

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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General government				
Law department				
Salaries	\$ 21,225	\$ 21,225	\$ 14,987	\$ 6,238
Benefits	3,697	3,697	2,822	875
Materials and supplies	3,750	3,750	-	3,750
Contractual services	<u>97,500</u>	<u>97,500</u>	<u>36,000</u>	<u>61,500</u>
Total expenditures	<u>126,172</u>	<u>126,172</u>	<u>53,809</u>	<u>72,363</u>
Net change in fund balance	(126,172)	(126,172)	(53,809)	72,363
Fund balance, beginning of year	<u>157,985</u>	<u>157,985</u>	<u>157,985</u>	-
Fund balance, end of year	\$ <u><u>31,813</u></u>	\$ <u><u>31,813</u></u>	\$ <u><u>104,176</u></u>	\$ <u><u>72,363</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, 2016

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property and other taxes	\$ 202,743	\$ 202,743	\$ 206,532	\$ 3,789
Intergovernmental revenue	<u>26,009</u>	<u>26,009</u>	<u>26,815</u>	<u>806</u>
Total revenues	228,752	228,752	233,347	4,595
Expenditures:				
Current:				
Security of persons and property				
Fire department				
Benefits	<u>255,369</u>	<u>255,369</u>	<u>255,369</u>	<u>-</u>
Net change in fund balance	(26,617)	(26,617)	(22,022)	4,595
Fund balance, beginning of year	<u>26,617</u>	<u>26,617</u>	<u>26,617</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>4,595</u></u>	\$ <u><u>4,595</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 2,297	\$ 2,297
Expenditures:				
Current:				
Security of persons and property				
Police department				
Salaries	18,000	15,000	-	15,000
Benefits	3,771	3,771	-	3,771
Materials and supplies	994	994	-	994
Contractual services	-	3,000	-	3,000
Total expenditures	<u>22,765</u>	<u>22,765</u>	<u>-</u>	<u>22,765</u>
Net change in fund balance	(22,765)	(22,765)	2,297	25,062
Fund balance, beginning of year	<u>22,765</u>	<u>22,765</u>	<u>22,765</u>	<u>-</u>
Fund balance, end of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>25,062</u>	\$ <u>25,062</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeiture	\$ 370,000	\$ 370,000	\$ 360,525	\$ (9,475)
Expenditures:				
Current:				
Security of persons and property				
Law department				
Salaries	30,149	30,749	30,706	43
Benefits	<u>16,020</u>	<u>15,895</u>	<u>14,379</u>	<u>1,516</u>
Total law department	<u>46,169</u>	<u>46,644</u>	<u>45,085</u>	<u>1,559</u>
Police department				
Salaries	210,000	210,000	159,321	50,679
Benefits	79,584	78,209	57,483	20,726
Materials and supplies	1,667	2,567	633	1,934
Contractual services	32,500	32,500	12,922	19,578
Capital outlay	<u>18,300</u>	<u>18,300</u>	<u>17,279</u>	<u>1,021</u>
Total police department	<u>342,051</u>	<u>341,576</u>	<u>247,638</u>	<u>93,938</u>
Total expenditures	<u>388,220</u>	<u>388,220</u>	<u>292,723</u>	<u>95,497</u>
Net change in fund balance	(18,220)	(18,220)	67,802	86,022
Fund balance, beginning of year	<u>47,453</u>	<u>47,453</u>	<u>47,453</u>	-
Fund balance, end of year	\$ <u>29,233</u>	\$ <u>29,233</u>	\$ <u>115,255</u>	\$ <u>86,022</u>

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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 202,743	\$ 202,743	\$ 206,533	\$ 3,790
Intergovernmental revenue	<u>26,009</u>	<u>26,009</u>	<u>26,814</u>	<u>805</u>
Total revenues	228,752	228,752	233,347	4,595
Expenditures:				
Current:				
Security of persons and property				
Police department				
Benefits	<u>255,369</u>	<u>255,369</u>	<u>255,369</u>	<u>-</u>
Net change in fund balance	(26,617)	(26,617)	(22,022)	4,595
Fund balance, beginning of year	<u>26,617</u>	<u>26,617</u>	<u>26,617</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>4,595</u></u>	\$ <u><u>4,595</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 18,500	\$ 18,500	\$ 2,603	\$ (15,897)
Fines and forfeitures	2,750	2,750	1,445	(1,305)
Donations	<u>6,300</u>	<u>6,300</u>	<u>7,596</u>	<u>1,296</u>
Total revenues	<u>27,550</u>	<u>27,550</u>	<u>11,644</u>	<u>(15,906)</u>
Expenditures:				
Current:				
Leisure time activities				
Department of community life services				
Materials and supplies	15,121	15,121	10,168	4,953
Contractual services	<u>15,953</u>	<u>15,953</u>	<u>1,408</u>	<u>14,545</u>
Total expenditures	<u>31,074</u>	<u>31,074</u>	<u>11,576</u>	<u>19,498</u>
Net change in fund balance	(3,524)	(3,524)	68	3,592
Prior year encumbrances	3,183	3,183	3,183	-
Fund balance, beginning of year	<u>7,349</u>	<u>7,349</u>	<u>7,349</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>7,008</u></u>	\$ <u><u>7,008</u></u>	\$ <u><u>10,600</u></u>	\$ <u><u>3,592</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 6,120	\$ 6,120	\$ 5,816	\$ (304)
Intergovernmental revenue	<u>9,920</u>	<u>9,920</u>	<u>8,129</u>	<u>(1,791)</u>
Total revenues	<u>16,040</u>	<u>16,040</u>	<u>13,945</u>	<u>(2,095)</u>
Expenditures:				
Current:				
Public health and welfare				
Senior services				
Salaries	11,288	11,488	11,334	154
Benefits	<u>2,028</u>	<u>2,078</u>	<u>2,072</u>	<u>6</u>
Total expenditures	<u>13,316</u>	<u>13,566</u>	<u>13,406</u>	<u>160</u>
Net change in fund balance	2,724	2,474	539	(1,935)
Fund balance, beginning of year	<u>40,562</u>	<u>40,562</u>	<u>40,562</u>	<u>-</u>
Fund balance, end of year	\$ <u>43,286</u>	\$ <u>43,036</u>	\$ <u>41,101</u>	\$ <u>(1,935)</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Transportation				
Public service and properties				
Materials and supplies	\$ 1,333	\$ 1,333	\$ -	\$ 1,333
Contractual services	<u>6,672</u>	<u>6,672</u>	<u>513</u>	<u>6,159</u>
Total expenditures	<u>8,005</u>	<u>8,005</u>	<u>513</u>	<u>7,492</u>
Net change in fund balance	(8,005)	(8,005)	(513)	7,492
Prior year encumbrances	5,152	5,152	5,152	-
Fund balance, beginning of year	<u>12,284</u>	<u>12,284</u>	<u>12,284</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>9,431</u></u>	\$ <u><u>9,431</u></u>	\$ <u><u>16,923</u></u>	\$ <u><u>7,492</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 743,390	\$ 743,390	\$ 757,265	\$ 13,875
Intergovernmental revenue	<u>95,367</u>	<u>95,367</u>	<u>104,125</u>	<u>8,758</u>
Total revenues	<u>838,757</u>	<u>838,757</u>	<u>861,390</u>	<u>22,633</u>
Expenditures:				
Debt service:				
Principal	680,000	680,000	680,000	-
Interest and fiscal charges	<u>195,438</u>	<u>195,438</u>	<u>195,438</u>	<u>-</u>
Total expenditures	<u>875,438</u>	<u>875,438</u>	<u>875,438</u>	<u>-</u>
Net change in fund balance	(36,681)	(36,681)	(14,048)	22,633
Fund balance, beginning of year	<u>724,062</u>	<u>724,062</u>	<u>724,062</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>687,381</u></u>	\$ <u><u>687,381</u></u>	\$ <u><u>710,014</u></u>	\$ <u><u>22,633</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 270,323	\$ 270,323	\$ 275,335	\$ 5,012
Intergovernmental revenue	<u>34,679</u>	<u>34,679</u>	<u>45,318</u>	<u>10,639</u>
Total revenues	<u>305,002</u>	<u>305,002</u>	<u>320,653</u>	<u>15,651</u>
Expenditures:				
Debt service:				
Principal	195,000	215,000	215,000	-
Interest and fiscal charges	<u>121,288</u>	<u>190,019</u>	<u>77,019</u>	<u>113,000</u>
Total expenditures	<u>316,288</u>	<u>405,019</u>	<u>292,019</u>	<u>113,000</u>
Net change in fund balance	(11,286)	(100,017)	28,634	128,651
Fund balance, beginning of year	<u>526,273</u>	<u>526,273</u>	<u>526,273</u>	-
Fund balance, end of year	\$ <u>514,987</u>	\$ <u>426,256</u>	\$ <u>554,907</u>	\$ <u>128,651</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General government				
Division of finance				
Capital outlay	\$ 118,811	\$ 118,811	\$ 34,353	\$ 84,458
Security of persons and property				
Division of police				
Capital outlay	371,828	371,828	353,822	18,006
Leisure time activities				
Recreation department				
Capital outlay	<u>93,907</u>	<u>93,907</u>	<u>70,330</u>	<u>23,577</u>
Total expenditures	<u>584,546</u>	<u>584,546</u>	<u>458,505</u>	<u>126,041</u>
Net change in fund balance	(584,546)	(584,546)	(458,505)	126,041
Prior year encumbrances	45,299	45,299	45,299	-
Fund balance, beginning of year	<u>539,247</u>	<u>539,247</u>	<u>539,247</u>	-
Fund balance, end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>126,041</u></u>	\$ <u><u>126,041</u></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, 2016

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Transportation				
Department of public service				
Capital outlay	\$ <u>10,000</u>	\$ <u>106,300</u>	\$ <u>90,280</u>	\$ <u>16,020</u>
Net change in fund balance	(10,000)	(106,300)	(90,280)	16,020
Fund balance, beginning of year	<u>123,756</u>	<u>123,756</u>	<u>123,756</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>113,756</u></u>	\$ <u><u>17,456</u></u>	\$ <u><u>33,476</u></u>	\$ <u><u>16,020</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,735,500	\$ 1,735,500	\$ 1,739,921	\$ 4,421
Expenses:				
Current:				
Golf course and ballroom				
Salaries	504,310	516,310	466,192	50,118
Benefits	122,200	108,200	93,516	14,684
Materials and supplies	411,090	413,090	375,465	37,625
Contractual services	313,361	313,361	277,572	35,789
Capital outlay	351,209	351,209	341,202	10,007
Total expenditures	1,702,170	1,702,170	1,553,947	148,223
Excess (deficiency) of revenues over expenses	33,330	33,330	185,974	152,644
Other financing sources (uses):				
Transfers - out	(169,959)	(169,959)	(169,959)	-
Net change in fund equity	(136,629)	(136,629)	16,015	152,644
Prior year encumbrances	31,963	31,963	31,963	-
Fund equity, beginning of year	196,975	196,975	196,975	-
Fund equity, end of year	\$ 92,309	\$ 92,309	\$ 244,953	\$ 152,644

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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 9,523,179	\$ 9,521,679	\$ 9,691,296	\$ 169,617
Expenses:				
Current:				
Sewer				
Salaries	1,728,875	1,728,875	1,589,913	138,962
Benefits	701,152	701,152	597,900	103,252
Materials and supplies	763,391	763,391	472,109	291,282
Contractual services	2,299,662	2,291,701	1,878,563	413,138
Capital outlay	675,110	723,093	842,286	(119,193)
Total expense	6,168,190	6,208,212	5,380,771	827,441
Excess (deficiency) of revenues over expenses	3,354,989	3,313,467	4,310,525	997,058
Other financing sources (uses):				
Sale of capital assets	-	-	378	378
Loan proceeds	191,912	233,434	41,521	(191,913)
Transfers - out	(5,477,632)	(5,477,632)	(5,477,632)	-
Total other financing sources (uses)	(5,285,720)	(5,244,198)	(5,435,733)	(191,535)
Net change in fund equity	(1,930,731)	(1,930,731)	(1,125,208)	805,523
Prior year encumbrances	431,313	431,313	431,313	-
Fund equity, beginning of year	7,966,322	7,966,322	7,966,322	-
Fund equity, end of year	\$ 6,466,904	\$ 6,466,904	\$ 7,272,427	\$ 805,523

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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 3,336,709	\$ 3,336,709	\$ 2,720,010	\$ (616,699)
Expenses:				
Contractual services	<u>3,087,164</u>	<u>3,147,164</u>	<u>3,043,315</u>	<u>103,849</u>
Net change in fund equity	249,545	189,545	(323,305)	(512,850)
Fund equity, beginning of year	<u>3,255,726</u>	<u>3,255,726</u>	<u>3,255,726</u>	<u>-</u>
Fund equity, end of year	\$ <u><u>3,505,271</u></u>	\$ <u><u>3,445,271</u></u>	\$ <u><u>2,932,421</u></u>	\$ <u><u>(512,850)</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 296,635	\$ 296,635	\$ 297,596	\$ 961
Expenses:				
Contractual services	<u>324,133</u>	<u>324,133</u>	<u>160,317</u>	<u>163,816</u>
Net change in fund equity	(27,498)	(27,498)	137,279	164,777
Prior year encumbrances	9,565	9,565	9,565	-
Fund equity, beginning of year	<u>1,160,124</u>	<u>1,160,124</u>	<u>1,160,124</u>	<u>-</u>
Fund equity, end of year	\$ <u><u>1,142,191</u></u>	\$ <u><u>1,142,191</u></u>	\$ <u><u>1,306,968</u></u>	\$ <u><u>164,777</u></u>

City of North Olmsted, Ohio

Fund Description

For the Year Ended December 31, 2016

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, 2016

	<u>Balance 12/31/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/16</u>
Deposits Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>627,886</u>	\$ <u>193,359</u>	\$ <u>166,823</u>	\$ <u>654,422</u>
Liabilities:				
Deposits held and due to others	\$ <u>627,886</u>	\$ <u>193,359</u>	\$ <u>166,823</u>	\$ <u>654,422</u>
Mayor's Court Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>123,497</u>	\$ <u>1,371,612</u>	\$ <u>1,405,796</u>	\$ <u>89,313</u>
Liabilities:				
Deposits held and due to others	\$ <u>123,497</u>	\$ <u>1,371,612</u>	\$ <u>1,405,796</u>	\$ <u>89,313</u>
Mayor's Court Bond Fund				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>3,167</u>	\$ <u>14,869</u>	\$ <u>17,361</u>	\$ <u>675</u>
Liabilities:				
Deposits held and due to others	\$ <u>3,167</u>	\$ <u>14,869</u>	\$ <u>17,361</u>	\$ <u>675</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>754,550</u>	\$ <u>1,579,840</u>	\$ <u>1,589,980</u>	\$ <u>744,410</u>
Liabilities:				
Deposits held and due to others	\$ <u>754,550</u>	\$ <u>1,579,840</u>	\$ <u>1,589,980</u>	\$ <u>744,410</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

	2016	2015	2014 (a)	2013	2012	2011	2010	2009	2008	2007
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 35,283,840
Restricted for:										
Debt service	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	3,131,035
Capital projects	4,977,260	4,693,516	1,138,817	762,911	623,236	797,848	597,111	716,489	622,757	1,709,930
Community development	-	-	73,955	60,633	42,307	49,644	50,857	71,498	63,763	59,323
Highways and streets	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	3,707,648
Public safety	148,194	182,360	509,197	736,249	825,663	615,805	642,429	604,339	531,438	560,447
Recreation	-	4,588	86,380	222,472	215,836	88,177	87,335	148,141	24,215	38,575
Solid waste management	1,603,317	1,313,809	1,136,124	965,775	577,462	509,787	672,589	859,742	1,119,036	1,191,771
Federal and other grants	432,021	454,162	535,346	524,945	530,871	655,170	610,274	612,177	336,920	514,869
Unrestricted	<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>	<u>2,709,305</u>
Total net position – governmental activities	<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>	<u>48,906,743</u>
Business-type activities:										
Net investment in capital assets	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	12,986,719
Unrestricted	<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>	<u>586,799</u>
Total net position – business-type activities	<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>	<u>13,573,518</u>
Primary government:										
Net investment in capital assets	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	48,270,559
Restricted	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	10,913,598
Unrestricted	<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>	<u>3,296,104</u>
Total net position – primary government	<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>	<u>\$ 62,480,261</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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 1,380,444
Security of persons and property	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	913,899
Public health and welfare	9,016	8,926	7,446	10,698	17,015	20,989	40,077	32,742	35,723	34,924
Transportation	120,094	210,341	241,171	235,112	283,571	257,183	173,141	230,351	370,720	257,444
Basic utility services	-	-	-	-	-	-	-	-	-	-
Leisure time activities	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	1,115,611
Economic development	12,524	17,618	18,608	25,663	19,421	21,206	19,875	21,447	20,826	20,771
Total charges for services	<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>	<u>3,723,093</u>
Operating grants and contributions:										
General government	1,555	30,939	55,726	37,500	41,442	11,260	48,547	29,998	53,548	259,898
Security of persons and property	160,833	411,329	129,368	342,433	415,442	26,322	54,646	55,111	73,554	52,724
Public health and welfare	61,731	61,366	60,909	64,031	63,112	60,327	63,017	46,530	53,436	42,152
Transportation	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	1,532,237
Basic utility services	5,500	5,000	5,000	12,441	-	3,282	3,634	4,350	-	8,018
Leisure time activities	-	1,940	55	12,185	9,500	62,491	69,136	64,267	75,757	71,678
Economic development	-	-	-	-	-	65,000	15,400	54,600	19,975	-
Total operating grants and contributions	<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>	<u>1,966,707</u>
Capital grants and contributions:										
General government	-	34,654	-	32,877	67,419	134,839	-	-	-	-
Security of persons and property	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	1,086,471
Leisure time activities	-	-	-	-	-	-	-	18,654	-	112,200
Total capital grants and contributions	<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>	<u>1,198,671</u>
Total governmental activities program revenues	<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>	<u>6,888,471</u>

(Continued)

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting (Continued)

Last Ten Years

	<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>	<u>2007</u>
Business-type activities:										
Charges for services:										
NOMBL	-	-	-	-	-	-	-	-	-	1,608
Springvale Golf Course and Ballroom	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	1,236,571
Sewer	10,039,509	9,181,973	8,738,033	7,770,214	7,327,028	6,673,982	6,769,950	6,371,014	6,291,597	5,902,415
Total charges for services	<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>	<u>7,140,594</u>
Capital grants and contributions:										
Sewer	-	-	-	31,676	62,299	187,887	71,428	124,197	40,886	141,130
Total business-type activities program revenues	<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>	<u>7,281,724</u>
Total primary government program revenues	<u>11,779,432</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>	<u>14,170,195</u>
Expenses:										
Governmental activities:										
General government	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	4,272,866
Security of persons and property	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	14,450,742
Public health services	631,709	551,565	529,304	504,219	527,602	489,183	467,464	536,943	565,271	567,033
Transportation	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	9,877,064
Basic utility services	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	1,806,726
Leisure time activities	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	2,451,564
Economic development	271,870	275,635	328,696	339,198	476,253	432,497	377,094	548,066	562,343	343,280
Interest and fiscal charges	668,492	1,049,394	941,826	1,371,593	1,197,352	1,370,320	1,580,084	1,754,255	1,947,244	2,125,469
Total governmental activities expenses	<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>	<u>35,894,744</u>

(Continued)

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting (Continued)

Last Ten Years

	<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>	<u>2007</u>
Business-type activities:										
NOMBL	-	-	-	-	-	-	-	13,158	13,158	13,158
Springvale Golf Course and Ballroom	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	1,470,220
Sewer revenue	<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>	<u>6,735,440</u>
Total business-type activities expenses	<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>	<u>8,218,818</u>
Total primary government expenses	<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>	<u>44,113,562</u>
Net (expense) revenue:										
Governmental activities	(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)	(29,006,273)
Business-type activities	<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>	<u>(937,094)</u>
Total primary government net expense	<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>	<u>(29,943,367)</u>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes and other local taxes	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	11,396,531
Municipal income taxes	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	13,014,677
Grants and entitlements	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	3,492,684
Investment earnings	64,238	36,912	39,775	61,556	40,217	37,499	62,463	84,227	531,565	1,029,342
Gain on sale of capital assets	-	-	-	-	9,086	-	-	-	-	-
Other	63,590	75,163	63,894	37,415	34,503	35,478	22,728	23,747	60,552	95,844
Transfers	52,640	(38,852)	40,223	13,368	211,272	62,651	(75,800)	(27,781)	528,542	(328,082)
Special item – sale of capital assets	-	-	-	-	-	156,930	-	-	-	-
Total governmental activities general revenues and other changes in net position	<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>	<u>28,700,996</u>

(Continued)

City of North Olmsted, Ohio

Changes in Net Position Accrual Basis of Accounting (Continued)

Last Ten Years

	<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>	<u>2007</u>
Business-type activities:										
Transfers	(52,640)	-	(40,223)	(13,368)	(211,272)	(62,651)	75,800	27,781	(528,542)	328,082
Special item – loss on sale of capital assets	<u>(3,454,506)</u>	<u>38,852</u>	<u>-</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>(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>	<u>328,082</u>
Total primary government general revenues and other changes in net position	<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>	<u>29,029,078</u>
Change in net position:										
Governmental activities	682,124	32,935	(867,863)	(970,759)	(832,736)	694,057	8,641,228	(524,808)	(2,315,601)	(305,277)
Business-type activities	<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>	<u>(609,012)</u>
Total primary government change in net position	\$ <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>	\$ <u>(914,289)</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

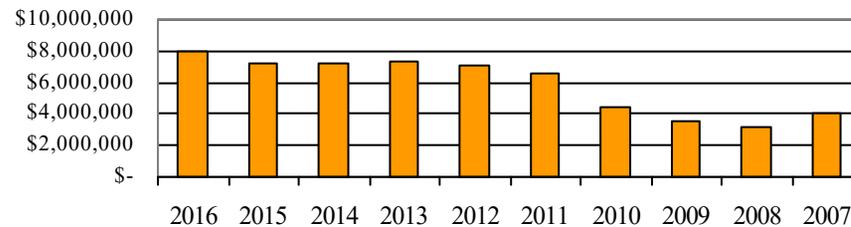
Last Ten Years

	<u>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>	<u>2007</u>
General Fund										
Nonspendable	\$ 1,283,563	\$ 1,173,952	\$ 1,180,719	\$ 1,077,862	\$ 988,055	\$ 910,466	\$ -	\$ -	\$ -	\$ -
Committed	62,454	42,000	-	-	-	-	-	-	-	-
Assigned	4,684,994	4,237,354	4,714,841	4,860,515	1,799,392	875,618	-	-	-	-
Unassigned	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	180,744
Unreserved	-	-	-	-	-	-	<u>3,620,708</u>	<u>3,189,607</u>	<u>3,038,397</u>	<u>3,862,969</u>
Total General Fund	<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>	<u>4,043,713</u>
All other governmental funds										
Nonspendable	103,105	124,839	75,935	20,717	17,671	16,322	-	-	-	-
Restricted	16,601,938	10,447,657	13,617,900	12,319,432	10,089,351	10,071,569	-	-	-	-
Committed	252,989	5,152,340	477,523	738,571	699,742	568,849	-	-	-	-
Unassigned	(5,516)	-	-	-	(55,939)	(56,562)	-	-	-	-
Reserved	-	-	-	-	-	-	423,390	252,063	256,447	221,861
Unreserved (deficit), reported in:										
Special revenue funds	-	-	-	-	-	-	5,290,424	5,826,527	5,833,486	6,024,628
Debt service funds	-	-	-	-	-	-	4,074,995	3,881,582	3,609,078	3,131,035
Capital projects funds	-	-	-	-	-	-	<u>569,830</u>	<u>744,698</u>	<u>597,238</u>	<u>1,599,829</u>
Total all other governmental funds	<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>	<u>10,977,353</u>
Total governmental funds	\$ <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>	\$ <u>15,021,066</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>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>	<u>2007</u>
Revenues:										
Property taxes	\$ 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	\$ 11,300,024
Income taxes	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	13,347,091
Payment in lieu of taxes	530,152	501,075	-	-	-	-	-	-	-	-
Charges for services	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	2,429,928
Fines, licenses and permits	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	1,336,750
Intergovernmental	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	7,020,463
Special assessments	-	-	-	-	-	-	90,000	85,000	75,000	70,000
Interest	64,238	36,912	39,775	61,556	40,217	37,499	62,463	84,227	531,565	1,029,342
Miscellaneous	108,250	717,963	662,055	615,578	176,983	181,063	208,977	195,904	214,157	273,269
Total revenues	<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>	<u>36,806,867</u>
Expenditures:										
Current:										
General government	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	4,010,702
Security of persons and property	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	14,045,123
Public health and welfare	547,434	590,039	522,122	640,545	513,659	628,225	477,740	549,409	563,943	560,468
Transportation	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	5,522,720
Basic utility services	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	1,884,985
Leisure time activities	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	2,405,799
Economic development	328,076	272,427	321,058	435,643	738,357	468,200	556,467	554,298	544,560	341,877
Capital outlay	421,515	714,701	1,746,234	132,499	833,444	376,161	122,399	416,772	834,099	3,152,670
Debt Service:										
Principal	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	4,120,931
Interest and fiscal charge	729,247	844,228	974,312	1,119,953	1,183,155	1,368,647	1,606,408	1,738,992	1,951,582	2,077,473
Note issuance costs	-	-	-	-	23,250	17,426	25,522	22,017	12,000	13,250
Bond issuance costs	17,048	233,131	28,056	133,477	-	-	83,872	-	-	-
Total expenditures	<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>	<u>38,135,998</u>
Excess (deficiency) of revenues over expenditures	<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>	<u>(1,329,131)</u>

(Continued)

City of North Olmsted, Ohio

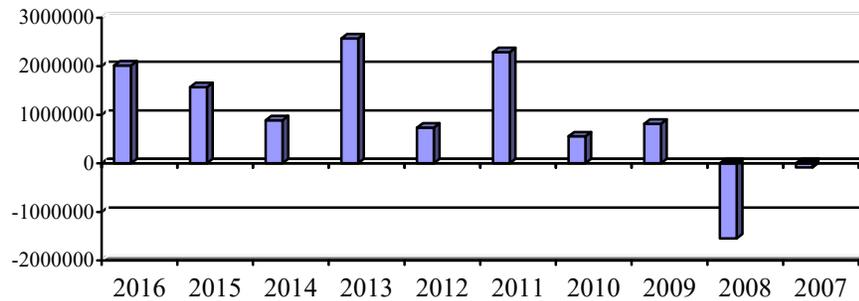
Changes in Fund Balances, Governmental Funds Modified Accrual Basis of Accounting (Continued)

Last Ten Years

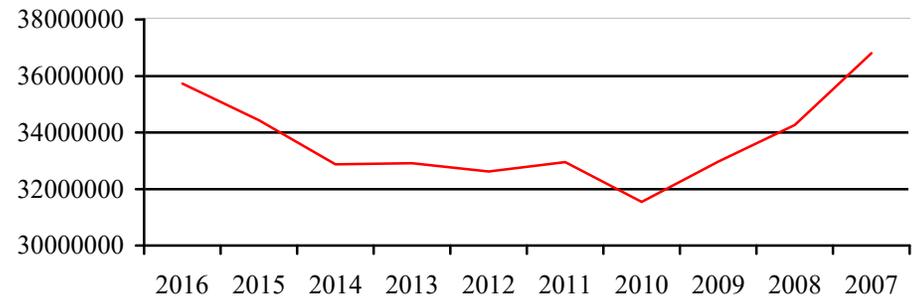
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Other financing sources (uses):										
Issuance of notes	1,605,000	5,095,000	2,425,000	-	2,468,700	880,000	-	3,215,000	2,370,000	1,560,000
Inception of capital leases	-	60,299	176,472	-	-	-	59,763	-	-	-
Proceeds from issuance of bonds	-	8,380,000	-	4,770,000	-	-	3,715,000	-	-	-
Premium on issuance of bonds	7,383	518,568	11,510	120,394	-	-	168,945	-	-	-
Payment to bond escrow agent	-	3,593,275	-	-	-	-	-	-	-	-
Sale of capital assets	20,176	16,033	3,400	55,130	12,300	171,334	20,284	9,450	27,527	12,349
Transfers - in	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	2,492,750
Transfers - out	<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>	<u>(2,820,832)</u>
Total other financing sources (uses)	<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>	<u>1,244,267</u>
Net change in fund balance	\$ <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>	\$ <u>(84,864)</u>
Debt service as a percentage of noncapital expenditures	15.43%	30.43%	15.31%	21.68%	19.21%	18.33%	36.66%	25.49%	21.38%	18.89%

Source: City financial records

Net Change in Fund Balance, Governmental Funds



Governmental Funds Revenues



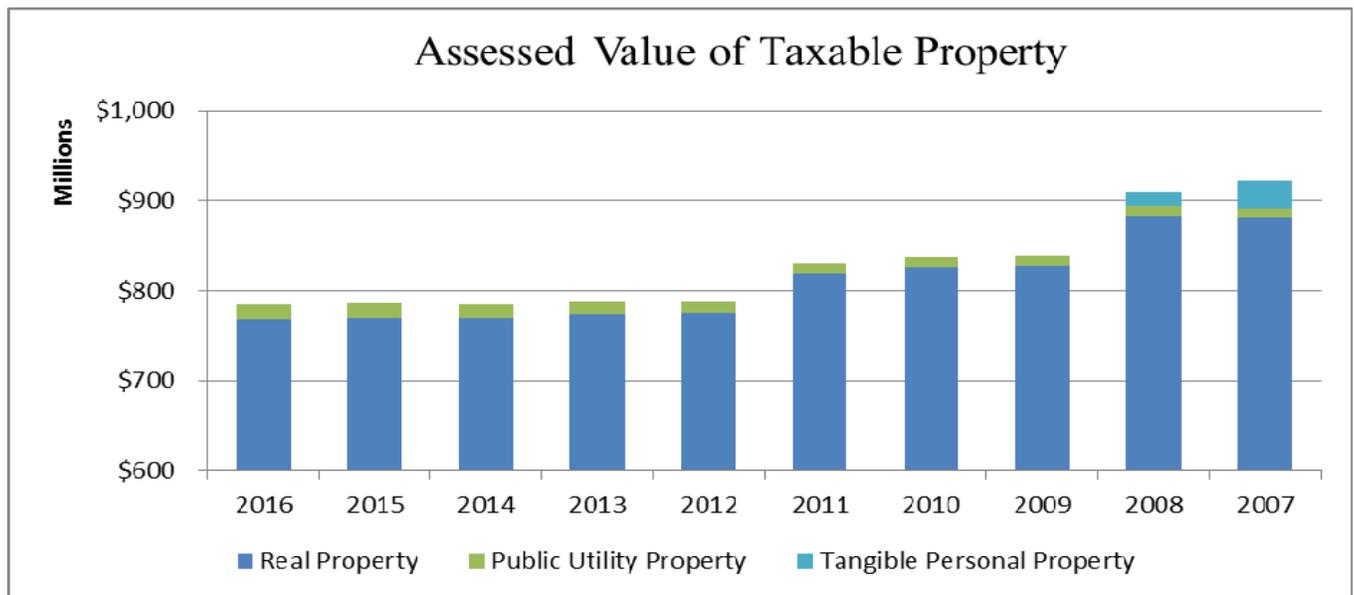
City of North Olmsted, Ohio

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
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
2007	881,650,600	10,087,260	30,291,306	922,029,166	2,781,506,682	13.20	33.1

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



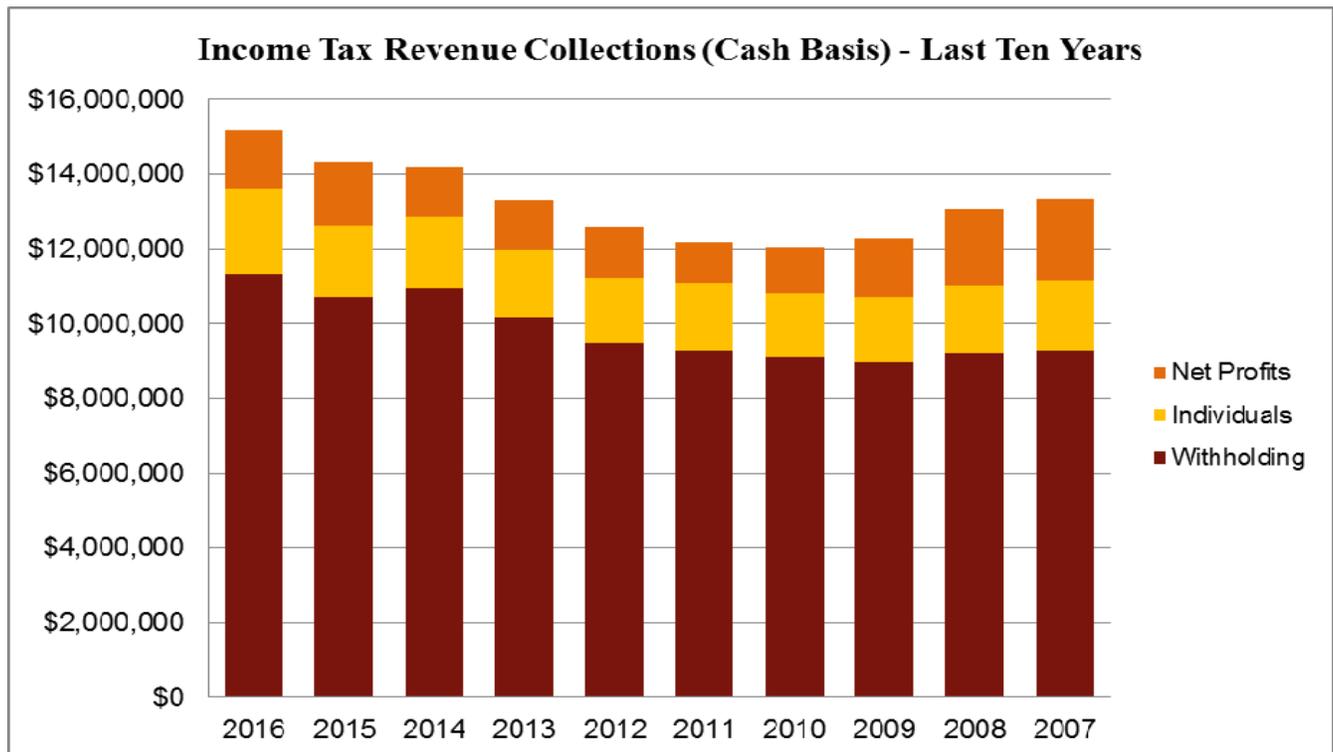
City of North Olmsted, Ohio

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
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
2007	2.00	13,330,936	9,275,262	69.6	1,880,178	14.1	2,175,496	16.3

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						
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	
2007	6.50	4.90	1.20	0.60	13.20	83.50	20.20	2.40	119.30	

(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>
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
2007	11,807,403	11,403,200	96.58	250,483	11,653,683	98.70	459,981	3.9

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

2016 and 2007

<u>Name of Taxpayer</u>	<u>December 31, 2016</u>	
	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Star-West Great Northern Mall LLC	\$ 36,988,690	4.71%
BRE DDR Great Northern LLC	21,480,820	2.74
Cleveland Electric Illuminating Company	12,765,950	1.63
PWA Great Northern Corporate Center	8,394,760	1.07
B&G Properties LTD Partnership	6,253,290	0.80
LKD North Olmsted LLC	6,207,060	0.79
DDR MDT Great Northern LLC	5,819,210	0.74
JVM Butternut Apartments LLC	5,642,000	0.72
Moen Inc.	4,685,770	0.60
Water Tower Square LTD	4,146,530	0.53
Total	\$ <u>112,384,080</u>	<u>14.33%</u>
Total assessed valuation	\$ <u>785,288,450</u>	
<u>Name of Taxpayer</u>	<u>December 31, 2007</u>	
<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Great Northern Partnership	\$ 26,344,050	2.82%
DDR MDT Great Northern LLC	22,838,790	2.44
Cleveland Electric Illuminating Company	8,422,120	0.90
Duke Realty Ohio	7,445,620	0.80
B&G Properties Limited Partnership	5,855,170	0.63
Butternut Ridge Apartments LLC	5,751,200	0.61
WEA Great Northern Mall LLC	5,147,670	0.55
Water Tower Square LTD	4,638,730	0.50
Wal Mart	4,607,790	0.49
Higbee Company	4,550,010	0.49
Total	\$ <u>95,601,150</u>	<u>10.23%</u>
Total assessed valuation	\$ <u>922,029,166</u>	

Source: Cuyahoga County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2016 and 2007 assessed taxes were based.

City of North Olmsted, Ohio

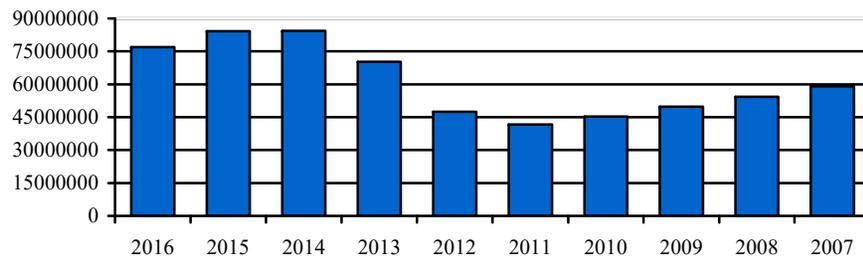
Ratio of Outstanding Debt to Total Personal Income and Debt per Capita

Last Ten Years

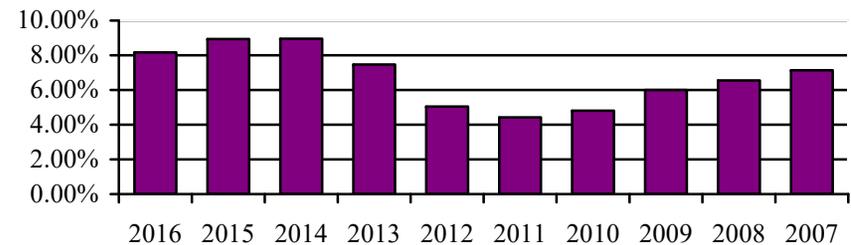
Year	Governmental Activities					Business-Type Activities					Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Long-Term Notes	Capital Leases	General Obligation Bonds	Long-Term Notes	Capital Leases	OWDA Loans	OPWC Loans			
2016	\$ 17,790,965	\$ -	\$ -	\$ 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
2007	39,579,073	250,000	81,675	1,560,000	42,930	15,878,343	-	3,206	611,019	1,042,667	59,048,913	7.11	1,731

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) Value</u>		<u>Gross (3) Bonded Debt</u>		<u>Debt Service Monies Available</u>
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
2007	34,113	(b)	922,029,166		55,457,416		3,131,035

(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>
\$	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
	52,326,381	5.68	1,534

City of North Olmsted, Ohio

Computation of Direct and Overlapping General Obligation Debt

December 31, 2016

	<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	\$ 20,734,028	100.00%	\$ 20,734,028
General obligation bond anticipation notes	1,605,000	100.00%	1,605,000
Capital lease payable	<u>107,566</u>	100.00%	<u>107,566</u>
Total direct debt	<u>22,446,594</u>		<u>22,446,594</u>
Overlapping:			
North Olmsted School District	75,590,000	100.00%	75,590,000
North Olmsted/Olmsted Falls School District	21,509,960	1.54%	331,019
Cuyahoga County	226,090,000	2.84%	6,427,292
Greater Cleveland Regional Transit Authority	<u>3,910,000</u>	2.84%	<u>111,154</u>
Total overlapping debt	<u>327,099,960</u>		<u>82,459,465</u>
Total	\$ <u><u>349,546,554</u></u>		\$ <u><u>104,906,059</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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Assessed valuation	\$ <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>	\$ <u>922,029,166</u>
Overall debt limitation – 10 1/2 % of assessed valuation	\$ 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	\$ 96,813,062
Outstanding debt:										
General obligation debt	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	55,707,416
General obligation bond anticipation notes	1,605,000	-	2,575,000	-	2,890,000	1,365,000	-	3,215,000	2,370,000	1,560,000
Less: Amount available in debt service fund	<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>	<u>(3,131,035)</u>
Total outstanding debt	<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>	<u>54,136,381</u>
Less exemptions:										
Bonds and notes issued in anticipation of levy for special assessments	-	-	-	-	-	-	-	90,000	175,000	250,000
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	10,577,000
Securities issued to pay final judgments and settlements	-	-	-	-	-	16,000	34,000	49,000	64,000	79,000
Securities to extent authorizing legislation contains covenants to appropriate, levy and collect municipal income taxes	<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>	<u>8,333,000</u>
Total exemptions	<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>	<u>19,239,000</u>
Net debt within 10 1/2% Limitation	<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>	<u>34,897,381</u>
Overall debt margin	\$ <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>	\$ <u>61,915,681</u>
Unvoted debt limitation 5 1/2 of assessed value	\$ 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	\$ 50,711,604
Amount of principal of unvoted bonds and notes subject to 5 1/2%	<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>	<u>22,892,381</u>
Unvoted debt margin	\$ <u>343,521,370</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>	\$ <u>27,819,223</u>

Source: Cuyahoga County Fiscal Officer and City Financial Records

Note: Assessed valuations based upon the tax year.

City of North Olmsted, Ohio

Principal Employers

Last Ten Years

2016		2015		2014			
Employer	Percent of Total Income Taxes	Employer	Percent of Total Income Taxes	Employer	Percent of Total Income Taxes		
Moen Incorporated	11.49%	Moen Incorporated	11.60%	Moen Incorporated	14.82%		
North Olmsted School District	4.57	North Olmsted School District	5.01	North Olmsted School District	4.87		
The City of North Olmsted	2.12	The City of North Olmsted	2.26	The City of North Olmsted	2.12		
Bernie Moreno Companies	1.83	Bernie Moreno Companies	1.79	Factory Mutual Insurance Company	1.72		
Factory Mutual Insurance Company	1.65	Factory Mutual Insurance Company	1.63	Bernie Moreno Companies	1.40		
Ganley Westside Imports	1.25	Ganley Westside Imports	1.16	Wal Mart Associates, Inc.	1.09		
Wal Mart Associates, Inc.	1.10	Palmer Holland, Inc.	1.06	Ganley Westside Imports	1.02		
Palmer Holland, Inc.	0.93	Wal Mart Associates, Inc.	0.99	Palmer Holland, Inc.	0.91		
Riser Foods Company	0.82	Riser Foods Company	0.91	Riser Foods Company	0.87		
Cargill, Inc.	<u>0.82</u>	Cargill, Inc.	<u>0.81</u>	Advanstar Communications	<u>0.83</u>		
	<u>26.58%</u>		<u>27.22%</u>		<u>29.65%</u>		
2013		2012		2011			
Moen Incorporated		Moen Incorporated		Moen Incorporated			
North Olmsted School District		North Olmsted School District		North Olmsted School District			
The City of North Olmsted		The City of North Olmsted		The City of North Olmsted			
Factory Mutual Insurance Company		Factory Mutual Insurance Company		Factory Mutual Insurance Company			
Bernie Moreno Companies		Bernie Moreno Companies		Advanstar Communications, Inc.			
Wal Mart Associates, Inc.		Advanstar Communications, Inc.		United Transportation			
Ganley Westside Imports		United Transportation		Heartland Payment Systems, Inc.			
Palmer Holland, Inc.		Riser Foods Company		Bernie Moreno Companies			
Riser Foods Company		Ganley Westside Imports		Heartland Employment Services, Inc.			
Advanstar Communications		Wal Mart Associates, Inc.		Cargill, Inc.			
2010		2009		2008		2007	
Moen Incorporated		Moen Incorporated		Moen Incorporated		Moen Incorporated	
North Olmsted School District		North Olmsted School District		North Olmsted School District		North Olmsted School District	
The City of North Olmsted		The City of North Olmsted		The City of North Olmsted		The City of North Olmsted	
Factory Mutual Insurance Company		Advanstar Communications, Inc.		Advanstar Communications, Inc.		Factory Mutual Insurance Company	
Advanstar Communications, Inc.		Factory Mutual Insurance Company		Cingular Wireless Employee Service		Wal Mart Associates, Inc.	
AT&T Mobility		AT&T Mobility		Factory Mutual Insurance Company		Sunnyside Cars, Inc.	
Heartland Employment Services, Inc.		Heartland Employment Services, Inc.		Sunnyside Automotive, Inc.		Heartland Employment Services, Inc.	
Wal Mart Associates, Inc.		Wal Mart Associates, Inc.		Heartland Employment Services, Inc.		Cingular Wireless Employee Services	
Heartland Payment Systems, Inc.		Sunnyside Automotive, Inc.		Wal Mart Associates, Inc.		Merrill Lynch Pierce Kenner & P. Craig	
Sunnyside Automotive, Inc.		Riser Foods Company		Riser Foods Company		GMAC-GM Payroll Services	

Source: Regional Income Tax Agency based on payroll withholding.

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					
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)
2007	34,113 (b)	617,900	6.1	5.6	4.6	4,587	306	147,677	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

	<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>	<u>2007</u>
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	3
Mayor's court	1	2	2	1	1	0	0	0	0	0
General clerical	1	1	1	1	1	1	1	1	1	1
Boards and commissions	0	1	1	1	1	1	1	1	1	1
Finance	5	5	5	5	5	5	6	6	6	6
Law	1	1	1	1	1	1	1	2	2	2
Information systems	0	0	1	2	1	2	1	1	1	1
Human resources	4	4	4	4	3	3	3	3	3	3
Building	10	9	8	8	9	9	9	9	12	9
Engineering	<u>1</u>	<u>0</u>	<u>4</u>							
Total	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>26</u>	<u>29</u>	<u>31</u>
Security of persons and property:										
Safety director	2	2	2	1	2	2	2	2	2	2
Fire	42	41	40	41	42	42	43	41	46	47
Dispatch	8	8	8	8	8	8	8	8	8	8
Corrections	1	1	1	1	1	1	1	1	1	2
Police	45	44	45	42	43	44	46	50	55	57
Youth Services (see Public health and welfare)	1	1	1	1	1	1	1	1	1	1
Fire clerk	1	1	1	1	1	2	1	1	1	1
Police clerk	<u>5</u>	<u>5</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>6</u>	<u>6</u>
Total	<u>105</u>	<u>103</u>	<u>102</u>	<u>100</u>	<u>103</u>	<u>105</u>	<u>107</u>	<u>109</u>	<u>120</u>	<u>124</u>
Leisure time activities:										
Senior center	4	4	3	3	3	3	3	2	2	2
Recreation	11	11	11	9	9	8	7	9	10	12
Springvale	<u>4</u>	<u>3</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>3</u>	<u>4</u>	<u>4</u>
Total	<u>19</u>	<u>18</u>	<u>18</u>	<u>16</u>	<u>16</u>	<u>15</u>	<u>14</u>	<u>14</u>	<u>16</u>	<u>18</u>
Public health and welfare:										
Community life services (a)	0	0	0	0	0	0	0	2	2	2
Youth services	<u>0</u>	<u>1</u>	<u>1</u>	<u>1</u>						
Total	<u>0</u>	<u>3</u>	<u>3</u>	<u>3</u>						
Transportation:										
Service director	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>						
Public service and properties										
Public works administrative	0	0	0	0	0	0	0	0	0	0
Animal warden	0	0	0	0	0	1	1	1	1	1
Building maintenance	1	1	1	2	2	2	3	3	4	5
Road	9	10	9	8	8	7	9	9	5	7
Forestry	7	6	6	7	7	6.5	4	3.5	7	7
Storm	<u>9</u>	<u>7</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>7.5</u>	<u>3</u>	<u>3.5</u>	<u>4</u>	<u>5</u>
Subtotal	<u>26</u>	<u>24</u>	<u>22</u>	<u>23</u>	<u>23</u>	<u>24</u>	<u>20</u>	<u>20</u>	<u>21</u>	<u>25</u>
Fleet	6	6	6	6	7	7	7	7	8	8
Bus	<u>0</u>									
Total	<u>33</u>	<u>31</u>	<u>29</u>	<u>30</u>	<u>31</u>	<u>32</u>	<u>28</u>	<u>29</u>	<u>31</u>	<u>35</u>
Economic development										
Planning	<u>3</u>	<u>2</u>								
Basic utility services:										
Wastewater treatment plant	<u>26</u>	<u>25</u>	<u>25</u>	<u>26</u>	<u>29</u>	<u>29</u>	<u>28</u>	<u>27</u>	<u>29</u>	<u>32</u>
Total	<u>212</u>	<u>205</u>	<u>202</u>	<u>200</u>	<u>206</u>	<u>208</u>	<u>204</u>	<u>209</u>	<u>229</u>	<u>244</u>

Source: City payroll records

(a) See security of persons and property

City of North Olmsted, Ohio

Operating Indicators by Function/Program

Last Ten Years

Function/Program:	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government:										
Council and clerk										
Number of ordinances and resolutions submitted	142	111	100	116	133	143	162	152	165	158
Number of ordinances and resolutions passed	140	108	97	114	131	143	159	147	135	146
Mayor's Court (b)										
Number of traffic cases	7,705	9,927	7,602	7,345	N/A	N/A	N/A	N/A	N/A	N/A
Number of OVI cases	45	54	62	59	N/A	N/A	N/A	N/A	N/A	N/A
Number of criminal cases	258	255	260	273	N/A	N/A	N/A	N/A	N/A	N/A
Number of parking cases	246	303	225	261	N/A	N/A	N/A	N/A	N/A	N/A
Number of cases transferred	172	122	105	116	N/A	N/A	N/A	N/A	N/A	N/A
Number of cases waived, total	6,952	7,932	6,513	6,063	N/A	N/A	N/A	N/A	N/A	N/A
Number of cases waived, online	3,924	4,406	3,396	3,380	N/A	N/A	N/A	N/A	N/A	N/A
Finance										
Agency ratings										
Fitch IBCA	AA-	AA-	AA-	AA-	AA-	AA-	AA-	A+	A+	A+
Moody's Financial Services – General Limited Tax	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	A1	A1	A1
Moody's Financial Services – General Unlimited Tax	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa3	Aa3	Aa3
Law										
Real property complaints filed	81	34	45	45	59	39	38	22	18	7
Real property fines collected	\$ 7,445	\$ 6,282	\$ 4,050	\$ 5,410	\$ 23,655	\$ 575	\$ 7,405	\$ 13,675	\$ 9,858	\$ 3,350
Criminal cases prosecuted	1,048	959	1,049	700(c)	1,088	873	922	927	1,304	730
Traffic cases prosecuted	615	559	388	505(c)	1,274	1,536	1,062	1,228	1,509	1,415
Building										
Estimated valuation of permits issued	\$ 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	\$ 30,631,703
Number of permits issued	1,593	1,409	1,315	1,450	1,605	1,744	1,103	1,142	1,203	1,284

(Continued)

City of North Olmsted, Ohio

Operating Indicators by Function/Program (Continued)

Last Ten Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Security of persons and property:										
<i>Police</i>										
Number of criminal arrests	1,534	1,710	1,739	2,435	2,431	2,010	2,028	2,062	2,100	1,882
Number of DUI arrests	91	115	103	59	81	110	93	130	154	94
Number of motor vehicle accidents	827	915	857	814	867	791	751	753	850	869
Number of prisoners confined	1,220	1,335	1,329	1,254	1,468	1,349	1,413	1,465	1,741	1,539
Number of traffic citations issued	8,175	9,875	8,090	8,034	8,549	7,916	7,635	8,809	7,594	7,643
Number of parking citations issued	1,669	1,588	1,849	1,749	1,730	1,976	2,013	2,136	2,092	2,242
<i>Fire</i>										
Number of fire responses	642	686	689	718	728	801	703	700	810	811
Number of squad responses	3,626	3,655	3,297	3,175	3,128	3,111	2,971	2,871	2,833	2,685
Total number of emergency responses	4,268	4,341	3,986	3,893	3,856	3,912	3,674	3,571	3,643	3,496
Number of runs per day	12.0	11.9	10.9	10.7	10.5	10.7	10.1	10.3	10.0	9.6
Public health and welfare:										
<i>Youth and family services</i>										
Food cupboard distributions	1,735	1,787	1,833	1,618	1,413	1,213	1,147	1,154	693	398
Holiday adopt-a-family	48	47	54	56	62	64	52	51	37	38
<i>Senior center</i>										
Hot lunch program – meals served	5,806	6,021	5,998	6,106	6,583	7,234	8,223	8,909	8,935	9,237
Meals on wheels clients served	30	38	62	60	63	74	68	71	63	82
Leisure time activities:										
<i>Senior center</i>										
Cabin rentals	137	172	185	185	190	185	358	547	645	569
Activity participants except hot lunch program	21,520	22,683	23,665	23,652	23,219	24,222	19,978	10,930	11,624	11,498
<i>Springvale Golf Course and Ballroom</i>										
Number of golf rounds	25,274	26,542	22,715	21,731	22,625	15,723	23,083	19,934	23,358	22,278
Number of golf outings	42	42	37	39	41	34	47	44	47	46
Number of ballroom rentals	50	45	53	50	62	64	56	54	52	51
<i>Recreation</i>										
Skate programs and events participants	5,572	5,423	4,567(d)	5,005	5,041	5,033	4,897	6,714	8,938	10,011
Pool programs	1,366	1,229	928(d)	1,031	1,055	481	1,315	1,013	2,883	N/A
Summer camp participants	265	220	200(d)	220	222	220	225	163	434	428
Fitness pass visits	87,511	55,919(e)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Prime and Silver Sneaker Pass Visits	21,053	11,645(e)	N/A	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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Transportation:										
Snowfall in inches	42.0	32.8	65.9	44.0	33.80	57.15	62.9	59.5	80.0	76.3
Street salting and plowing – number of hours	3,270	1,261	2,660	2,483	1,010	2,229	2,936	3,152	3,350	4,485
Street asphalt and concrete repair – number of hours	10,401	6,622	5,089	5,815	5,006	N/A	3,849	5,236	4,926	7,581
Tree planting and maintenance – number of hours	2,155	2,906	2,768	3,127	1,264	2,698	2,115	2,908	2,431	2,268
Vehicle maintenance and repair – number of hours	6,961	6,572	6,673	7,262	8,445	8,098	8,070	7,765	7,258	7,777
Street improvements - asphalt overlay/recycling - square feet	440,730	443,394	146,146	507,619	395,239	437,693	430,765	515,374	406,035	933,633
Cost of road salt purchased	\$ 168,175	\$ 447,634	\$ 405,950	\$ 168,120	\$ 108,432	\$ 268,423	\$ 258,409	\$ 206,112	\$ 309,145	\$ 197,716
Cost of unleaded and diesel fuel used	\$ 353,216	\$ 341,499	\$ 567,864	\$ 555,348	\$ 538,795	\$ 527,070	\$ 392,702	\$ 345,075	\$ 652,631	\$ 502,617
Wastewater:										
Sanitary sewer rate per 1,000 cubic ft.	\$ 81.46	\$ 74.07	\$ 67.98	\$ 64.75	\$ 58.18	\$ 52.27	\$ 47.74	\$ 43.60	\$ 39.81	\$ 36.26
Total 1,000 cubic feet billed	118,592	118,525	121,268	122,844	129,072	136,367	138,580	163,332	148,582	148,605
Total flow of wastewater treatment plant (billions of gallons)	1,958	2,033	2,467	2,293	2,150	2,510	1,505	1,595	1,699	1,805
Average daily flow (millions of gallons per day)	5,364	5,570	6,759	6,286	5,870	6,874	4,121	4,395	4,861	4,939
Tons of wet sludge removed	5,201	6,106	4,793	5,295	5,048	5,644	5,532	5,242	5,246	5,438

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government:										
Number of administrative vehicles	9	7	8	8	8	8	8	8	10	11
Security of persons and property:										
Fire:										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of vehicles	16	15	14	14	14	12	12	12	14	14
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of vehicles	29	28	26	28	25	25	24	26	29	27
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	6	5	8	10	6	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	2	3	2	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	52	49	50	48	55	51	45	43	46	44
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	26	23	23	20	21	17	17	18	17	17

City of North Olmsted, Ohio

Capital Assets by Function

Last Ten Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities:										
General government:										
Non-depreciable										
Land and art	\$ 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	\$ 3,728,055
CIP	-	60,299	-	-	-	-	18,986	-	-	-
Other capital assets										
Cost	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	12,854,218
Net book value	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	9,075,066
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	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	9,543,303
Net book value	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	6,735,628
<i>Police:</i>										
Non-depreciable										
CIP	333,718	15,000	-	287,610	-	-	-	-	-	-
Other capital assets										
Cost	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	3,147,006
Net book value	1,198,839	1,213,570	1,205,287	751,412	762,733	833,760	833,697	934,353	1,032,175	1,082,266
Public health and welfare:										
<i>Youth and family:</i>										
Other capital assets										
Cost	200,253	200,253	165,706	165,706	165,706	165,706	-	-	-	-
Net book value	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	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	9,198,799
Net book value	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	2,026,002

(Continued)

City of North Olmsted, Ohio

Capital Assets by Function (Continued)

Last Ten Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<i>Senior center:</i>										
Non-depreciable										
CIP	-	-	110,970	-	-	-	-	16,833	-	-
Other capital assets										
Cost	1,006,092	974,238	855,852	855,852	696,496	696,496	687,186	539,328	537,262	537,262
Net book value	573,679	573,878	484,586	513,103	383,564	402,082	415,593	267,723	285,590	303,456
<i>Transportation:</i>										
Non-depreciable										
CIP	522,532	751,070	267,707	58,798	253,095	39,185	-	137,773	171,537	-
Other capital assets										
Cost	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	3,632,741
Net book value	1,473,524	1,279,369	1,309,219	1,153,149	1,243,141	788,365	791,339	861,383	900,458	1,018,743
Infrastructure										
Cost	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	128,983,810
Net book value	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	52,478,902
<i>Economic development:</i>										
Other capital assets										
Cost	106,491	122,673	122,673	122,673	-	-	-	-	-	-
Net book value	91,582	99,309	105,881	112,452	-	-	-	-	-	-
Totals:										
Non-depreciable										
Land and art	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	4,077,455
CIP	856,250	2,479,979	1,590,295	368,886	253,095	39,185	18,986	154,606	171,537	-
Other capital assets										
Cost	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	38,913,329
Net book value	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	20,241,161
Infrastructure										
Cost	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	128,983,810
Net book value	<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>	<u>52,478,902</u>
Total governmental activities-cost	<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>	<u>\$ 171,974,594</u>
Total governmental activities-net book value	<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>	<u>\$ 76,797,518</u>

(Continued)

City of North Olmsted, Ohio

Capital Assets by Function (Continued)

Last Ten Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Business-type activities:										
Springvale Golf Course and Ballroom:										
Cost	\$ 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	\$ 6,902,678
Net book value	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	5,509,561
Sewer revenue:										
Cost	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	68,347,944
Net book value	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	24,630,309
NOMBL:										
Cost	-	-	-	-	-	564,130	564,130	564,130	564,130	544,677
Net book value	-	-	-	-	-	391,537	391,537	391,537	391,537	372,084
Total business-type activities cost	\$ <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>	\$ <u>75,795,299</u>
Total business-type activities net book value	\$ <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>	\$ <u>30,511,954</u>

Source: City Finance Department – capital asset inventory.