

The City of

FAIRVIEW PARK, OHIO

a great place to grow



**Comprehensive Annual
Financial Report For the year
ended December 31, 2016**



Dave Yost • Auditor of State

Members of City Council
City of Fairview Park
20777 Lorain Road
Fairview Park, Ohio 44126-2018

We have reviewed the *Independent Auditor's Report* of the City of Fairview Park, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 11, 2017

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Introductory Section

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City of Fairview Park, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2016

Prepared by:

Gregory M. Cingle, CPA, Finance Director
and Department of Finance

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City of Fairview Park, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2016
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CITY OF FAIRVIEW PARK

20777 Lorain Road
Fairview Park, Ohio 44126-2018

– Established in 1910 –

Eileen Ann Patton, Mayor

June 30, 2017

Honorable Mayor Eileen Ann Patton and Members of City Council, and
Citizens of Fairview Park
20777 Lorain Road
Fairview Park, OH 44126

It gives me great pleasure to present the Comprehensive Annual Financial Report (CAFR) for the City of Fairview Park (City). This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a Generally Accepted Accounting Principles (GAAP) basis, and Ohio Revised Code Section 117.38, which requires the cities reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of year end. Although not required by law, management of the City has decided to prepare this CAFR. It is intended to provide pertinent and necessary information to the stakeholders of Fairview Park.

The information contained in this report will assist City officials in making management decisions and will provide the taxpayers of the City with comprehensive financial data in such a format as to enable them to gain a true understanding of the City's financial affairs. The general public, as well as investors, will be able to compare the financial position of the City and the results of its operations with other governmental entities.

The CAFR of the City for the year ended December 31, 2016, is submitted herewith. The City, and more specifically the Department of Finance, assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures contained within this report. The accuracy and completeness of the data is based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls 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. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. We have included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

State statutes require the City to be subjected to an annual examination either by the Auditor of State or an independent public accounting firm. Ciuni & Panichi, Inc. rendered an opinion on the City's financial statements as of December 31, 2016, and the Independent Auditor's Report on the basic financial statements is included in 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.

This is the nineteenth CAFR issued by the City. The report is prepared in accordance with GAAP, as set forth by the Governmental Accounting Standards Board (GASB) other authoritative sources and the guidelines set by the Government Finance Officers Association (GFOA).

REPORTING ENTITY

For financial purposes, the City includes all funds, agencies, boards and commissions, and its potential component units in accordance with the GASB Statement No. 14, "The Financial Reporting Entity" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus." The primary government comprises all activities and services, which are not legally separate for the City. The City provides various services such as public safety (police and fire), highways and streets, parks and recreation, public improvements, community development (planning and zoning), sewers, sanitation, and general administrative and legislative services. The operation of each of these activities is directly controlled by Council through the budgetary process.

The Rocky River Wastewater Treatment Plant is a joint venture that is discussed in Note 18 of the notes to the basic financial statements. The City is associated with the West Shore Council of Governments, Tri-City Park, S.A.F.E. Council of Governments, and West Shore Area Rescue Association, which are identified as jointly governed organizations. These organizations are presented in Note 19 of the notes to the basic financial statements.

A complete discussion of the City's reporting entity is provided in Note 1 of the notes to the basic financial statements.

AN OVERVIEW OF THE CITY OF FAIRVIEW PARK

The City is located in Cuyahoga County, approximately 10 miles west of the downtown area of the City of Cleveland. It was incorporated as the Village of Fairview in 1910 and became the City of Fairview Park in 1951. According to the 2015 Census estimate, the City's population is 16,407. The City's area is approximately 4.77 square miles, broken down by land use as follows:

	<u>Area</u>	<u>Percent of Assessed Valuation of Real Property</u>
Residential	54.5 %	81.1 %
Commercial/Industrial	9.7	17.6
Public Utility	0.1	1.3
Governmental (including parks) and Other Tax Exempt	34.3	(a)
Agricultural	0.0	0.0
Undeveloped	1.4	(b)

(a) Not applicable. Exempt from property taxation.

(b) Included in above categories.

Sources: Fairview Park Building Department and Cuyahoga County Fiscal Officer.

The City is served by diversified transportation facilities, including three state and U.S. highways and Interstate 480. The City is adjacent to areas served by Conrail and Amtrak, and is served by passenger air services at Cleveland Hopkins International Airport, located within two and one-half miles of the City, and by Burke Lakefront Airport, located within thirteen miles of the City. Public mass transit for the area is provided by the Greater Cleveland Regional Transit Authority (RTA).

Banking and financial services are provided to the City by offices of local commercial banks and savings and loan associations, all of which have their principal offices elsewhere.

The City is served by one daily newspaper, the Cleveland Plain Dealer, and two weekly newspapers, WestLife News and the Sun Post-Herald. The City is within the broadcast area of seven television stations and 30 AM and FM radio stations. Multi-channel cable television service, including educational, governmental, and public access channels, is provided by Cox Cable Communications, Inc., AT&T, and Wide Open West (WOW!).

Within commuting distance are several public and private two-year and four-year colleges and universities that provide numerous educational opportunities. These education institutions include Baldwin-Wallace University, Case Western Reserve University, Cleveland State University, Cuyahoga Community College, John Carroll University, Kent State University, Lorain County Community College, Ursuline College, Notre Dame College, Oberlin College, and The University of Akron.

City residents are served by four hospitals within a 10 mile radius of the City: Fairview General Hospital, MetroHealth Medical Center, Southwest General Hospital, and St. John West Shore Hospital. The City is also served by numerous other hospitals in Cuyahoga County, including The Cleveland Clinic Foundation Hospital and University Hospitals of Cleveland, two tertiary care facilities.

The City is served by a variety of recreational facilities, including the city-owned Gemini Center, a 93,000 square feet recreation and community center located in Fairview Park. The City operates a system of parks that features 54.2 acres of parkland, playgrounds, baseball diamonds and other athletic fields, playing courts, nature and jogging trails, the Bain Park Community Cabin, and picnic areas. The City's Recreation Department, in cooperation with the Fairview Park City School District, provides various recreational programs and activities for City residents in those parks. The City also operates, in conjunction with the City of Rocky River and City of Westlake, the 14-acre Tri-City Park, which offers a baseball diamond, soccer field, basketball court, playground area, parking facility, and four tennis courts. Finally, a portion of the City lies within the Rocky River Reservation of the Cleveland Metropolitan Park District.

THE CITY'S FORM OF GOVERNMENT

The City of Fairview Park operates under and is governed by its Charter, first adopted by the voters in 1958. The Charter has been and may be amended by the electorate and provides for a Council-Mayor form of government. Under the Ohio Constitution, the City may exercise all powers of local self-government and law enforcement to the extent they are not conflicting with applicable general laws.

Legislative authority is vested in a seven-member Council. Two members are elected at-large and the remaining five are elected from wards, each serving concurrent four-year terms. The presiding officer is the President of Council, who is one of the Council members elected at-large. City Council sets compensation for City officials and employees, and enacts ordinances and resolutions relating to City services, appropriating and borrowing money, licensing and regulating businesses and trades, tax levies, and other municipal purposes. The City Charter establishes certain administrative departments. City Council may establish divisions of those departments and create additional departments.

The City's chief executive and administrative officer is the Mayor, who is elected directly by the voters to a four-year term. The Mayor appoints, subject to the approval of City Council, the directors of City departments. The Mayor also appoints members to a number of boards and commissions, and appoints and removes, in accordance with civil service requirements, all appointed officers and employees, except City Council officials and employees. The Mayor may veto any legislation passed by the City Council. A veto may be overridden by a two-thirds vote of all members of City Council.

ECONOMIC DEVELOPMENT

The City continues with drive and passion in staying on track in the Department of Development.

The primary economic development focus has been Lorain Road. The City is aggressively working with existing and prospective businesses to increase employment along this important corridor in order to generate new income tax dollars. Additionally, the City has entered into an agreement with the Cuyahoga County Department of Development to implement a grant program for storefront improvements in targeted areas along Lorain Road. The focus is on sidewalk improvements on Lorain Road and the neighborhood streets that feed into this vital business district.

The development of vacant land on Lorain Road has been successful. The O'Neill Health Care Campus opened a nursing care facility, River South Urban Lofts has been completed and sold 25 of 33 new townhouses, and East Coast Custard redeveloped land sold by the City.

The blend of restaurants, retail, and office buildings provide job creation at a variety of different levels throughout the City. In 2016, the City enjoyed the opening of HR Hospitality Restaurants, Gold Fish Swim School, HR Silkscreen, Marmush Tailoring, Dollar Tree, Curves Fitness Center, Mynx Boutique, Sauced Wood Fire Pizza, P.I.Y. Paint it Yourself, the "New" East Coast Custard, Common Threads, Sandra Health & Associates, Glamour Studio, Work Out Anytime Fitness, Anna's Sewing Center, Duck Duck Day Care, Rally House Sporting Goods, Second and Jemz, Hanin Artistry Salon, Salvage Yard, Unique Boutique, and Walk-In Urgent Care. Of particular note, 19 of these businesses are located on Lorain Road.

Off of Lorain Road, the Thomas Lane subdivision began construction of 18 new single-family homes on a vacant school site within the Coffinberry neighborhood. Additionally, with the support of over 80 percent of the electorate, the zoning was amended for 200,000 square feet of vacant buildings formerly occupied by NASA, allowing for redevelopment with office, residential, hotel, retail, and restaurant uses. Also, we welcome the Hospice of the Western Reserve to the Fairview Park Corporate Center. The Hospice of the Western Reserve consolidated their Westlake and Lakewood offices to bring 120 doctors, nurses, counselors, and specialists to the City of Fairview Park.

The Fairview Park Department of Development had a good year in 2016, and we look forward to an even better year in 2017. The Department of Development will remain dedicated to keeping Fairview Park, "A Great Place to Grow."

CITY SERVICE

The City maintains a full-time Service Department to serve the residents and commerce of the City. The primary areas of service involve street maintenance, storm and sanitary sewer maintenance, park maintenance, building maintenance, and assistance to residents.

In 2016, the Service Department participated in capital improvement projects for a variety of City enhancements. Sewer repair contracts totaled over \$140,000. In addition, the City spent over \$445,000 on street improvements.

Over the years, the City has experienced flooding in specific areas of the community. As a result, public meetings were held with the affected residents to discuss possible steps to relieve the problem. The effect of these meetings was the City's decision to work with an outside consultant, Black & Veatch Engineering, to develop a comprehensive plan to address the flooding issues. In 2015, a skeletal model of the collection system that services the neighborhoods on the western border of the City was developed. This model provides a blueprint for the City to follow to prioritize improvements to mitigate future flooding in these areas. Phase I of these improvements, lining of approximately 3,000 lineal feet of sanitary sewer down West 229th Street that extends from Lorain Road to Clifford Drive, was included in the 2016 Budget and completed in early 2017.

In 2016, the City established a contractual relationship with the Cuyahoga County Public Works Department to provide sewer maintenance services. These services include sewer lining and rehabilitation, televising and cleaning, and other services deemed necessary to the City. The current contract is valued at \$250,000 and extends into 2017. The City anticipates reauthorizing the contract in 2017 for an additional \$250,000.

BUILDING

Building, rebuilding, and expansions to private homes and businesses proceeded at a steady pace in 2016, with the building of 9 new townhouses in the previously mentioned River South neighborhood, 26 new garages, six decks and 64 major alterations. Additionally, 29 Certificate of Occupancies were granted to businesses. The Building Department issued 1,439 permits in 2016 for various items, an increase of 63 permits from 2015.

The City's Property Maintenance Program continued in 2016 to preserve maintenance standards in residential neighborhoods. A home is generally the most valuable investment an individual possesses, and the Building Department helps ensure that the City's housing stock continues to remain strong for years to come. In this regard, there were over 1,100 inspections completed and greater than 800 complaints investigated and resolved during 2016.

LONG-TERM FINANCIAL PLANNING

In order to make sound fiscal decisions, City officials closely monitor all revenues for fluctuations in collections and thoroughly review each purchase request before processing. These policies assist in providing sound financial management. In addition, a multi-year financial forecast is completed to project future revenues, expenditures, and fund balances.

The unassigned fund balance in the general fund is 17.90 percent of the total general fund revenues. One-time revenues are to be used for financing one-time expenditures, i.e. major maintenance projects, capital improvements, debt service, and reserves for current year contingencies. Additionally, unassigned fund balances provide beginning of the year cash flow until current revenues are received.

RELEVANT FINANCIAL POLICIES

As mentioned earlier, the City operates under and is governed by its Charter. Therefore, the City Charter sets relevant financial policies that assist City officials in balancing the yearly budget while maintaining sufficient cash balances to achieve fiscal strength into the future. The City Charter is reviewed by a Mayor-appointed Charter Review Committee (Committee) every 10 years. The Committee has the authority to recommend changes to the City Charter that may be placed on the ballot for the electorate to consider.

AWARDS AND ACKNOWLEDGEMENTS

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the year ended December 31, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

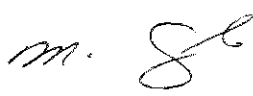

In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe our current report continues to meet the requirements for the Certificate of Achievement, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The publication of this CAFR represents a significant achievement in the ability of the City to provide significantly enhanced financial information and accountability to its citizens, elected officials, management, and investors. This report continues the aggressive program of the Finance Department to improve the City's overall financial accounting, management, and reporting capabilities.

I would like to acknowledge the efforts of the entire staff of the Finance Department for their contributions to this report. Special thanks are extended to Mayor Eileen A. Patton and Members of City Council for their enthusiastic support of this project, and for the guidance and assistance provided by the Local Government Services section of the Ohio Auditor of State.

I would also like to thank all of the department heads and staff for their assistance and cooperation in the preparation of this CAFR. I ask for their continued support of this project and of my efforts toward continuing the sound financial management for the City.

Sincerely,

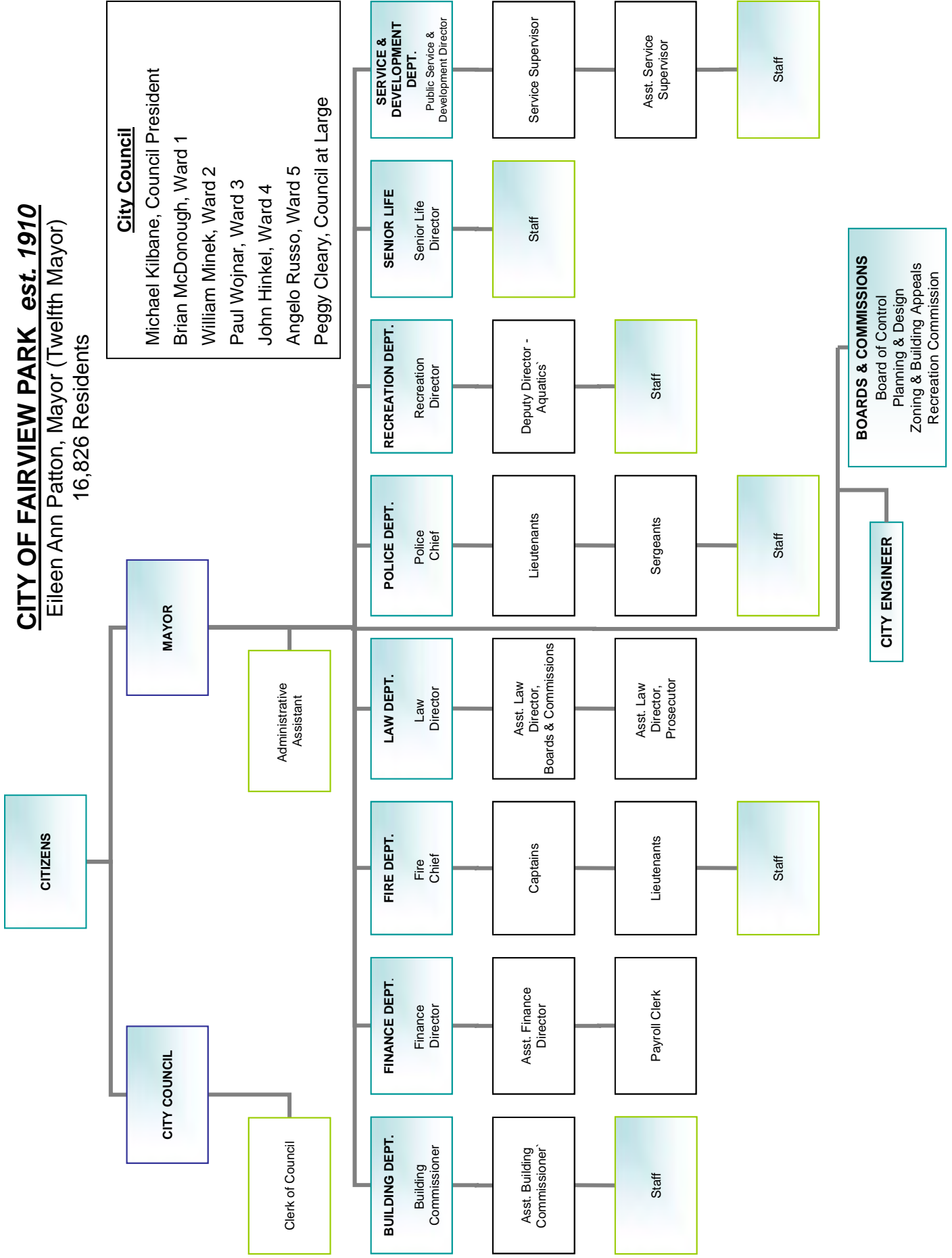


Gregory M. Cingle, CPA
Director of Finance

CITY OF FAIRVIEW PARK est. 1910

Eileen Ann Patton, Mayor (Twelfth Mayor)

16,826 Residents



City Council
 Michael Kilbane, Council President
 Brian McDonough, Ward 1
 William Minek, Ward 2
 Paul Wojnar, Ward 3
 John Hinkel, Ward 4
 Angelo Russo, Ward 5
 Peggy Cleary, Council at Large

BOARDS & COMMISSIONS
 Board of Control
 Planning & Design
 Zoning & Building Appeals
 Recreation Commission

CITY OF FAIRVIEW PARK, OHIO

City Officials

Elected Officials

Mayor

Eileen Ann Patton

Council Members

President of Council	Michael Kilbane
Council - Ward I	Brian McDonough
Council- Ward II	William F. Minek
Council - Ward III	Paul Wojnar
Council - Ward IV	John Hinkel
Council - Ward V	Angelo Russo
Council at Large	Peggy M. Cleary

Appointed Officials

Director of Law	William McGinty
Finance Director	Gregory M. Cingle
Police Chief	Erich Upperman
Fire Chief	Anthony Raffin
Director of Public Service/Development	Shawn Leininger
Recreation Director	Steve Owens
Building Commissioner	Walt Maynard
Senior Life Director	Regina Sillasen



Government Finance Officers Association

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

Presented to

**City of Fairview Park
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

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Financial Section

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Independent Auditor's Report

Members of the City Council
City of Fairview Park, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairview Park, 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

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, 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 and the Recreation Fund for the year then ended in accordance with 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 that the management's discussion and analysis on pages 5 through 15 and the schedules of the City's proportionate share of the net pension liability and schedules of the City's contributions on pages 70 through 75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Members of the City Council
City of Fairview Park, Ohio

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Ciuni + Panichi, Inc.

Cleveland, Ohio
June 30, 2017

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

The discussion and analysis of the City of Fairview Park's 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 City completed the third year in the Cuyahoga County Health Care Regionalization program. The current agreement with Cuyahoga County expired on December 31, 2016. The City continued to self-insure dental and vision claims.
- The City received \$1,472,990 from the City of Cleveland to fund the 2016 Water Main Replacement project, which will improve the waterlines on Seabury Avenue, Cromwell Avenue, and West 212th Street. The project is scheduled to be completed in 2017 and is being reported as an agency fund in the City's financial statements.
- The City continues to closely monitor its current financial condition and is aggressively looking for economic development opportunities in order to diversify and increase the City's income tax base. In addition, expenditures are carefully reviewed to ascertain that proposed expenditures have been budgeted prior to purchase.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Fairview Park's basic financial statements. The City of Fairview Park's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements The government-wide financial statements are designed to provide readers with a broad overview of the City of Fairview Park's finances, in a manner similar to private-sector businesses. 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 funds presented in total in one column.

The statement of net position presents information on all of the City of Fairview Park's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Fairview Park is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

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

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

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

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

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

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances, for the general fund and recreation fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements.

The City of Fairview Park adopts an annual appropriated budget for each of its funds. A budgetary comparison statement (non-GAAP basis) has been provided for each governmental and proprietary fund to demonstrate budgetary compliance.

Proprietary Funds The City of Fairview Park maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer operations and senior services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains such a fund for its health related employee benefits. Because this predominately benefits governmental rather than business functions, it has been included within governmental activities in the government-wide financial statements.

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Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer operations since it is considered a major fund, while the Gilles-Sweet enterprise fund is a nonmajor fund.

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.

Other Information In addition to the basic financial statements and 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 nonmajor governmental funds are presented, as well as individual detailed budgetary comparisons for all funds.

Government-Wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City do financially during 2016?" The statement of net position and the statement of activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net position and the changes in net position. The change in net position is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information, id est (i.e.) changes in the City's tax base, condition of City capital assets, et cetera (etc.) will also need to be evaluated.

The statement of net position and the statement of activities are divided into the following categories:

- Assets and Deferred Outflows of Resources
- Liabilities and 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

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The City of Fairview Park as a Whole

As referenced earlier, the statement of net position looks at the City as a whole. The following provides a summary of the City's net position for 2016 compared to 2015:

NET POSITION
TABLE I

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$15,957,078	\$15,739,732	\$6,896,071	\$5,738,174	\$22,853,149	\$21,477,906
Capital Assets, Net	42,171,281	43,559,782	14,355,999	12,040,360	56,527,280	55,600,142
<i>Total Assets</i>	<u>58,128,359</u>	<u>59,299,514</u>	<u>21,252,070</u>	<u>17,778,534</u>	<u>79,380,429</u>	<u>77,078,048</u>
Deferred Outflows of Resources:						
Deferred Charge on Refunding Pension	1,598,959	1,721,956	0	0	1,598,959	1,721,956
	4,842,636	1,924,206	74,663	24,096	4,917,299	1,948,302
<i>Total Deferred Outflows of Resources</i>	<u>6,441,595</u>	<u>3,646,162</u>	<u>74,663</u>	<u>24,096</u>	<u>6,516,258</u>	<u>3,670,258</u>
Current and Other Liabilities	1,175,968	1,308,374	207,381	29,114	1,383,349	1,337,488
Long-Term Liabilities:						
Due within One Year	1,148,444	1,396,486	114,001	0	1,262,445	1,396,486
Due in More than One Year:						
Net Pension Liability	17,926,794	14,037,162	194,400	137,449	18,121,194	14,174,611
Other Amounts	21,951,419	22,977,101	2,682,117	25,460	24,633,536	23,002,561
<i>Total Liabilities</i>	<u>42,202,625</u>	<u>39,719,123</u>	<u>3,197,899</u>	<u>192,023</u>	<u>45,400,524</u>	<u>39,911,146</u>
Deferred Inflows of Resources:						
Property Taxes	3,885,806	3,904,644	0	0	3,885,806	3,904,644
Pension	208,071	57,953	5,131	2,414	213,202	60,367
<i>Total Deferred Inflows of Resources</i>	<u>4,093,877</u>	<u>3,962,597</u>	<u>5,131</u>	<u>2,414</u>	<u>4,099,008</u>	<u>3,965,011</u>
Net Investment in Capital Assets	22,031,755	22,367,626	11,587,605	12,040,360	33,619,360	34,407,986
Restricted for:						
Capital Projects	2,269,234	1,588,795	0	0	2,269,234	1,588,795
Street Construction,						
Maintenance and Repair	351,529	339,189	0	0	351,529	339,189
State Highway	78,700	94,344	0	0	78,700	94,344
Street Lighting	265,018	167,062	0	0	265,018	167,062
Police Programs	133,991	101,378	0	0	133,991	101,378
Fire Operating	214,416	194,347	0	0	214,416	194,347
Police and Fire Pensions	48,107	37,289	0	0	48,107	37,289
Solid Waste	0	409,335	0	0	0	409,335
Waterline Repairs	25,807	21,144	0	0	25,807	21,144
Cable TV	828,481	691,095	0	0	828,481	691,095
Other Purposes	2,689	2,707	0	0	2,689	2,707
Unrestricted (Deficit)	(7,976,275)	(6,750,355)	6,536,098	5,567,833	(1,440,177)	(1,182,522)
<i>Total Net Position</i>	<u>\$18,273,452</u>	<u>\$19,263,956</u>	<u>\$18,123,703</u>	<u>\$17,608,193</u>	<u>\$36,397,155</u>	<u>\$36,872,149</u>

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The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2016, and is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27." For reasons discussed that follow, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

GASB 68 requires the net pension liability to equal the City's proportionate share of each plan's collective amount. The City's proportionate share equals the present value of estimated future pension benefits attributable to active and inactive employees' past service less 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 net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

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

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Total assets increased from the prior year primarily due to an increase in cash.

The primary reason for the increase of total liabilities was the increase in net pension liability. The net pension liability increase represents the City's proportionate share of the OPERS traditional plan's and OPF unfunded benefits. Changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability.

At the end of the current year, the City of Fairview Park is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

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

CHANGES IN NET POSITION
TABLE 2

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues:						
Charges for Services and						
Operating Assessments	\$3,088,096	\$3,182,933	\$2,260,448	\$2,145,416	\$5,348,544	\$5,328,349
Operating Grants and Contributions	1,095,207	944,792	0	0	1,095,207	944,792
Capital Grants and Contributions	297,602	439,604	0	4,189	297,602	443,793
Total Program Revenues	4,480,905	4,567,329	2,260,448	2,149,605	6,741,353	6,716,934
General Revenues:						
Property Taxes	3,965,826	3,664,839	0	0	3,965,826	3,664,839
Income Taxes	8,883,380	8,344,484	0	0	8,883,380	8,344,484
Franchise Taxes	322,287	324,113	0	0	322,287	324,113
Grants and Entitlements	722,560	851,661	0	0	722,560	851,661
Contribution and Donations	150	1,366	0	0	150	1,366
Investment Income	37,289	11,751	0	0	37,289	11,751
Gain on Sale of Capital Assets	64,515	0	0	0	64,515	0
Gain on Investment in Joint Venture	0	0	147,318	0	147,318	0
Other	283,378	115,054	122	271	283,500	115,325
Total General Revenues	14,279,385	13,313,268	147,440	271	14,426,825	13,313,539
Total Revenues	18,760,290	17,880,597	2,407,888	2,149,876	21,168,178	20,030,473
Program Expenses						
General Government	3,744,943	3,770,801	0	0	3,744,943	3,770,801
Security of Persons and Property	8,228,263	7,360,859	0	0	8,228,263	7,360,859
Transportation	2,339,841	2,259,606	0	0	2,339,841	2,259,606
Community Environment	320,418	423,279	0	0	320,418	423,279
Basic Utility Services	833,601	842,067	0	0	833,601	842,067
Leisure Time Activities	3,492,833	3,303,474	0	0	3,492,833	3,303,474
Public Health Services	1,393	667	0	0	1,393	667
Interest and Fiscal Charges	789,502	832,401	0	0	789,502	832,401
Sewer	0	0	1,892,378	1,901,616	1,892,378	1,901,616
Total Program Expenses	19,750,794	18,793,154	1,892,378	1,901,616	21,643,172	20,694,770
Change in Net Position	(990,504)	(912,557)	515,510	248,260	(474,994)	(664,297)
Net Position Beginning of Year	19,263,956	20,176,513	17,608,193	17,359,933	36,872,149	37,536,446
Net Position End of Year	\$18,273,452	\$19,263,956	\$18,123,703	\$17,608,193	\$36,397,155	\$36,872,149

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Governmental Activities

Governmental activities decreased the City's net position by \$990,504 during 2016.

Several types of revenues fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate was 2 percent for 2016, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City provides 75 percent credit up to 1.25 percent for those who pay income tax to another city. By ordinance, City Council could choose to reduce the income tax credit in order to generate additional revenues for the City.

Income tax revenue increased in 2016 as a result of increases in employee municipal income tax withholdings and individual income tax receipts. General revenue from property taxes is also a significant source of revenue. Property tax revenue generated in 2016 showed an increase from the prior year due to the Triennial Update conducted in 2015 by Cuyahoga County, which increased the assessed valuation of the community.

Program revenues for charges for services and operating assessments revenue in 2016 were consistent with prior years. Operating grants and contributions increased in 2016 due to the City receiving grants related to Nature Works playground enhancement and Center Ridge road planning study in the recreation and federal grants special revenue funds, respectively.

The tables on the prior page reflect how the City funds its programs, either through program or general revenues. As can be seen on the prior page, all programs have a heavy reliance on general revenues.

The largest program function for the City for 2016 is security of persons and property. The program pays for basic police, fire and emergency medical services, pensions, and equipment. Expenses increased in 2016 due to increased personnel costs.

General government is the second largest program. Expenses decreased in 2016 due to decreased administrative costs.

The third largest program is leisure time activities expense, which increased due to less capitalized costs during the current year.

Business-Type Activities

The business-type activities of the City had increased net position of \$515,510 in 2016, as revenues were able to outpace operating expenses.

Financial Analysis of the Government's Funds

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

Governmental Funds

Funds are created and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. An activity not required to be reported in a separate fund is included in the general fund. Governmental funds are used to account for tax-supported activities.

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The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins on page 20. These funds are accounted for by using the modified accrual basis of accounting.

Fund balances are the differences between assets and deferred outflows of resources and liabilities and deferred inflows of resources reported in a governmental fund. The restricted fund balance is that portion of a governmental fund's fund balance that has constraints on the use of the resources. Fund balances that are committed include amounts that can be used only for the specific purposes imposed by formal action of Council. Assigned fund balances are intended to be used for specific purposes and reflect a government's self-imposed limitation on the use or otherwise available expendable financial resources in governmental funds. Unassigned fund balances are amounts available for appropriation.

As of the end of the current year, the City of Fairview Park's governmental funds reported combined ending fund balances of \$7,370,991, which was an increase of \$522,848 from 2015. Of the total governmental fund balances, \$2,473,748 constitutes the general fund balance, a \$176,342 decrease from 2015. The decrease is due to expenditures and transfers out outpacing revenues.

All governmental funds had total revenues of \$18,849,157 and expenditures of \$18,390,824, with revenues exceeding expenditures by \$458,333. Efforts are being made to reduce expenditures in all City departments, as spending down the fund balance cannot continue indefinitely.

The City's Funds

General Fund

The general fund is the main operating fund of the City. At the end of the current year, the total fund balance for the general fund was \$2,473,748, of which \$113,445 was nonspendable, \$604,441 was assigned, and \$1,755,862 was unassigned for financial reporting purposes. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to annual fund expenditures. Unassigned general fund balance represents 18.88 percent of total general fund expenditures, while total fund balance represents 26.60 percent of that same amount.

Recreation Fund

The recreation fund is another major fund for the City. At the end of the current year, the total fund balance was \$1,392,431, all of which was committed for financial reporting purposes. This was the eighth full year of operations for the Gemini Recreation Center. Revenues increased slightly compared to 2015 due to an increase in municipal income and property tax revenues. Expenditures decreased mainly due to lower park improvement costs.

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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. During the course of 2016, the City amended its general fund budget twice. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within the accounting system which are within their appropriation category (department level). The general fund supports many of our major activities, i.e. police department, fire department, and administration. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the general fund, original budgeted revenues were \$9,726,319. The final budgeted revenues were \$9,752,872 and actual revenues were \$9,752,073. General fund original budgeted expenditures were \$9,763,032 and the final budgeted expenditures were \$9,827,032. Actual general fund expenditures were \$9,412,368, or \$414,664 less than the final budget, which represents the City's proactive management and legislative action to control and reduce costs wherever practicable during 2016.

Capital Assets and Debt Administration

Capital Assets

CAPITAL ASSETS AT DECEMBER 31
(NET OF DEPRECIATION)

TABLE 3

	Governmental Activities		Business-Type Activities	
	2016	2015	2016	2015
Land	\$1,050,943	\$1,050,943	\$0	\$0
Construction in Progress	1,006,129	1,187,893	0	264,457
Buildings	15,971,212	16,361,720	142,893	147,950
Land Improvements	1,324,744	829,369	0	0
Equipment and Furniture	724,123	748,394	225,024	252,962
Vehicles	673,755	797,123	0	0
Waste Water Treatment Plant Rights	0	0	2,740,710	0
Infrastructure	21,420,375	22,584,340	11,247,372	11,374,991
Total	\$42,171,281	\$43,559,782	\$14,355,999	\$12,040,360

In 2016, the City's business-type activities acquisitions of capital assets outpaced current year depreciation, while the City's governmental activities current year depreciation outpaced acquisitions of capital assets. The City acquired an intangible asset due to the agreement with the City of North Olmsted. The asset is owned by the City of North Olmsted, but the City of Fairview Park has the right to use the Waste Water Treatment Plant (WWTP). Some additions were made to construction in progress, but were outpaced by reclassifications to other asset classes. Some of the items purchased included improvements to buildings, equipment, and vehicles.

The City is committed to a long-term goal of meeting the needs of its infrastructure and facilities. For additional information see Note 11 to the basic financial statements.

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Debt Administration

As of December 31, 2016, the City of Fairview Park had the following in bonds, notes, loans, and leases outstanding:

OUTSTANDING DEBT AT DECEMBER 31

TABLE 4

	Governmental Activities		Business-Type Activities	
	2016	2015	2016	2015
General Obligation Bonds	\$20,938,984	\$21,829,059	\$0	\$0
OPWC Loan	588,194	613,222	0	0
Intergovernmental Loan	0	52,941	2,768,394	0
Commercial Redevelopment Loans	14,536	43,605	0	0
Economic Development Notes	0	183,334	0	0
Capital Leases	211,307	288,497	0	0
Total	\$21,753,021	\$23,010,658	\$2,768,394	\$0

The City's overall legal debt margin was \$40,442,922 at December 31, 2016.

In 2012, the City issued \$20,590,000 to advance refund the 2005 various purpose general obligation bonds. The bonds are for a 19 year period and will be repaid from the recreation special revenue fund.

On December 29, 2009, the City issued a loan with Ohio Public Works Commission for sewer and various street projects around the City. The OPWC loan will be paid out of the capital improvements capital project fund and with user charges in the sewer enterprise fund.

In 1994, the City of Fairview Park entered into a contractual agreement with the City of North Olmsted for the construction and future maintenance of a wastewater treatment plant that is in North Olmsted and that Fairview Park residents will be able to tap into. This intergovernmental loan was paid from the capital improvements capital project fund.

In 2016, the City of Fairview Park entered into a contractual agreement with the City of North Olmsted for the construction and future maintenance of a wastewater treatment plant that is in North Olmsted and that Fairview Park residents will be able to tap into. This intergovernmental loan is paid from the sanitary sewer enterprise fund.

In 2009, the City entered into a contractual agreement for a commercial redevelopment loan from Cuyahoga County for acquisition and improvements of a property located at 20520 Lorain Road, within the City. The loan will be repaid from the permanent improvement fund.

In 2013, the City issued economic development notes in the amount of \$550,000. The note was used to pay the outstanding balance of the 2012 economic development notes.

The capital leases are for a dump truck, ambulance, and a fire engine pumper.

Additional information concerning the City's debt can be found in Note 16 and 17 to the basic financial statements.

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Current Financial Related Activities

The City of Fairview Park continues to maintain the Aa2 rating from Moody's Investors Service.

During 2016, the City's financial position continued to decrease due to expenses exceeding revenues. Management and City Council are reviewing options that will create additional revenue in order to eliminate the shortfall and build back cash balances in order to protect the long-term financial stability of the City. In addition the City will continue its stringent budgeting and procurement standards to contain costs.

Contacting the City's Finance Department

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 additional information, please contact Gregory M. Cingle, Finance Director, at greg.cingle@fairviewpark.org.

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Basic Financial Statements

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City of Fairview Park, Ohio
Statement of Net Position
December 31, 2016

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
Assets			
Equity in Pooled Cash and Cash Equivalents	\$6,391,119	\$3,281,429	\$9,672,548
Materials and Supplies Inventory	27,822	0	27,822
Accrued Interest Receivable	513	0	513
Accounts Receivable	157,118	0	157,118
Intergovernmental Receivable	1,111,587	255,376	1,366,963
Prepaid Items	109,239	0	109,239
Municipal Income Taxes Receivable	3,567,391	0	3,567,391
Property Taxes Receivable	3,989,546	0	3,989,546
Special Assessments Receivable	295,986	0	295,986
Assets Held for Resale	306,757	0	306,757
Investment in Joint Venture	0	3,359,266	3,359,266
Nondepreciable Capital Assets	2,057,072	0	2,057,072
Depreciable Capital Assets, Net	40,114,209	14,355,999	54,470,208
<i>Total Assets</i>	<u>58,128,359</u>	<u>21,252,070</u>	<u>79,380,429</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	1,598,959	0	1,598,959
Pension	4,842,636	74,663	4,917,299
<i>Total Deferred Outflows of Resources</i>	<u>6,441,595</u>	<u>74,663</u>	<u>6,516,258</u>
Liabilities			
Accounts Payable	241,889	29,517	271,406
Accrued Wages	157,980	2,544	160,524
Retainage Payable	5,000	0	5,000
Contracts Payable	8,046	0	8,046
Intergovernmental Payable	201,794	170,000	371,794
Vacation Benefits Payable	79,250	5,320	84,570
Accrued Interest Payable	62,009	0	62,009
Unearned Revenue	420,000	0	420,000
Long-Term Liabilities:			
Due Within One Year	1,148,444	114,001	1,262,445
Due In More Than One Year:			
Net Pension Liability (See Note 13)	17,926,794	194,400	18,121,194
Other Amounts Due in More Than One Year	21,951,419	2,682,117	24,633,536
<i>Total Liabilities</i>	<u>42,202,625</u>	<u>3,197,899</u>	<u>45,400,524</u>
Deferred Inflows of Resources			
Property Taxes	3,885,806	0	3,885,806
Pension	208,071	5,131	213,202
<i>Total Deferred Inflows of Resources</i>	<u>4,093,877</u>	<u>5,131</u>	<u>4,099,008</u>
Net Position			
Net Investment in Capital Assets	22,031,755	11,587,605	33,619,360
Restricted for:			
Capital Projects	2,269,234	0	2,269,234
Street Construction, Maintenance and Repair	351,529	0	351,529
State Highway	78,700	0	78,700
Street Lighting	265,018	0	265,018
Police Programs	133,991	0	133,991
Fire Operating	214,416	0	214,416
Police and Fire Pensions	48,107	0	48,107
Waterline Repairs	25,807	0	25,807
Cable TV	828,481	0	828,481
Other Purposes	2,689	0	2,689
Unrestricted (Deficit)	(7,976,275)	6,536,098	(1,440,177)
<i>Total Net Position</i>	<u>\$18,273,452</u>	<u>\$18,123,703</u>	<u>\$36,397,155</u>

See accompanying notes to the basic financial statements

City of Fairview Park, Ohio
Statement of Activities
For the Year Ended December 31, 2016

	Program Revenues			
	Expenses	Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$3,744,943	\$130,240	\$0	\$44,991
Security of Persons and Property	8,228,263	1,087,814	312,404	0
Transportation	2,339,841	232,214	537,852	252,611
Community Environment	320,418	15,509	0	0
Basic Utility Services	833,601	343,113	0	0
Leisure Time Activities	3,492,833	1,279,145	244,951	0
Public Health Services	1,393	61	0	0
Interest and Fiscal Charges	789,502	0	0	0
<i>Total Governmental Activities</i>	19,750,794	3,088,096	1,095,207	297,602
Business-Type Activities:				
Sewer	1,892,378	2,260,448	0	0
<i>Total</i>	<u>\$21,643,172</u>	<u>\$5,348,544</u>	<u>\$1,095,207</u>	<u>\$297,602</u>

General Revenues

Property Taxes Levied for:
General Purposes
Permanent Improvements
Recreation
Police and Fire Pension
Fire Operations
Municipal Income Taxes Levied for:
General Purposes
Capital Improvements
Recreation
Franchise Taxes
Grants and Entitlements not Restricted
to Specific Programs
Unrestricted Contribution and Donations
Investment Income
Gain on Sale of Capital Assets
Gain on Investment in Joint Venture
Other

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$3,569,712)	\$0	(\$3,569,712)
(6,828,045)	0	(6,828,045)
(1,317,164)	0	(1,317,164)
(304,909)	0	(304,909)
(490,488)	0	(490,488)
(1,968,737)	0	(1,968,737)
(1,332)	0	(1,332)
(789,502)	0	(789,502)
(15,269,889)	0	(15,269,889)
0	368,070	368,070
(15,269,889)	368,070	(14,901,819)
2,860,341	0	2,860,341
293,252	0	293,252
337,058	0	337,058
202,250	0	202,250
272,925	0	272,925
5,544,081	0	5,544,081
1,113,099	0	1,113,099
2,226,200	0	2,226,200
322,287	0	322,287
722,560	0	722,560
150	0	150
37,289	0	37,289
64,515	0	64,515
0	147,318	147,318
283,378	122	283,500
14,279,385	147,440	14,426,825
(990,504)	515,510	(474,994)
19,263,956	17,608,193	36,872,149
<u>\$18,273,452</u>	<u>\$18,123,703</u>	<u>\$36,397,155</u>

City of Fairview Park, Ohio

Balance Sheet

Governmental Funds

December 31, 2016

	General	Recreation	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,547,541	\$1,116,584	\$3,506,845	\$6,170,970
Materials and Supplies Inventory	4,206	0	23,616	27,822
Accrued Interest Receivable	513	0	0	513
Accounts Receivable	2,120	18,483	136,515	157,118
Intergovernmental Receivable	380,457	193,974	537,156	1,111,587
Prepaid Items	109,239	0	0	109,239
Municipal Income Taxes Receivable	2,229,619	891,848	445,924	3,567,391
Property Taxes Receivable	2,861,923	343,567	784,056	3,989,546
Special Assessments Receivable	917	0	295,069	295,986
Interfund Receivable	164,000	0	0	164,000
Assets Held for Resale	0	0	306,757	306,757
<i>Total Assets</i>	<u>\$7,300,535</u>	<u>\$2,564,456</u>	<u>\$6,035,938</u>	<u>\$15,900,929</u>
Liabilities				
Accounts Payable	\$64,638	\$44,970	\$132,281	\$241,889
Contracts Payable	0	0	8,046	8,046
Accrued Wages	116,033	21,144	20,803	157,980
Intergovernmental Payable	103,373	21,951	76,470	201,794
Retainage Payable	0	0	5,000	5,000
Interfund Payable	0	0	164,000	164,000
Unearned Revenue	0	0	420,000	420,000
<i>Total Liabilities</i>	<u>284,044</u>	<u>88,065</u>	<u>826,600</u>	<u>1,198,709</u>
Deferred Inflows of Resources				
Property Taxes	2,787,493	334,632	763,681	3,885,806
Unavailable Revenue	1,755,250	749,328	940,845	3,445,423
<i>Total Deferred Inflows of Resources</i>	<u>4,542,743</u>	<u>1,083,960</u>	<u>1,704,526</u>	<u>7,331,229</u>
Fund Balances				
Nonspendable	113,445	0	23,616	137,061
Restricted	0	0	3,309,173	3,309,173
Committed	0	1,392,431	300,300	1,692,731
Assigned	604,441	0	0	604,441
Unassigned (Deficit)	1,755,862	0	(128,277)	1,627,585
<i>Total Fund Balances</i>	<u>2,473,748</u>	<u>1,392,431</u>	<u>3,504,812</u>	<u>7,370,991</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$7,300,535</u>	<u>\$2,564,456</u>	<u>\$6,035,938</u>	<u>\$15,900,929</u>

See accompanying notes to the basic financial statements

City of Fairview Park, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2016*

Total Governmental Fund Balances		\$7,370,991
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		42,171,281
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Delinquent Property Taxes	103,740	
Municipal Income Taxes	2,185,672	
Intergovernmental	860,025	
Special Assessments	295,986	
Total	3,445,423	3,445,423
Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds.		(79,250)
In the statement of activities, interest is accrued on outstanding liabilities, whereas in governmental funds, an interest expenditure is reported when due.		(62,009)
Deferred outflows of resources represent deferred charges on refundings, which are not reported in the funds.		1,598,959
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(20,938,984)	
OPWC Loan	(588,194)	
Commercial Redevelopment Loans	(14,536)	
Compensated Absences Payable	(1,346,842)	
Capital Lease Obligations	(211,307)	
Total	(23,099,863)	(23,099,863)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		220,149
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	4,842,636	
Net Pension Liability	(17,926,794)	
Deferred Inflows - Pension	(208,071)	
Total	(13,292,229)	(13,292,229)
<i>Net Position of Governmental Activities</i>		\$18,273,452

See accompanying notes to the basic financial statements

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

	General	Recreation	Other Governmental Funds	Total Governmental Funds
Revenues				
Municipal Income Taxes	\$5,628,366	\$2,248,601	\$1,124,301	\$9,001,268
Property Taxes	2,858,047	336,783	767,999	3,962,829
Franchise Taxes	0	0	322,287	322,287
Charges for Services	3,015	1,013,979	448,031	1,465,025
Fines, Licenses and Permits	380,840	0	329,523	710,363
Intergovernmental	739,973	58,463	1,092,757	1,891,193
Special Assessments	0	0	945,312	945,312
Contributions and Donations	150	16,897	0	17,047
Interest	36,445	0	844	37,289
Rentals	26,588	186,578	0	213,166
Other	133,163	22,928	127,287	283,378
<i>Total Revenues</i>	<u>9,806,587</u>	<u>3,884,229</u>	<u>5,158,341</u>	<u>18,849,157</u>
Expenditures				
Current:				
General Government	2,929,959	0	43,032	2,972,991
Security of Persons and Property	5,229,404	0	2,188,584	7,417,988
Transportation	346,341	0	753,630	1,099,971
Community Environment	293,534	0	0	293,534
Basic Utility Services	68,323	0	767,731	836,054
Leisure Time Activities	430,896	2,603,025	0	3,033,921
Public Health Services	1,393	0	0	1,393
Capital Outlay	0	0	805,889	805,889
Debt Service:				
Principal Retirement	0	585,000	622,562	1,207,562
Interest and Fiscal Charges	0	662,288	59,233	721,521
<i>Total Expenditures</i>	<u>9,299,850</u>	<u>3,850,313</u>	<u>5,240,661</u>	<u>18,390,824</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>506,737</u>	<u>33,916</u>	<u>(82,320)</u>	<u>458,333</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	801	0	63,714	64,515
Transfers In	0	0	683,880	683,880
Transfers Out	(683,880)	0	0	(683,880)
<i>Total Other Financing Sources (Uses)</i>	<u>(683,079)</u>	<u>0</u>	<u>747,594</u>	<u>64,515</u>
<i>Net Change in Fund Balances</i>	(176,342)	33,916	665,274	522,848
<i>Fund Balances Beginning of Year</i>	<u>2,650,090</u>	<u>1,358,515</u>	<u>2,839,538</u>	<u>6,848,143</u>
<i>Fund Balances End of Year</i>	<u>\$2,473,748</u>	<u>\$1,392,431</u>	<u>\$3,504,812</u>	<u>\$7,370,991</u>

See accompanying notes to the basic financial statements

City of Fairview Park, 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 \$522,848

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period:

Capital Outlays	1,109,877	
Current Year Depreciation	(2,498,378)	
Total		(1,388,501)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues:

Delinquent Property Taxes	2,997	
Municipal Income Taxes	(117,888)	
Intergovernmental	207,279	
Special Assessments	(245,770)	
Total		(153,382)

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	840,000	
Economic Development Note	183,334	
OPWC Loan	25,028	
Intergovernmental Loan	52,941	
Commercial Redevelopment Loans	29,069	
Capital Lease Obligations	77,190	
Total		1,207,562

In the statement of activities, interest accrued on outstanding bonds and bond premium are amortized over the terms of the bonds, whereas in the governmental funds, the expenditures are reported when due:

Accrued Interest on Bonds	4,941	
Amortization of Accounting Loss	(122,997)	
Amortization of Bond Premium	50,075	
Total		(67,981)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Compensated Absences	16,087	
Vacation Benefits Payable	(5,400)	
Total		10,687

An internal service fund used by management to charge the costs of insurance to individual funds is not reported on the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The change for governmental funds is reported for the year. (417)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,312,829

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (2,434,149)

Change in Net Position of Governmental Activities (\$990,504)

See accompanying notes to the basic financial statements

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	\$5,606,943	\$5,633,671	\$5,534,288	(\$99,383)
Property Taxes	2,767,711	2,767,711	2,858,047	90,336
Charges for Services	7,086	4,105	4,033	(72)
Fines, Licenses and Permits	390,961	392,825	385,895	(6,930)
Intergovernmental	755,607	755,607	774,366	18,759
Contributions and Donations	152	153	150	(3)
Interest	36,404	36,577	35,932	(645)
Rentals	26,937	27,065	26,588	(477)
Other	134,518	135,158	132,774	(2,384)
<i>Total Revenues</i>	<i>9,726,319</i>	<i>9,752,872</i>	<i>9,752,073</i>	<i>(799)</i>
Expenditures				
Current:				
General Government	3,089,236	3,146,974	2,964,057	182,917
Security of Persons and Property	5,405,436	5,402,788	5,251,111	151,677
Transportation	415,827	415,827	377,213	38,614
Community Environment	325,261	317,221	293,567	23,654
Basic Utility Services	99,185	98,885	91,968	6,917
Leisure Time Activities	427,247	443,797	433,039	10,758
Public Health Services	840	1,540	1,413	127
<i>Total Expenditures</i>	<i>9,763,032</i>	<i>9,827,032</i>	<i>9,412,368</i>	<i>414,664</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(36,713)</i>	<i>(74,160)</i>	<i>339,705</i>	<i>413,865</i>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	801	801
Advances Out	(64,000)	(64,000)	(64,000)	0
Transfers Out	(683,880)	(683,880)	(683,880)	0
<i>Total Other Financing Sources (Uses)</i>	<i>(747,880)</i>	<i>(747,880)</i>	<i>(747,079)</i>	<i>801</i>
<i>Net Change in Fund Balance</i>	<i>(784,593)</i>	<i>(822,040)</i>	<i>(407,374)</i>	<i>414,666</i>
<i>Fund Balance Beginning of Year</i>	<i>1,801,527</i>	<i>1,801,527</i>	<i>1,801,527</i>	<i>0</i>
Prior Year Encumbrances Appropriated	41,628	41,628	41,628	0
<i>Fund Balance End of Year</i>	<i>\$1,058,562</i>	<i>\$1,021,115</i>	<i>\$1,435,781</i>	<i>\$414,666</i>

See accompanying notes to the basic financial statements

City of Fairview Park, 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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$2,175,886	\$2,213,863	\$2,210,971	(\$2,892)
Property Taxes	332,259	332,259	336,783	4,524
Charges for Services	997,192	1,014,596	1,013,271	(1,325)
Intergovernmental	58,340	58,473	58,463	(10)
Rentals	183,617	186,822	186,578	(244)
Contributions and Donations	16,629	16,919	16,897	(22)
Other	22,564	22,958	22,928	(30)
<i>Total Revenues</i>	<i>3,786,487</i>	<i>3,845,890</i>	<i>3,845,891</i>	<i>1</i>
Expenditures				
Current:				
Leisure Time Activities	2,817,542	2,885,942	2,823,360	62,582
Debt Service:				
Principal Retirement	585,000	585,000	585,000	0
Interest and Fiscal Charges	662,288	662,288	662,288	0
<i>Total Expenditures</i>	<i>4,064,830</i>	<i>4,133,230</i>	<i>4,070,648</i>	<i>62,582</i>
<i>Net Change in Fund Balance</i>	<i>(278,343)</i>	<i>(287,340)</i>	<i>(224,757)</i>	<i>62,583</i>
<i>Fund Balance Beginning of Year</i>	<i>1,164,733</i>	<i>1,164,733</i>	<i>1,164,733</i>	<i>0</i>
Prior Year Encumbrances Appropriated	6,754	6,754	6,754	0
<i>Fund Balance End of Year</i>	<i>\$893,144</i>	<i>\$884,147</i>	<i>\$946,730</i>	<i>\$62,583</i>

See accompanying notes to the basic financial statements

City of Fairview Park, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Sewer Fund	Nonmajor Gilles-Sweet Fund	Total	Internal Service Fund
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$3,281,073	\$356	\$3,281,429	\$220,149
Intergovernmental Receivable	255,376	0	255,376	0
<i>Total Current Assets</i>	<u>3,536,449</u>	<u>356</u>	<u>3,536,805</u>	<u>220,149</u>
<i>Non-Current Assets:</i>				
Investment in Joint Venture	3,359,266	0	3,359,266	0
Depreciable Capital Assets, Net	14,355,999	0	14,355,999	0
<i>Total Non-Current Assets</i>	<u>17,715,265</u>	<u>0</u>	<u>17,715,265</u>	<u>0</u>
<i>Total Assets</i>	<u>21,251,714</u>	<u>356</u>	<u>21,252,070</u>	<u>220,149</u>
Deferred Outflows of Resources				
Pension	74,663	0	74,663	0
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	29,517	0	29,517	0
Accrued Wages	2,544	0	2,544	0
Intergovernmental Payable	170,000	0	170,000	0
North Olmsted Intergovernmental Payable	114,001	0	114,001	0
Vacation Benefits Payable	5,320	0	5,320	0
<i>Total Current Liabilities</i>	<u>321,382</u>	<u>0</u>	<u>321,382</u>	<u>0</u>
<i>Long-Term Liabilities (Net of Current Portion):</i>				
North Olmsted Intergovernmental Payable	2,654,393	0	2,654,393	0
Compensated Absences Payable	27,724	0	27,724	0
Net Pension Liability	194,400	0	194,400	0
<i>Total Long-Term Liabilities</i>	<u>2,876,517</u>	<u>0</u>	<u>2,876,517</u>	<u>0</u>
<i>Total Liabilities</i>	<u>3,197,899</u>	<u>0</u>	<u>3,197,899</u>	<u>0</u>
Deferred Inflows of Resources				
Pension	5,131	0	5,131	0
Net Position				
Net Investment in Capital Assets	11,587,605	0	11,587,605	0
Unrestricted	6,535,742	356	6,536,098	220,149
<i>Total Net Position</i>	<u>\$18,123,347</u>	<u>\$356</u>	<u>\$18,123,703</u>	<u>\$220,149</u>

See accompanying notes to the basic financial statements

City of Fairview Park, 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
	Major Sewer Fund	Nonmajor Gilles-Sweet Fund	Total	Internal Service Fund
Operating Revenues				
Charges for Services	\$2,260,448	\$0	\$2,260,448	\$1,348,634
Other	122	0	122	0
<i>Total Operating Revenues</i>	<u>2,260,570</u>	<u>0</u>	<u>2,260,570</u>	<u>1,348,634</u>
Operating Expenses				
Personal Services	215,431	0	215,431	0
Materials and Supplies	49,298	0	49,298	0
Contractual Services	1,174,894	0	1,174,894	1,259,135
Claims	0	0	0	89,916
Depreciation	452,285	0	452,285	0
<i>Total Operating Expenses</i>	<u>1,891,908</u>	<u>0</u>	<u>1,891,908</u>	<u>1,349,051</u>
<i>Operating Income (Loss)</i>	<u>368,662</u>	<u>0</u>	<u>368,662</u>	<u>(417)</u>
Nonoperating Revenues (Expenses)				
Gain on Investment in Joint Venture	147,318	0	147,318	0
Other Non-Operating Expense	(470)	0	(470)	0
Total Non-Operating Revenues (Expenses)	<u>146,848</u>	<u>0</u>	<u>146,848</u>	<u>0</u>
<i>Change in Net Position</i>	515,510	0	515,510	(417)
<i>Net Position Beginning of Year</i>	<u>17,607,837</u>	<u>356</u>	<u>17,608,193</u>	<u>220,566</u>
<i>Net Position End of Year</i>	<u>\$18,123,347</u>	<u>\$356</u>	<u>\$18,123,703</u>	<u>\$220,149</u>

See accompanying notes to the basic financial statements

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

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Sewer Fund	Nonmajor Gilles-Sweet Fund	Total	Internal Service Fund
<i>Increase (Decrease) in Cash and Cash Equivalents</i>				
<i>Cash Flows from Operating Activities</i>				
Cash Received from Customers	\$2,284,914	\$0	\$2,284,914	\$1,348,634
Cash Received from Other Operating Revenues	122	0	122	0
Cash Payments for Employee Services and Benefits	(203,772)	0	(203,772)	0
Cash Payments for Goods and Services	(1,046,219)	0	(1,046,219)	(1,259,299)
Cash Payments for Claims	0	0	0	(89,916)
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	1,035,045	0	1,035,045	(581)
<i>Cash and Cash Equivalents Beginning of Year</i>	2,246,028	356	2,246,384	220,730
<i>Cash and Cash Equivalents End of Year</i>	\$3,281,073	\$356	\$3,281,429	\$220,149
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
<i>Operating Income (Loss)</i>	\$368,662	\$0	\$368,662	(\$417)
Adjustments:				
Depreciation	452,285	0	452,285	0
Decrease in Intergovernmental Receivable	24,466	0	24,466	0
Decrease in Deferred Outflows - Pension	13,977	0	13,977	0
Increase (Decrease) in Liabilities:				
Accounts Payable	10,543	0	10,543	0
Accrued Wages	550	0	550	(161)
Vacation Benefits Payable	609	0	609	0
Intergovernmental Payable	166,565	0	166,565	(3)
Compensated Absences Payable	2,264	0	2,264	0
Net Pension Liability	(2,637)	0	(2,637)	0
Decrease in Deferred Inflows - Pension	(2,239)	0	(2,239)	0
<i>Total Adjustments</i>	666,383	0	666,383	(164)
<i>Net Cash Provided by (Used for) Operating Activities</i>	\$1,035,045	\$0	\$1,035,045	(\$581)

Noncash Capital Financing Activities

At December 31, 2016 the City expensed \$470 from a construction in progress project that should not have been capitalized in 2015.

At December 31, 2016 the City added \$2,768,394 as waste water treatment plant rights and as an intergovernmental payable from an agreement with North Olmsted on construction to their plant through on OWDA agreement.

See accompanying notes to the basic financial statements

City of Fairview Park, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2016

Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$886,890</u>
Liabilities	
Intergovernmental Payable	\$544,681
Accounts Payable	30,421
Deposits Held and Due to Others	<u>311,788</u>
<i>Total Liabilities</i>	<u>\$886,890</u>

See accompanying notes to the basic financial statements

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

Note 1 – Reporting Entity

The City of Fairview Park is a home rule municipal corporation established under the laws of the state of Ohio which operates under its own Charter. The current Charter, which provides for a Council/Mayor form of government, was adopted on November 4, 1958.

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

The City of Fairview Park’s primary government consists of all funds, departments, boards and commissions that are not legally separate from the City. They include public safety (police and fire), highway and streets, parks and recreation, public improvements, community development (planning and zoning), sewers, sanitation, and general administrative and legislative services.

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, and there is the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The reporting entity of the City does not include any component units.

The Rocky River Wastewater Treatment Plant is a joint venture, owned and operated by the cities of Fairview Park, Westlake, Rocky River, and Bay Village. The mayors of each city serve during their term in office as members of the Management Committee of the Rocky River Wastewater Treatment Plant. Each City is responsible for a percentage of the operating expenses of the plant based on volume of flow into the plant (See Note 18).

The City is associated with four jointly governed organizations, the West Shore Council of Governments, Tri-City Park, S.A.F.E. Council of Governments, and West Shore Area Rescue Association. These organizations are presented in Note 19 to the basic financial statements.

The City’s management believes these financial statements present all activities for which the City is financially accountable.

Note 2 – Summary of Significant Accounting Policies

The financial statements of the City of Fairview Park 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 as follows.

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

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient 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 or 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.

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. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

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 accounts for and reports all financial resources except those required to be accounted for and reported 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 Fairview Park and/or the general laws of Ohio.

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

Recreation Fund The recreation fund accounts for and reports the portion of income tax collections of the City committed for recreation and community center, revenues from recreation programs, recreation millage, and recreation expenditures.

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

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

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is the City's only major enterprise fund:

Sewer Fund The sewer fund accounts for the provision of sanitary and storm sewer service to the residents and commercial users located within the City.

Internal Service Funds Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's only internal service fund is a self-insurance fund that accounts for dental and vision claims of City employees.

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 program. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for performance bonds which are deposits made by citizens, contractors or vendors to ensure compliance with City ordinances, donations to the Senior Life Program from residents to be used in whatever way the seniors determine, collection of fees that are remitted to the State for commercial and industrial building, monies from employees for their medical expenses, and monies from City of Cleveland held for waterline improvements.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and 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.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

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

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.

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.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlement and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). 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, grants and entitlements and rentals.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferred charge on refunding and pension reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 13.

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension and unavailable revenue. Property taxes 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 fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, special assessments, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 21. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 13).

Expenditures/Expenses 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 costs, such as depreciation and amortization, are not recognized in governmental funds.

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 and other operating revenue for the sewer fund. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

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.

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 Council may appropriate. The appropriations resolution is Council's authorization to spend resources and set annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the department level in the general fund and at the object level for all other funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

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

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 and final budgeted amounts on the budgetary statements reflect the amount on the amended certificate of estimated resources in effect at the time the original and final appropriations were enacted by Council. Prior to December 31, Council requested and received an amended certificate in which estimated revenue closely reflects actual revenue for the fiscal year.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as 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 Council during that year.

Cash and Cash Equivalents

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

During 2016, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of 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 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 the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 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 was \$36,445, which includes \$30,980 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 of purchase are presented on the financial statements as equity in pooled cash and cash equivalents.

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. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported the year in which services are consumed.

Inventory

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

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

Assets Held for Resale

Assets held for resale represents land purchased by the City which will be sold for development purposes.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

Depreciation is computed using a straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings	10-50 years	50 years
Land Improvements	20-50 years	20 years
Equipment and Furniture	5-20 years	10-15 years
Vehicles	8-20 years	N/A
Infrastructure	10-75 years	50-75 years
Waste Water Treatment Plant Rights	N/A	50 years

The City's infrastructure consists of roads and sidewalks, sanitary and storm sewers, fire hydrants, traffic signals and pedestrian bridges.

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables." Interfund loans which do not represent available expendable resources are classified as nonspendable fund balances. 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.

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

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 full-time employees with more than one year of service. Since the City's policy limits the accrual of vacation time to one year from the employee's anniversary date, the outstanding liability is recorded as "vacation benefits payable" on the statement of net position rather than as a long-term liability.

Sick leave benefits are accrued as a liability using the vesting method. An accrual for earned sick leave is made to the extent that is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments. The amount is based on accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the City's vesting policy. The City records a liability for accumulated unused sick leave for employees after ten years of current service with the City.

The entire compensated absence liability is reported on the government-wide financial statements.

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, long-term notes, long-term loans, and capital leases are recognized as a liability on the governmental fund financial statements when due.

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 property acquired for resale, unless the use of the proceeds from the sale of those properties is restricted, committed, or assigned.

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

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

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 formal action (ordinance or resolution, as both are equally legally binding) 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 or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the 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. These amounts are assigned by City Council. 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 or by State statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between estimated revenue and appropriations for 2017's spending.

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 fund balance.

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.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for fire programs and cable television services.

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

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

Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds 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.

Bond Premium

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On the governmental fund statements, bond premiums are receipted in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Deferred Charge on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

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.

Note 3 – Changes in Accounting Principles

For 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. 79, “Certain External Investment Pools and Pool Participants,” GASB Statement No. 77, “Tax Abatement Disclosures,” and GASB Statement No. 82, “Pension Issues an Amendment of GASB Statements No. 67, No. 68 and No. 73.”

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

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 in the City's 2016 financial statements; however, there was no effect on beginning net position/fund balance.

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. The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

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 generally accepted accounting principles (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 information about the nature and magnitude of tax abatements. These changes were incorporated in the City's 2016 financial statements; however, there was no effect on beginning net position/fund balance.

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 also establishes additional note disclosure requirements for governments that participate in those pools. The City participates in STAR Ohio which implemented GASB Statement No. 79 for 2016. The City incorporated the corresponding GASB 79 guidance into their 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the City's 2016 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statements of revenues, expenditures, and changes in fund balance – budget (non-GAAP basis) and actual presented for the general fund and the recreation major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

The major differences between the budget basis and the GAAP basis are as follows:

- (1) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP basis).
- (2) Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP basis).
- (3) Unrecorded cash represents amounts received but not reported by the City on the operating statements (budget), but which is reported on the GAAP basis operating statements.
- (4) Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budget basis statements for the general fund and the recreation special revenue fund.

	General	Recreation
GAAP Basis	(\$176,342)	\$33,916
Net Adjustment for Revenue Accruals	(51,003)	(38,338)
Net Adjustment for Expenditure Accruals	(60,588)	(50,481)
Beginning Unrecorded Cash	659	0
Ending Unrecorded Cash	(4,170)	0
Encumbrances	(115,930)	(169,854)
Budget Basis	(\$407,374)	(\$224,757)

Note 5 – Deposits and Investments

The City is a charter City and has adopted an investment policy through City Ordinance. The City has elected to follow the provisions of State statute. State statutes classify monies held by the City into three categories.

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

Inactive deposits are public deposits that the 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.

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

Interim monies held by the City can be deposited or invested in the following securities:

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

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

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

The City may also invest monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this state, as to which there is no default of principal, interest, or coupons; and
3. Obligations of the City.

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year end, \$3,966,970 of the City's bank balance of \$7,695,976 was uninsured and uncollateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the deposit of the money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with 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 percent of the deposits being secured.

Investments

At December 31, 2016, the City had \$3,223,903 invested in STAR Ohio with an average maturity of 51.6 days.

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments.

Credit Risk STAR Ohio carries a credit rating of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

Note 6 – Interfund Transactions

Interfund Balances

At December 31, 2016, the general fund had \$100,000 and \$64,000 interfund receivable from the safe routes to school fund and federal grants fund, respectively, due to the timing of the receipt of grant monies. Once the grant monies are received, the interfund balances are anticipated to be repaid within one year.

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

Interfund Transfers

During 2016, the general fund transferred \$681,000 and \$2,880 to the police and fire pension fund and federal grant fund, respectively, to provide additional resources for current operations.

Note 7 – Receivables

Receivables at December 31, 2016, consisted primarily of municipal income taxes, property taxes, accounts (billings for user charged services, franchise fees, and miscellaneous), intergovernmental receivables arising from grants, entitlements and shared revenues, and special assessments. No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes. All receivables except for property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City of Fairview Park. Property tax revenues received in 2016 for real and public utility property represent the collection of 2015 taxes.

2016 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 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017.

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.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes which became a lien 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 of Fairview Park operations for the year ended December 31, 2016, was \$11.80 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2016 property tax receipts were based are as follows on the next page:

Real Property	\$387,315,600
Public Utility Personal Property	<u>5,424,840</u>
Total	<u><u>\$392,740,440</u></u>

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

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2016, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2016 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

The City levies an income tax of 2 percent on all income earned within the City as well as income of residents earned outside the City. In the latter case, the City allows a credit of 75 percent of the tax on the income earned outside the City and paid to another municipality to a maximum of the total amount assessed with a limit to the credit of 1.25 percent. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Regional Income tax Agency (RITA) at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a final return annually. Taxes collected by RITA in one month are remitted to the City on the first and tenth business days of the following month. One and one-quarter percent is levied for general purposes, one half percent is committed to recreation programs, and one-quarter percent is restricted for capital improvements.

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Governmental Activities	Business-Type Activities	Total
Homestead and Rollback	\$293,310	\$0	\$293,310
City of Cleveland	0	255,376	255,376
Gasoline Excise Tax	172,918	0	172,918
Local Government	160,734	0	160,734
Gasoline Tax	90,555	0	90,555
NatureWorks Grant	88,610	0	88,610
TLCI Grant	79,999	0	79,999
Permissive License Tax	56,813	0	56,813
Sidewalk Safety Grant	55,728	0	55,728
Storefront Renovation Grant	50,000	0	50,000
Motor Vehicle Registration	48,310	0	48,310
City of Rocky River	12,022	0	12,022
Bulletproof Vest Partnership Grant	2,202	0	2,202
Cuyahoga County	386	0	386
Total Intergovernmental	\$1,111,587	\$255,376	\$1,366,963

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

Note 8 – Tax Abatements

As of December 31, 2016, the City provides tax abatements through two programs: The Community Reinvestment Area (CRA) Tax Abatements and Economic Incentive Grant.

Community Reinvestment Area (CRA)

Pursuant to Ohio Revised Code Chapter 5709, the City established five Community Reinvestment Areas to provide property tax abatements to encourage revitalization of existing buildings and the construction of new structures. One Community Reinvestment Area has been terminated by the property owner. Abatements are obtained through application by the property owner, including proof that the improvements have been made, and equal 100 percent of the additional property tax resulting from the increase in assessed value for seven years as a result of the improvement. The amount of the abatement, which was \$152,259 in 2016, is deducted from the recipient's tax bill. There are recapture provisions if there is failure to maintain the structure or property.

Economic Incentive Grant

Pursuant to Article XVIII, Section 3 of the Ohio Constitution and Article II of the Fairview Park Charter, the City established an Economic Incentive Grant to provide income tax abatements to encourage job creation in the City. The abatement is obtained through application by the employer, including proof that the minimum total annual payroll thresholds are met, and equal up to 30 percent of the income tax based on actual annual payroll that is reported. The amount of the abatement is rebated to the employer. There was no deduction in the City's income taxes during 2016 related to this abatement due to the timing of the abatement's term not beginning until 2017.

Note 9 – Cleveland Waterline Projects

During 2013, the City transferred ownership and replacement responsibilities of its waterlines to the City of Cleveland. The City also entered into an agreement with the Cleveland Division of Water under which the City of Fairview Park would manage and design the projects of which the Cleveland Division of Water would pay for. The expenditures for waterline improvements will not be capitalized. An agency fund has been created to account for funds received by the Cleveland Division of Water to be expensed for the design and construction of such projects.

Note 10 – Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. An employee becomes eligible for vacation leave on his/her anniversary date and vacation leave are required to be taken by the employee within 12 months thereafter. City employees are paid for earned, unused vacation leave at the time of termination of employment.

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

Sick leave is earned at the rate of four-and-sixth-tenths hours for every 80 hours worked. A maximum of 1,307 hours may be accumulated by each employee. Each employee with ten or more years of service with the City is paid for one-half of the employee's earned unused sick leave upon termination with the City, transfer to another governmental agency, or retirement.

Note 11 – Capital Assets

A summary of changes in capital assets during 2016 follows:

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016
Governmental Activities:				
<i>Nondepreciable Capital Assets:</i>				
Land	\$1,050,943	\$0	\$0	\$1,050,943
Construction in Progress	1,187,893	971,761	(1,153,525)	1,006,129
<i>Total Nondepreciable Capital Assets</i>	<u>2,238,836</u>	<u>971,761</u>	<u>(1,153,525)</u>	<u>2,057,072</u>
<i>Depreciable Capital Assets:</i>				
Buildings	21,118,232	32,250	0	21,150,482
Land Improvements	2,084,208	575,536	0	2,659,744
Equipment and Furniture	2,217,381	76,371	(9,519)	2,284,233
Vehicles	4,497,862	29,495	(14,270)	4,513,087
Infrastructure:				
Roads, Sidewalks and Bridges	48,594,218	577,989	0	49,172,207
Fire Hydrants	1,543,167	0	0	1,543,167
Traffic Signals	3,119,326	0	0	3,119,326
<i>Total Depreciable Capital Assets</i>	<u>83,174,394</u>	<u>1,291,641</u>	<u>(23,789)</u>	<u>84,442,246</u>
<i>Less Accumulated Depreciation:</i>				
Buildings	(4,756,512)	(422,758)	0	(5,179,270)
Land Improvements	(1,254,839)	(80,161)	0	(1,335,000)
Equipment and Furniture	(1,468,987)	(100,642)	9,519	(1,560,110)
Vehicles	(3,700,739)	(152,863)	14,270	(3,839,332)
Infrastructure:				
Roads, Sidewalks and Bridges	(27,451,439)	(1,596,734)	0	(29,048,173)
Fire Hydrants	(927,617)	(24,775)	0	(952,392)
Traffic Signals	(2,293,315)	(120,445)	0	(2,413,760)
<i>Total Accumulated Depreciation</i>	<u>(41,853,448)</u>	<u>(2,498,378) *</u>	<u>23,789</u>	<u>(44,328,037)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>41,320,946</u>	<u>(1,206,737)</u>	<u>0</u>	<u>40,114,209</u>
<i>Total Governmental Activities Capital Assets, Net</i>	<u>\$43,559,782</u>	<u>(\$234,976)</u>	<u>(\$1,153,525)</u>	<u>\$42,171,281</u>

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

* Depreciation expense was charged to governmental functions as follows:

General Government	\$681,549
Security of Persons and Property	90,831
Transportation	1,220,665
Community Environment	31,876
Leisure Time Activities	427,082
Capital Outlay	46,375
	\$2,498,378
Total	\$2,498,378

	Balance 12/31/15	Additions	Deletions	Balance 12/31/16
Business-Type Activities:				
<i>Nondepreciable Capital Assets:</i>				
Construction in Progress	\$264,457	\$0	(\$264,457)	\$0
<i>Depreciable Capital Assets:</i>				
Buildings	252,877	0	0	252,877
Land Improvements	6,741	0	0	6,741
Equipment and Furniture	454,486	0	0	454,486
Waste Water Treatment				
Plant Rights	0	2,768,394	0	2,768,394
Infrastructure:				
Sanitary Sewer	15,357,680	263,987	0	15,621,667
Storm Sewer	8,529,007	0	0	8,529,007
<i>Total Depreciable Capital Assets</i>	<i>24,600,791</i>	<i>3,032,381</i>	<i>0</i>	<i>27,633,172</i>
<i>Less Accumulated Depreciation:</i>				
Buildings	(104,927)	(5,057)	0	(109,984)
Land Improvements	(6,741)	0	0	(6,741)
Equipment and Furniture	(201,524)	(27,938)	0	(229,462)
Waste Water Treatment				
Plant Rights	0	(27,684)	0	(27,684)
Infrastructure:				
Sanitary Sewer	(7,529,608)	(255,355)	0	(7,784,963)
Storm Sewer	(4,982,088)	(136,251)	0	(5,118,339)
<i>Total Accumulated Depreciation</i>	<i>(12,824,888)</i>	<i>(452,285)</i>	<i>0</i>	<i>(13,277,173)</i>
<i>Total Depreciable Capital Assets, Net</i>	<i>11,775,903</i>	<i>2,580,096</i>	<i>0</i>	<i>14,355,999</i>
<i>Total Business-Type Activities</i>				
<i>Capital Assets, Net</i>	<i>\$12,040,360</i>	<i>\$2,580,096</i>	<i>(\$264,457)</i>	<i>\$14,355,999</i>

During 2016, the City acquired an intangible asset valued at \$2,768,394 due to the agreement with the City of North Olmsted. Per this agreement the City has the right to use the Waste Water Treatment Plant, which was jointly constructed, but is owned by the City of North Olmsted. The construction of the WWTP was completed in 2016.

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

Note 12 – Assets Held for Resale

Assets held for resale represent 1.4 acres of land for acquisition and improvements of properties located at 20520 Lorain Road purchased by the City which will be sold for development purposes.

In 2011, the City entered an agreement with the Fairview Park City School District to purchase property located at 20770 Lorain Road. In exchange for payment of the property, the City will forego the annual rental of the recreation center charged to the School District of \$60,000 for the next 12 years for a total of \$720,000. The City has recorded an asset held for resale and unearned revenue. The balance at December 31, 2016 is \$420,000. The City sold this property for \$715,128 in 2013.

Note 13 – Defined Benefit Pension Plans

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.

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 *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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

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

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

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

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

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.

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$438,019 for 2016. Of this amount, \$43,334 is reported as an intergovernmental payable.

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

Plan Description – City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

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

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

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

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$892,331 for 2016. Of this amount \$84,957 is reported as an intergovernmental payable.

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. OPF'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:

	OPERS	OPF	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.02805800%	0.20614100%	
Prior Measurement Date	0.02849000%	0.20728830%	
Change in Proportionate Share	-0.00043200%	-0.00114730%	
			Total
Proportionate Share of the Net Pension Liability	\$4,859,999	\$13,261,195	\$18,121,194
Pension Expense	\$665,564	\$1,795,207	\$2,460,771

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

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$1,428,536	\$2,158,413	\$3,586,949
City contributions subsequent to the measurement date	<u>438,019</u>	<u>892,331</u>	<u>1,330,350</u>
Total Deferred Outflows of Resources	<u><u>\$1,866,555</u></u>	<u><u>\$3,050,744</u></u>	<u><u>\$4,917,299</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$93,905	\$37,237	\$131,142
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>34,377</u>	<u>47,683</u>	<u>82,060</u>
Total Deferred Inflows of Resources	<u><u>\$128,282</u></u>	<u><u>\$84,920</u></u>	<u><u>\$213,202</u></u>

\$1,330,350 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:

Year Ending December 31:	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
2017	\$296,572	\$552,006	\$848,578
2018	319,414	552,006	871,420
2019	360,990	552,006	912,996
2020	323,278	436,944	760,222
2021	0	(16,363)	(16,363)
Thereafter	<u>0</u>	<u>(3,106)</u>	<u>(3,106)</u>
Total	<u><u>\$1,300,254</u></u>	<u><u>\$2,073,493</u></u>	<u><u>\$3,373,747</u></u>

Actuarial Assumptions – OPERS

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

City of Fairview Park, Ohio
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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2015, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuations are presented as follows:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA:	4.25 to 10.05 percent including wage inflation
Pre-January 7, 2013 Retirees	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the traditional pension plan, the defined benefit component of the combined plan, the annuitized accounts of the member-directed plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

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

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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 %	5.27 %

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually 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 County’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$7,743,166	\$4,859,999	\$2,428,139

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 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the City’s net pension liability is expected to be significant.

Actuarial Assumptions – OPF

OPF’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 OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent, 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 OPF's target asset allocation as of December 31, 2015, are summarized as follows:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return**	30 Year Expected Real Rate of Return**
Cash and Cash Equivalents	0.00 %	0.00 %	0.00 %
Domestic Equity	16.00	6.50	7.80
Non-US Equity	16.00	6.70	8.00
Core Fixed Income *	20.00	3.50	5.35
Global Inflation Protected Securities*	20.00	3.50	4.73
High Yield	15.00	6.35	7.21
Real Estate	12.00	5.80	7.43
Private Markets	8.00	9.50	10.73
Timber	5.00	6.55	7.35
Master Limited Partnerships	8.00	9.65	10.75
Total	120.00 %		

Note: Assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation

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

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$17,489,740	\$13,261,195	\$9,679,201

Note 14 – Postemployment Benefits

Ohio Public Employees Retirement System

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

At the beginning of 2016, OPERS maintained three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust (401(h) Trust) and the 115 Health Care Trust (115 Trust), worked together to provide health care funding to eligible retirees of the traditional pension and combined plans.

In March 2016, OPERS received two favorable rulings from the IRS allowing OPERS to consolidate all health care assets into the 115 Trust. Transition to the new health care trust structure occurred during 2016. OPERS Combining Statements of Changes in Fiduciary Net Position for the year ended December 31, 2016, will reflect a partial year of activity in the 401(h) Trust and VEBA Trust prior to the termination of these trusts as of end of business day June 30, 2016, and the assets and liabilities, or net position, of these trusts being consolidated into the 115 Trust on July 1, 2016.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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. See OPERS’ CAFR referenced as follows for additional information.

City of Fairview Park, Ohio
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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.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment 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 percent of earnable salary. This is the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contributions rate that will be set aside to fund health care plans. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both the Traditional Pension and Combined plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The third trust is a Voluntary Employee’s Beneficiary Association (VEBA) Trust that provides funding for a Retiree Medical Account (RMA) for Member-Directed Plan members. The employer contribution as a percentage of covered payroll deposited to the RMAs for 2016 was 4.0 percent.

Substantially all of the City’s contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2016, 2015, and 2014 was \$73,003, \$69,842 and \$75,043, respectively. For 2016, 90.11 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2015 and 2014.

Ohio Police and Fire Pension Fund

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

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

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

OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units. Active members do not make contributions to the OPEB Plan.

OPF maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements 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 OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2016, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OPF Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OPF for the years ended December 31, 2016, 2015, and 2014, which were allocated to fund post-employment health care benefits for police and firefighters, were \$10,609 and \$10,409, \$10,647 and \$10,181, and \$10,228 and \$10,191, respectively. For 2016, 90.55 and 90.42 percent has been contributed to police and firefighters, respectively, with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2015 and 2014.

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Note 15 – Risk Management

Property and Liability

The City is exposed to various risks of loss related to torts; theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year the City contracted with Argonaut Insurance Company for all their commercial insurance. The types of coverage and deductibles are as follows:

Type of Coverage	Coverage	Deductible
Blanket Property and Contents, Replacement	\$30,724,431	\$2,500
General Liability	1,000,000/2,000,000	0
Automobile Liability	1,000,000	0
Public Officials Liability	1,000,000/2,000,000	5,000
Police Professional Liability	1,000,000/2,000,000	5,000
Employment Practice Liability	1,000,000/2,000,000	5,000
Excess Liability	5,000,000	0
Accounts Receivable	100,000	2,500
Building Ordinance	100,000/100,000	2,500
Communication Equipment	50,000	250
Computer Equipment	50,000	250
Detached Signs	5,000	2,500
Extra Expense and Business Income	500,000	2,500
Fine Arts	90,000	2,500
Property in Transit	50,000	250
Personal Effect and Property of Others	50,000	2,500
Valuable Papers	100,000	2,500
Miscellaneous Equipment	522,481	250
Hired, Leased, Borrowed Equipment	50,000	250
Public Employee Dishonesty	100,000	1,000
Money and Securities	5,000	1,000

Settled claims have not exceeded this commercial coverage in any of the past three years, and there was no significant reduction in coverage from the prior year.

Employee Health Benefits

The City managed employee medical and prescription benefits on a self-insured basis through December 31, 2013. As of January 1, 2014, the City was no longer self-insured for these benefits, but is still self-insured for dental and vision benefits.

The City has elected to provide employee dental and vision insurance benefits through Medical Mutual of Ohio. The City has elected to provide medical and prescription benefits through the Cuyahoga County Health Care Regionalization Program through a health savings account or a traditional plan. The City's internal service fund was set up to finance the cost of the self insurance program for dental and vision benefits, as well as the premium payments for medical and prescription benefits.

City of Fairview Park, Ohio
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The employee contribution of the monthly premium is through a payroll deduction. The monthly premiums for the various employees and the City are as follows:

Type of Coverage	City		Police and Fire		Administration and Service	
	Traditional	Health Savings	Traditional	Health Savings	Traditional	Health Savings
Single	\$534.97	\$394.81	\$85.75	\$64.72	\$80.40	\$60.77
Family	1,604.93	1,184.44	251.74	188.67	235.69	176.82

The claims liability of \$0 reported in the internal service fund at December 31, 2016 for employee insurance coverage, is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Any liability for outstanding claims at December 31, 2016 are deemed immaterial by management.

Changes in the fund claims liability amount in 2016 and 2015 were as follows:

Year	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2015	\$9,152	\$76,483	\$85,635	\$0
2016	0	89,916	89,916	0

Workers' compensation coverage is provided by the state of Ohio. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 16 – Long-Term Obligations

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
General Obligation Bonds:				
Refunding of 1999 Bonds	2005	2019	4.1 %	\$2,380,000
Various Purpose Refunding Bonds	2012	2030	2.0-4.0	20,590,000
Loans:				
OPWC Loan	2009	2040	0	750,887
Intergovernmental Loan	1994	2016	4.12	1,135,647
Commercial Redevelopment Loans	2009	2017	n/a	391,757
Long-Term Note:				
Economic Development Note	2013	2016	1.72	550,000
Business-Type Activites				
Intergovernmental Loan	2016	2035	N/A	2,768,394

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

	Balance 12/31/2015	Additions	Reductions	Balance 12/31/2016	Amounts Due In One Year
Governmental Activities:					
General Obligation Bonds:					
Refunding of 1999 Bonds	\$1,050,000	\$0	\$255,000	\$795,000	\$260,000
Various Purpose Refunding Bonds	20,040,000	0	585,000	19,455,000	685,000
Unamortized Premium	739,059	0	50,075	688,984	0
Total Various Purpose Refunding Bonds	<u>20,779,059</u>	<u>0</u>	<u>635,075</u>	<u>20,143,984</u>	<u>685,000</u>
Total General Obligation Bonds	<u>21,829,059</u>	<u>0</u>	<u>890,075</u>	<u>20,938,984</u>	<u>945,000</u>
Other Obligations:					
OPWC Loan	613,222	0	25,028	588,194	25,030
Intergovernmental Loan	52,941	0	52,941	0	0
Commercial Redevelopment Loans	43,605	0	29,069	14,536	14,536
Economic Development Note - 2013	183,334	0	183,334	0	0
Capital Leases	288,497	0	77,190	211,307	50,228
Compensated Absences Payable	1,362,929	246,181	262,268	1,346,842	113,650
Total Other Obligations	<u>2,544,528</u>	<u>246,181</u>	<u>629,830</u>	<u>2,160,879</u>	<u>203,444</u>
Net Pension Liability:					
OPERS	3,298,764	1,366,835	0	4,665,599	0
OPF	10,738,398	2,522,797	0	13,261,195	0
Total Net Pension Liability	<u>14,037,162</u>	<u>3,889,632</u>	<u>0</u>	<u>17,926,794</u>	<u>0</u>
Total Governmental Activities	<u>\$38,410,749</u>	<u>\$4,135,813</u>	<u>\$1,519,905</u>	<u>\$41,026,657</u>	<u>\$1,148,444</u>
Business-Type Activities:					
Intergovernmental Loan	\$0	\$2,768,394	\$0	\$2,768,394	\$114,001
Compensated Absences Payable	25,460	6,512	4,248	27,724	0
Net Pension Liability - OPERS	137,449	56,951	0	194,400	0
Total Business-Type Activities	<u>\$162,909</u>	<u>\$2,831,857</u>	<u>\$4,248</u>	<u>\$2,990,518</u>	<u>\$114,001</u>

The general obligation bonds and capital leases were paid from the recreation, permanent improvement and capital improvements funds, respectively.

In 2012, the City issued general obligation bonds, in the amount of \$20,590,000, to partially refund bonds previously issued in 2005 for various purposes in the amount of \$18,300,000. The remaining \$2,290,000 will be used to pay the remaining interest and fiscal charges of the unrefunded bonds. The bonds were issued with original interest rates varying from 3 percent to 5 percent. The bonds were issued for a 19 year period with final maturity during fiscal year 2030. The bonds will be retired through the recreation special revenue fund.

The bonds were sold at a premium of \$901,349. Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2005 Various Purpose bonds. As a result, \$18,300,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. On December 31, 2016, \$17,800,000 of the defeased bonds are still outstanding.

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

In 2013, the City received proceeds of economic development notes in the amount of \$550,000. The note was to be paid from the cable franchise fee special revenue fund and matured on March 21, 2016. The proceeds of the note were used to pay the outstanding balance of the economic development note which matured on March 21, 2013.

In 1994, the City of Fairview Park entered into a contractual agreement with the City of North Olmsted for the construction and future maintenance of a wastewater treatment plant that is in North Olmsted and that Fairview Park residents will be able to tap into. The project was financed mainly by OWDA debt issued in 1994 by the City of North Olmsted. All proceeds were received by the City of North Olmsted and the City of North Olmsted was responsible for the debt retirement and maintenance. The plant was a capital asset of the City of North Olmsted. This amount was recorded on Fairview Park's books as a long-term liability. The annual interest rate of the obligation was 4.12 percent. The capital charge agreement was paid from the capital improvements capital project fund.

During 2016, the City of Fairview Park entered into a contractual agreement with the City of North Olmsted for the construction and future maintenance of a wastewater treatment plant that is in North Olmsted and that Fairview Park residents will be able to tap into. All proceeds were received by the City of North Olmsted and the City of North Olmsted is responsible for the debt retirement and maintenance. The plant is a capital asset of the City of North Olmsted. The total amount owed to the City of North Olmsted as of December 31, 2016 is \$2,768,394. This amount has been recorded on Fairview Park's books as a long-term liability in the sewer enterprise fund. The annual interest rate of the obligation is not known. A corresponding amount was recorded as an intangible asset in the sewer enterprise fund. The amount will be amortized over the life of the WWTP. Since the repayment schedule has not yet been finalized, a repayment schedule is not included in the schedule of debt service requirements. Until a final repayment schedule is available, the City will pay based on estimates.

During 2009, the City entered into a contractual agreement for a commercial redevelopment loan from Cuyahoga County for acquisition and improvements of a property located at 20520 Lorain Road, within the City. The loan is paid from the permanent improvements capital projects fund.

The City also entered into a contractual agreement during 2009 for a commercial redevelopment loan from Purvin, Incorporated for acquisition and improvements of a property located at 22735 Lorain Road, within the City. The loan is to be repaid over an eight-year schedule and is paid from permanent improvement capital project fund.

On December 29, 2009, the City issued a loan with the Ohio Public Works Commission (OPWC) for sewer and various street projects around the City. The OPWC loan is paid from the capital improvements capital project fund.

Other Long-Term Obligations Compensated absences will be paid from the general fund, recreation and street maintenance and repair special revenue funds and the sewer enterprise fund. Capital leases will be paid from the permanent improvement fund. There is no repayment schedule for the net pension liability. However, employer pension contributions are made from the same fund as compensated absences. For additional information related to the net pension liability see Note 13.

The City's overall legal debt margin was \$40,442,922 at December 31, 2016. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2016, are as follows:

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

Governmental Activities

Year	General Obligation Bonds		OPWC Loan	Commercial
	Serial Bonds			Redevelopment
	Principal	Interest	Principal	Loans
				Principal
2017	\$945,000	\$674,606	\$25,030	\$14,536
2018	1,040,000	650,180	25,030	0
2019	1,140,000	616,000	25,030	0
2020	975,000	570,062	25,030	0
2021	1,075,000	531,062	25,030	0
2022-2026	7,430,000	1,902,123	125,149	0
2027-2031	7,645,000	586,350	125,148	0
2032-2036	0	0	125,145	0
2037-2040	0	0	87,602	0
Total	\$20,250,000	\$5,530,383	\$588,194	\$14,536

Note 17 – Capital Leases

In prior years, the City entered into lease agreements for a dump truck, ambulance, and a fire engine pumper. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis. Amortization of capital leases are included in depreciation expense. The leases are secured by the related property.

Capital assets acquired by lease have been capitalized and depreciated as follows as of December 31, 2016:

	Governmental Activities
Assets being depreciated:	
Vehicles	\$593,534
Less Accumulated Depreciation:	
Vehicles	(439,671)
Current Book Value	\$153,863

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

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 Ending December 30,	Governmental Activities
2017	59,798
2018	59,798
2019	30,749
2020	30,749
2021	30,749
2022	30,750
Total	242,593
Less: Amount Representing Interest	(31,286)
Present Value of Net Minimum Lease Payments	\$211,307

Note 18 – Joint Venture – Rocky River Wastewater Treatment Plant

The Rocky River Wastewater Treatment Plant (the “Plant”) is a joint venture among the cities of Fairview Park, Bay Village, Rocky River and Westlake. The plant is governed by a Management Committee consisting of the elected mayors of the four member cities and a fifth person nominated and elected by the mayors. The Management Committee has authority over all aspects of the Plant’s operation; however, all employees are employees of the City of Rocky River. The Plant supplies all participating residents of the member cities with sewer services. Each city owns the sewage lines located in its city and bills its residents for usage. Continued existence of the Plant is dependent on the City’s continued participation, and the City as an equity interest in the Plant. The City’s equity interest is \$3,359,266 which represents 15.85 percent of the total equity in the Plant. The Plant is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116.

Note 19 – Jointly Governed Organizations

West Shore Council of Governments

The West Shore Council of Governments (Council) 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 \$35,025 to this organization. Complete financial information statements can be obtained from the City of Rocky River, P.O. Box 16088, Rocky River, Ohio 44116-0088.

The Council has established two subsidiary organizations, the West Shore Hazardous Materials Committee (HAZMAT) 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 Fairview Park, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Tri-City Park

The Tri-City Park provides a recreational park to the cities of Fairview Park, Westlake, and Rocky River. The park is governed by a board consisting of the elected mayors of the three cities. The Board exercises total control over the operation of the park including budgeting, appropriating, contracting, and designating management.

Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. The City of Fairview Park contributed \$3,000 to Tri-City Park in 2016. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116.

S.A.F.E. Council of Governments

The S.A.F.E. Council of Governments (S.A.F.E.) was formed between municipalities to oppose changes to Cleveland Hopkins International Airport air traffic pattern. The Cities of Fairview Park, Bay Village, Rocky River and Westlake govern by a board consisting of the elected mayors. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting, and designating management.

Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. The City of Fairview Park did not make any contributions to S.A.F.E. in 2016.

West Shore Area Rescue Association

The West Shore Area Rescue Association (WESHARE) helps foster cooperation between municipalities and hospitals to provide optimum emergency medical services. The Board is comprised of one member from each of the nine participating entities. The Board exercises total control over the operation of Weshare including budgeting, appropriating, contracting, and designating management. Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. The City of Fairview Park made a \$300 contribution to the WESHARE in 2016.

Note 20 – Significant Commitments

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Governmental Funds:	
General	\$115,930
Recreation	169,854
Other Governmental Funds	351,054
Total Governmental Funds	<u>636,838</u>
Proprietary Fund:	
Sewer Fund	<u>271,494</u>
Total Encumbrances	<u><u>\$908,332</u></u>

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

Contractual Commitments

At December 31, 2016, the City's significant commitments consisted of:

	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
2016 Streets	\$443,320	\$386,787	\$56,533
Streetscapes	86,000	29,600	56,400
2016 Grannis Park Project	185,000	88,610	96,390
2016 Nelson Russ Park Improvement	5,500	2,700	2,800
2016 City Hall Masonry Project	54,500	14,381	40,119
	<u>\$774,320</u>	<u>\$522,078</u>	<u>\$252,242</u>

Remaining commitments were encumbered at year-end.

Note 21 – Accountability

As of December 31, 2016, the street lighting, solid waste, and federal grants special revenue funds had deficits of \$3,439, \$61,101, and \$63,737, respectively. This was due to accounts payable for the street lighting and solid waste special revenue funds and contracts and interfund payable for federal grants special revenue funds. The general fund is liable for any deficits in these funds and provides transfers when cash is required, rather than when accruals occur.

Note 22 – 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 government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Recreation</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<i>Nonspendable:</i>				
Prepays	\$109,239	\$0	\$0	\$109,239
Inventory	4,206	0	23,616	27,822
<i>Total Nonspendable</i>	<u>\$113,445</u>	<u>\$0</u>	<u>\$23,616</u>	<u>\$137,061</u>

(continued)

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

Fund Balances (continued)	General	Recreation	Other Governmental Funds	Total
<i>Restricted for:</i>				
Road Improvements	\$0	\$0	\$171,977	\$171,977
Law Enforcement	0	0	149,228	149,228
Construction and Improvement of City Facilities	0	0	1,509,201	1,509,201
Fire Operations	0	0	187,807	187,807
Drug and Alcohol Enforcement	0	0	12,290	12,290
Civil Service Testing	0	0	2,688	2,688
Lorain Road Revitalization	0	0	445,243	445,243
Cable Television Services	0	0	828,481	828,481
Senior Center Construction	0	0	2,082	2,082
Debt Service Payments	0	0	176	176
<i>Total Restricted</i>	0	0	3,309,173	3,309,173
<i>Committed to:</i>				
Recreation Programs	0	1,392,431	0	1,392,431
S.A.V.E. Program	0	0	400	400
Emergency Medical Services	0	0	236,284	236,284
Bain Park Restoration	0	0	58,692	58,692
Sidewalk Improvements	0	0	4,924	4,924
<i>Total Committed</i>	0	1,392,431	300,300	1,692,731
<i>Assigned to:</i>				
Purchases on Order:				
City Administration	27,302	0	0	27,302
Police Department	16,531	0	0	16,531
Fire Department	1,593	0	0	1,593
Public Health	450	0	0	450
Road Improvements	37,302	0	0	37,302
Building Department	1,272	0	0	1,272
Recycling and Solid Waste Disposal	23,513	0	0	23,513
Bain Park	600	0	0	600
Senior Life	1,305	0	0	1,305
2017 Appropriations	494,573	0	0	494,573
<i>Total Assigned</i>	604,441	0	0	604,441
<i>Unassigned (Deficit)</i>	1,755,862	0	(128,277)	1,627,585
<i>Total Fund Balances</i>	\$2,473,748	\$1,392,431	\$3,504,812	\$7,370,991

Required Supplementary Information

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

	2016	2015	2014
City's Proportion of the Net Pension Liability	0.02805800%	0.02849000%	0.02849000%
City's Proportionate Share of the Net Pension Liability	\$4,859,999	\$3,436,213	\$3,358,600
City's Covered Payroll	\$3,492,110	\$3,492,911	\$3,413,357
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	139.17%	98.38%	98.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%

(1) Although this schedule is intended to show information for ten years, information prior to 2014 is not available. An additional column will be added each year.

* Amounts presented for each year were determined as of the City's measurement date, which is the prior year end.

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

	2016	2015	2014
City's Proportion of the Net Pension Liability	0.20614100%	0.20728830%	0.20728830%
City's Proportionate Share of the Net Pension Liability	\$13,261,195	\$10,738,398	\$10,095,590
City's Covered Payroll	\$4,165,581	\$4,084,145	\$4,025,131
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	318.35%	262.93%	250.81%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	71.71%	73.00%

(1) Although this schedule is intended to show information for ten years, information prior to 2014 is not available. An additional column will be added each year.

* Amounts presented for each year were determined as of the City's measurement date, which is the prior year end.

City of Fairview Park, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Four Years (1)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$438,019	\$419,053	\$419,149	\$443,736
Contributions in Relation to the Contractually Required Contribution	<u>(438,019)</u>	<u>(419,053)</u>	<u>(419,149)</u>	<u>(443,736)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$3,650,158	\$3,492,110	\$3,492,911	\$3,413,357
Contributions as a Percentage of Covered Payroll	12.00%	12.00%	12.00%	13.00%

(1) Although this schedule is intended to show information for ten years, information prior to 2013 is not available. An additional column will be added each year.

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

	2016	2015	2014	2013
Contractually Required Contribution	\$892,331	\$883,088	\$867,487	\$727,663
Contributions in Relation to the Contractually Required Contribution	(892,331)	(883,088)	(867,487)	(727,663)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$4,203,443	\$4,165,581	\$4,084,145	\$4,025,131
Contributions as a Percentage of Covered Payroll	21.23%	21.20%	21.24%	18.08%

2012	2011	2010	2009	2008	2007
\$628,072	\$610,940	\$661,196	\$619,230	\$664,410	\$573,951
<u>(628,072)</u>	<u>(610,940)</u>	<u>(661,196)</u>	<u>(619,230)</u>	<u>(664,410)</u>	<u>(573,951)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,205,701	\$4,065,045	\$4,395,555	\$4,132,082	\$4,437,348	\$3,821,065
14.93%	15.03%	15.04%	14.99%	14.97%	15.02%

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Combining Statements and Individual Fund Schedules

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Fund Descriptions - Nonmajor Governmental and Enterprise Funds

Nonmajor Special Revenue Funds

To account for and report the proceeds of specific revenue sources that are restricted, committed or nonspendable to expenditures for specific purposes other than debt services or capital projects.

Street Construction, Maintenance and Repair Fund - To account for and report that portion of the State gasoline tax and motor vehicle registration fees restricted for street maintenance and repair.

State Highway Fund - To account for and report that portion of the State gasoline tax and motor vehicle registration fees restricted for maintenance of State highways within the City.

Police and Fire Pension Fund - To account for and report restricted property taxes levied for the payment of current employer contributions for police and fire disability and pension benefits and the accrued liability.

S.A.V.E. Fund - To account for and report Stop a Vandal Easily funds committed from general fund, to be used for reward for information in regards to solving crimes. This fund did not have any budgetary activity in 2016, therefore, budgetary information is not provided.

Street Lighting Fund - To account for and report the revenues of restricted special assessment monies levied for the providing of street lighting of City roads.

Solid Waste Fund - To account for and report the revenues of restricted special assessment monies levied for waste management.

Fire Operating Levy Fund - To account for and report the property taxes collected restricted to pay salaries and fringe benefits of the fire department.

Safe Routes to School Fund - To account for and report revenues restricted for the improvement of sidewalk and vehicular traffic conditions around the City's school sites in order to promote walking and biking for students living in proximity to the schools.

Federal Grants Fund - To account for and report restricted revenues and expenditures of grant funds received from the various Federal Sources in accordance with the covenants and restrictions of the grant agreements.

Waterline Repair Fund - To account for and report costs and subsequent reimbursements restricted for street repairs made by the City as a result of waterline repairs made by the City of Cleveland.

Fairview Park Sidewalk Fund - To account for and report the transfer of general fund monies committed to be used in the improvement of City sidewalks. This fund did not have any budgetary activity in 2016, therefore, budgetary information is not provided.

Bain Park Restoration Fund - To account for and report rental income and donations committed to be used in Bain Cabin.

Law Enforcement Trust Fund - To account for and report funds seized in the commitment of a felony and awarded to the City of Fairview Park restricted for purchases of capital equipment for use in the Police Department.

(continued)

Fund Descriptions - Nonmajor Governmental and Enterprise Funds (continued)

Nonmajor Special Revenue Funds (continued)

D.U.I. Education Fund - To account for and report grants received from Federal Government, State of Ohio, or Cuyahoga County, and restricted for Driving Under Influence (D.U.I.) education and equipment used in D.U.I. enforcement.

Police on Patrol Arresting Speeders Fund - To account for and report monies received from traffic violations issued by Auxiliary Police and impound fees from motor vehicles. These funds are restricted for the purchases of police equipment and other police related expenditures.

Civil Reimbursement Fund - To account for and report revenue received from the Civil Service Department and restricted for expenditures for civil service testing. This fund did not have any budgetary activity in 2016, therefore, budgetary information is not provided.

New Levy/Project Account Fund - To account for and report property taxes restricted for a specific project. This fund did not have any budgetary activity in 2016, therefore, budgetary information is not provided.

Cable TV Franchise Fee Fund - To account for and report franchise fee received from the cable franchises restricted for expenditures allowed by City Council, and debt proceeds for expenditures for principal and interest.

D.A.R.E. Fund - To account for and report donations and Federal Grants received and expenditures restricted for drug education.

Emergency Medical System Fund - To account for and report ambulance service fees committed for Fire Department equipment.

Nonmajor Debt Service Fund

Debt Service fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

General Obligation Bond Retirement Fund - To account for and report property taxes restricted for the payment of principal and interest and fiscal charges on general obligation debt. This fund did not have any budgetary activity in 2016, therefore, budgetary information is not provided.

(continued)

Fund Descriptions - Nonmajor Governmental and Enterprise Funds (continued)

Nonmajor Capital Projects Funds

Capital project funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds or for assets that will be held in trust.

Recreation Construction Fund - To account for and report revenues from recreation programs restricted for constructing and furnishing the new recreation center and facility. This fund did not have any budgetary activity in 2016, therefore, budgetary information is not provided.

Permanent Improvement Fund - To account for and report the receipt of property taxes and borrowing restricted for capital equipment.

Lorain Road Revitalization Fund - To account for and report loan proceeds restricted for the purchase of property in the revitalization project.

Senior Center Construction Fund - To account for bond proceeds restricted for the construction of a new senior center.

Capital Improvements Fund - To account for and report a portion of the income tax collection, restricted for street construction projects within the City and repayment on related bonded debt.

Nonmajor Enterprise Fund

Gilles-Sweet Fund - The Gilles-Sweet fund accounts for and reports the receipts and expenditures of the Gilles-Sweet building which was leased from the Fairview Park City School District for Senior Center activities. The lease expired and the Senior Center relocated in July 2000. This fund is now used to pay residual expenses for the past activities. This fund did not have any budgetary activity in 2016, therefore, budgetary information is not provided.

City of Fairview Park, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,661,588	\$176	\$1,845,081	\$3,506,845
Materials and Supplies Inventory	23,616	0	0	23,616
Accounts Receivable	136,515	0	0	136,515
Intergovernmental Receivable	409,360	0	127,796	537,156
Municipal Income Taxes Receivable	0	0	445,924	445,924
Property Taxes Receivable	485,151	0	298,905	784,056
Special Assessments Receivable	295,069	0	0	295,069
Assets Held for Resale	0	0	306,757	306,757
<i>Total Assets</i>	<u>\$3,011,299</u>	<u>\$176</u>	<u>\$3,024,463</u>	<u>\$6,035,938</u>
Liabilities				
Accounts Payable	\$107,719	\$0	\$24,562	\$132,281
Contracts Payable	8,046	0	0	8,046
Accrued Wages	20,803	0	0	20,803
Intergovernmental Payable	76,470	0	0	76,470
Retainage Payable	0	0	5,000	5,000
Interfund Payable	164,000	0	0	164,000
Unearned Revenue	0	0	420,000	420,000
<i>Total Liabilities</i>	<u>377,038</u>	<u>0</u>	<u>449,562</u>	<u>826,600</u>
Deferred Inflows of Resources				
Property Taxes	472,550	0	291,131	763,681
Unavailable Revenue	587,794	0	353,051	940,845
<i>Total Deferred Inflows of Resources</i>	<u>1,060,344</u>	<u>0</u>	<u>644,182</u>	<u>1,704,526</u>
Fund Balances				
Nonspendable	23,616	0	0	23,616
Restricted	1,378,278	176	1,930,719	3,309,173
Committed	300,300	0	0	300,300
Unassigned (Deficit)	(128,277)	0	0	(128,277)
<i>Total Fund Balances</i>	<u>1,573,917</u>	<u>176</u>	<u>1,930,719</u>	<u>3,504,812</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$3,011,299</u>	<u>\$176</u>	<u>\$3,024,463</u>	<u>\$6,035,938</u>

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Municipal Income Taxes	\$0	\$0	\$1,124,301	\$1,124,301
Property Taxes	474,987	0	293,012	767,999
Franchise Taxes	322,287	0	0	322,287
Charges for Services	388,031	0	60,000	448,031
Fines, Licenses and Permits	329,523	0	0	329,523
Intergovernmental	846,010	0	246,747	1,092,757
Special Assessments	945,312	0	0	945,312
Interest	844	0	0	844
Other	47,287	0	80,000	127,287
<i>Total Revenues</i>	<u>3,354,281</u>	<u>0</u>	<u>1,804,060</u>	<u>5,158,341</u>
Expenditures				
Current:				
General Government	36,568	0	6,464	43,032
Security of Persons and Property	2,188,584	0	0	2,188,584
Transportation	753,630	0	0	753,630
Basic Utility Services	767,731	0	0	767,731
Capital Outlay	0	0	805,889	805,889
Debt Service:				
Principal Retirement	183,334	0	439,228	622,562
Interest and Fiscal Charges	1,576	0	57,657	59,233
<i>Total Expenditures</i>	<u>3,931,423</u>	<u>0</u>	<u>1,309,238</u>	<u>5,240,661</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(577,142)</u>	<u>0</u>	<u>494,822</u>	<u>(82,320)</u>
Other Financing Sources				
Proceeds from Sale of Capital Assets	0	0	63,714	63,714
Transfers In	683,880	0	0	683,880
<i>Total Other Financing Sources</i>	<u>683,880</u>	<u>0</u>	<u>63,714</u>	<u>747,594</u>
<i>Net Change in Fund Balances</i>	106,738	0	558,536	665,274
<i>Fund Balances Beginning of Year</i>	<u>1,467,179</u>	<u>176</u>	<u>1,372,183</u>	<u>2,839,538</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,573,917</u></u>	<u><u>\$176</u></u>	<u><u>\$1,930,719</u></u>	<u><u>\$3,504,812</u></u>

City of Fairview Park, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016

	Street Construction, Maintenance and Repair	State Highway	Police and Fire Pension	S.A.V.E.
Assets				
Equity in Pooled Cash and Cash Equivalents	\$36,349	\$29,697	\$92,881	\$400
Materials and Supplies Inventory	0	23,616	0	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	341,043	27,553	15,220	0
Property Taxes Receivable	0	0	206,141	0
Special Assessment Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$377,392</u>	<u>\$80,866</u>	<u>\$314,242</u>	<u>\$400</u>
Liabilities				
Accounts Payable	\$135	\$2,166	\$0	\$0
Contracts Payable	0	0	0	0
Accrued Wages	8,656	0	0	0
Intergovernmental Payable	6,173	0	65,355	0
Interfund Payable	0	0	0	0
<i>Total Liabilities</i>	<u>14,964</u>	<u>2,166</u>	<u>65,355</u>	<u>0</u>
Deferred Inflows of Resources				
Property Taxes	0	0	200,780	0
Unavailable Revenue	227,212	18,323	20,581	0
<i>Total Deferred Inflows of Resources</i>	<u>227,212</u>	<u>18,323</u>	<u>221,361</u>	<u>0</u>
Fund Balances				
Nonspendable	0	23,616	0	0
Restricted	135,216	36,761	27,526	0
Committed	0	0	0	400
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>135,216</u>	<u>60,377</u>	<u>27,526</u>	<u>400</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$377,392</u>	<u>\$80,866</u>	<u>\$314,242</u>	<u>\$400</u>

Street Lighting	Solid Waste	Fire Operating Levy	Safe Routes to School	Federal Grants	Waterline Repair	Fairview Park Sidewalk
\$17,387	\$7,789	\$210,819	\$100,492	\$8,309	\$25,807	\$4,924
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	19,369	0	0	0	0
0	0	279,010	0	0	0	0
268,457	26,612	0	0	0	0	0
<u>\$285,844</u>	<u>\$34,401</u>	<u>\$509,198</u>	<u>\$100,492</u>	<u>\$8,309</u>	<u>\$25,807</u>	<u>\$4,924</u>
\$20,826	\$68,890	\$14,253	\$0	\$0	\$0	\$0
0	0	0	0	8,046	0	0
0	0	7,009	0	0	0	0
0	0	1,750	0	0	0	0
0	0	0	100,000	64,000	0	0
20,826	68,890	23,012	100,000	72,046	0	0
0	0	271,770	0	0	0	0
268,457	26,612	26,609	0	0	0	0
268,457	26,612	298,379	0	0	0	0
0	0	0	0	0	0	0
0	0	187,807	492	0	25,807	0
0	0	0	0	0	0	4,924
(3,439)	(61,101)	0	0	(63,737)	0	0
(3,439)	(61,101)	187,807	492	(63,737)	25,807	4,924
<u>\$285,844</u>	<u>\$34,401</u>	<u>\$509,198</u>	<u>\$100,492</u>	<u>\$8,309</u>	<u>\$25,807</u>	<u>\$4,924</u>

(continued)

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

	Bain Park Restoration	Law Enforcement Trust	D.U.I. Education	Police on Patrol Arresting Speeders
Assets				
Equity in Pooled Cash and Cash Equivalents	\$58,692	\$27,040	\$11,440	\$90,035
Materials and Supplies Inventory	0	0	0	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	0	36	6,139
Property Taxes Receivable	0	0	0	0
Special Assessment Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$58,692</u>	<u>\$27,040</u>	<u>\$11,476</u>	<u>\$96,174</u>
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$114
Contracts Payable	0	0	0	0
Accrued Wages	0	0	0	0
Intergovernmental Payable	0	0	0	1,891
Interfund Payable	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,005</u>
Deferred Inflows of Resources				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Nonspendable	0	0	0	0
Restricted	0	27,040	11,476	94,169
Committed	58,692	0	0	0
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>58,692</u>	<u>27,040</u>	<u>11,476</u>	<u>94,169</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$58,692</u>	<u>\$27,040</u>	<u>\$11,476</u>	<u>\$96,174</u>

Civil Reimbursement	New Levy/ Project Account	Cable TV Franchise Fee	D.A.R.E.	Emergency Medical System	Total Nonmajor Special Revenue Funds
\$2,688	\$1	\$748,382	\$814	\$187,642	\$1,661,588
0	0	0	0	0	23,616
0	0	80,099	0	56,416	136,515
0	0	0	0	0	409,360
0	0	0	0	0	485,151
0	0	0	0	0	295,069
<u>\$2,688</u>	<u>\$1</u>	<u>\$828,481</u>	<u>\$814</u>	<u>\$244,058</u>	<u>\$3,011,299</u>
\$0	\$0	\$0	\$0	\$1,335	\$107,719
0	0	0	0	0	8,046
0	0	0	0	5,138	20,803
0	0	0	0	1,301	76,470
0	0	0	0	0	164,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,774</u>	<u>377,038</u>
0	0	0	0	0	472,550
0	0	0	0	0	587,794
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,060,344</u>
0	0	0	0	0	23,616
2,688	1	828,481	814	0	1,378,278
0	0	0	0	236,284	300,300
0	0	0	0	0	(128,277)
<u>2,688</u>	<u>1</u>	<u>828,481</u>	<u>814</u>	<u>236,284</u>	<u>1,573,917</u>
<u>\$2,688</u>	<u>\$1</u>	<u>\$828,481</u>	<u>\$814</u>	<u>\$244,058</u>	<u>\$3,011,299</u>

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

	Street Construction, Maintenance and Repair	State Highway	Police and Fire Pension	S.A.V.E.
Revenues				
Property Taxes	\$0	\$0	\$202,084	\$0
Franchise Taxes	0	0	0	0
Charges for Services	0	0	0	0
Fines, Licenses and Permits	195,945	15,887	0	0
Intergovernmental	494,409	39,373	30,440	0
Special Assessments	0	0	0	0
Interest	552	292	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>690,906</u>	<u>55,552</u>	<u>232,524</u>	<u>0</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	903,464	0
Transportation	682,220	71,410	0	0
Basic Utility Services	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>682,220</u>	<u>71,410</u>	<u>903,464</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	8,686	(15,858)	(670,940)	0
Other Financing Sources				
Transfers In	0	0	681,000	0
<i>Net Change in Fund Balances</i>	8,686	(15,858)	10,060	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>126,530</u>	<u>76,235</u>	<u>17,466</u>	<u>400</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$135,216</u>	<u>\$60,377</u>	<u>\$27,526</u>	<u>\$400</u>

Street Lighting	Solid Waste	Fire Operating Levy	Safe Routes to School	Federal Grants	Waterline Repair	Fairview Park Sidewalk
\$0	\$0	\$272,903	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	38,815	236,720	0	0	0
230,820	714,492	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	13,120	34,158	0
230,820	714,492	311,718	236,720	13,120	34,158	0
0	7,073	0	0	0	29,495	0
270,218	0	291,255	210,415	79,755	0	0
0	0	0	0	0	0	0
0	767,731	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
270,218	774,804	291,255	210,415	79,755	29,495	0
(39,398)	(60,312)	20,463	26,305	(66,635)	4,663	0
0	0	0	0	2,880	0	0
(39,398)	(60,312)	20,463	26,305	(63,755)	4,663	0
35,959	(789)	167,344	(25,813)	18	21,144	4,924
(\$3,439)	(\$61,101)	\$187,807	\$492	(\$63,737)	\$25,807	\$4,924

(continued)

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

	Bain Park Restoration	Law Enforcement Trust	D.U.I. Education	Police on Patrol Arresting Speeders
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Franchise Taxes	0	0	0	0
Charges for Services	15,676	0	0	0
Fines, Licenses and Permits	0	2,723	2,010	112,958
Intergovernmental	0	0	36	6,139
Special Assessments	0	0	0	0
Interest	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>15,676</u>	<u>2,723</u>	<u>2,046</u>	<u>119,097</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	2,884	88,861
Transportation	0	0	0	0
Basic Utility Services	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>2,884</u>	<u>88,861</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	15,676	2,723	(838)	30,236
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	15,676	2,723	(838)	30,236
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>43,016</u>	<u>24,317</u>	<u>12,314</u>	<u>63,933</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$58,692</u>	<u>\$27,040</u>	<u>\$11,476</u>	<u>\$94,169</u>

Civil Reimbursement	New Levy/ Project Account	Cable TV Franchise Fee	D.A.R.E.	Emergency Medical System	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$474,987
0	0	322,287	0	0	322,287
0	0	0	0	372,355	388,031
0	0	0	0	0	329,523
0	0	0	0	78	846,010
0	0	0	0	0	945,312
0	0	0	0	0	844
0	0	9	0	0	47,287
0	0	322,296	0	372,433	3,354,281
0	0	0	0	0	36,568
0	0	0	0	341,732	2,188,584
0	0	0	0	0	753,630
0	0	0	0	0	767,731
0	0	183,334	0	0	183,334
0	0	1,576	0	0	1,576
0	0	184,910	0	341,732	3,931,423
0	0	137,386	0	30,701	(577,142)
0	0	0	0	0	683,880
0	0	137,386	0	30,701	106,738
2,688	1	691,095	814	205,583	1,467,179
\$2,688	\$1	\$828,481	\$814	\$236,284	\$1,573,917

City of Fairview Park, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2016

	Recreation Construction	Permanent Improvement	Lorain Road Revitalization	Senior Center Construction	Capital Improvements	Total Nonmajor Capital Projects Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$723,818	\$249,141	\$138,486	\$2,082	\$731,554	\$1,845,081
Intergovernmental Receivable	0	22,068	0	0	105,728	127,796
Municipal Income Taxes Receivable	0	0	0	0	445,924	445,924
Property Taxes Receivable	0	298,905	0	0	0	298,905
Assets Held for Resale	0	0	306,757	0	0	306,757
<i>Total Assets</i>	<u>\$723,818</u>	<u>\$570,114</u>	<u>\$445,243</u>	<u>\$2,082</u>	<u>\$1,283,206</u>	<u>\$3,024,463</u>
Liabilities						
Accounts Payable	\$0	\$23,000	\$0	\$0	\$1,562	\$24,562
Retainage Payable	0	0	0	0	5,000	5,000
Unearned Revenue	420,000	0	0	0	0	420,000
<i>Total Liabilities</i>	<u>420,000</u>	<u>23,000</u>	<u>0</u>	<u>0</u>	<u>6,562</u>	<u>449,562</u>
Deferred Inflows of Resources						
Property Taxes	0	291,131	0	0	0	291,131
Unavailable Revenue	0	29,842	0	0	323,209	353,051
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>320,973</u>	<u>0</u>	<u>0</u>	<u>323,209</u>	<u>644,182</u>
Fund Balances						
Restricted	<u>303,818</u>	<u>226,141</u>	<u>445,243</u>	<u>2,082</u>	<u>953,435</u>	<u>1,930,719</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$723,818</u>	<u>\$570,114</u>	<u>\$445,243</u>	<u>\$2,082</u>	<u>\$1,283,206</u>	<u>\$3,024,463</u>

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

	Recreation Construction	Permanent Improvement	Lorain Road Revitalization	Senior Center Construction	Capital Improvements	Total Nonmajor Capital Projects Funds
Revenues						
Municipal Income Taxes	\$0	\$0	\$0	\$0	\$1,124,301	\$1,124,301
Property Taxes	0	293,012	0	0	0	293,012
Charges for Services	60,000	0	0	0	0	60,000
Intergovernmental	0	44,136	0	0	202,611	246,747
Other	0	0	80,000	0	0	80,000
<i>Total Revenues</i>	<u>60,000</u>	<u>337,148</u>	<u>80,000</u>	<u>0</u>	<u>1,326,912</u>	<u>1,804,060</u>
Expenditures						
Current:						
General Government	0	6,464	0	0	0	6,464
Capital Outlay	0	91,848	5,643	8,776	699,622	805,889
Debt Service:						
Principal Retirement	0	106,259	0	0	332,969	439,228
Interest and Fiscal Charges	0	14,344	0	0	43,313	57,657
<i>Total Expenditures</i>	<u>0</u>	<u>218,915</u>	<u>5,643</u>	<u>8,776</u>	<u>1,075,904</u>	<u>1,309,238</u>
<i>Excess of Revenues Over (Under) Expenc</i>	60,000	118,233	74,357	(8,776)	251,008	494,822
Other Financing Sources						
Proceeds from Sale of Capital Assets	0	0	63,714	0	0	63,714
<i>Net Change in Fund Balances</i>	60,000	118,233	138,071	(8,776)	251,008	558,536
<i>Fund Balances Beginning of Year</i>	<u>243,818</u>	<u>107,908</u>	<u>307,172</u>	<u>10,858</u>	<u>702,427</u>	<u>1,372,183</u>
<i>Fund Balances End of Year</i>	<u>\$303,818</u>	<u>\$226,141</u>	<u>\$445,243</u>	<u>\$2,082</u>	<u>\$953,435</u>	<u>\$1,930,719</u>

Fund Descriptions - Fiduciary Funds

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Agency Funds

Required Deposits Fund - This fund accounts for deposits made by citizens, contractors or vendors held by the City to ensure compliance with various City ordinances.

Senior Life Donations Fund - This fund accounts for donations to Senior Life Program from residents who utilize the senior center.

Building Assessment Fees Fund - This fund was established in accordance with Senate Bill 359 that states that all political subdivisions that collect fees for acceptance and approval of plans for commercial and industrial building must collect and remit monthly 3 percent of building permit fees collected each month to the State on behalf of the Ohio Board of Building Standards.

Special Hold Account Fund - This fund accounts for monies from Senior Life center, building department that is held by the City for specific purpose and to ensure compliance with City ordinances.

Employee Section M 125 Fund - This fund reflects resources that belong to the City employees to be used for medical expenses.

Survey/Sanitary and Storm Sewer Fund - This fund accounts for construction deposits associated with sanitary and storm sewer.

Cleveland Waterline Projects Fund - This fund accounts for monies from the City of Cleveland to be used for the design and construction of waterlines within the City.

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

	Balance 12/31/15	Additions	Reductions	Balance 12/31/16
Required Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$6,818	\$24,872	\$19,541	\$12,149
Liabilities				
Deposits Held and Due to Others	\$6,818	\$24,872	\$19,541	\$12,149
Senior Life Donations				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$33,502	\$10,471	\$13,552	\$30,421
Liabilities				
Accounts Payable	\$33,502	\$10,471	\$13,552	\$30,421
Building Assessment Fees				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,825	\$2,093	\$2,141	\$1,777
Liabilities				
Intergovernmental Payable	\$1,825	\$2,093	\$2,141	\$1,777
Special Hold Account				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$269,811	\$61,839	\$40,307	\$291,343
Liabilities				
Deposits Held and Due to Others	\$269,811	\$61,839	\$40,307	\$291,343

(continued)

City of Fairview Park, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds (continued)
For the Year Ended December 31, 2016

	Balance 12/31/15	Additions	Reductions	Balance 12/31/16
<i>Employee Section M 125</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,172	\$7,636	\$5,411	\$3,397
Liabilities				
Deposits Held and Due to Others	\$1,172	\$7,636	\$5,411	\$3,397
<i>Survey/Sanitary and Storm Sewer</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$4,899	\$0	\$0	\$4,899
Liabilities				
Deposits Held and Due to Others	\$4,899	\$0	\$0	\$4,899
<i>Cleveland Waterline Projects</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,127,814	\$1,472,990	\$3,057,900	\$542,904
Liabilities				
Intergovernmental Payable	\$2,127,814	\$1,472,990	\$3,057,900	\$542,904
<i>Totals - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,445,841	\$1,579,901	\$3,138,852	\$886,890
Liabilities				
Intergovernmental Payable	\$2,129,639	\$1,475,083	\$3,060,041	\$544,681
Accounts Payable	33,502	10,471	13,552	30,421
Deposits Held and Due to Others	282,700	94,347	65,259	311,788
<i>Total Liabilities</i>	\$2,445,841	\$1,579,901	\$3,138,852	\$886,890

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

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	\$5,606,943	\$5,633,671	\$5,534,288	(\$99,383)
Property Taxes	2,767,711	2,767,711	2,858,047	90,336
Charges for Services	7,086	4,105	4,033	(72)
Fines, Licenses and Permits	390,961	392,825	385,895	(6,930)
Intergovernmental	755,607	755,607	774,366	18,759
Contributions and Donations	152	153	150	(3)
Interest	36,404	36,577	35,932	(645)
Rentals	26,937	27,065	26,588	(477)
Other	134,518	135,158	132,774	(2,384)
<i>Total Revenues</i>	<u>9,726,319</u>	<u>9,752,872</u>	<u>9,752,073</u>	<u>(799)</u>
Expenditures				
Current:				
General Government:				
Board of Appeals	1,100	1,140	943	197
Mayor's Office	189,242	192,377	191,572	805
Service Director	860,810	869,810	792,836	76,974
Finance Department	444,429	444,429	424,346	20,083
Legal Department	167,660	160,100	152,942	7,158
Engineering	37,540	37,540	37,540	0
Municipal Land and Building	409,243	415,689	380,082	35,607
Civil Service	4,714	4,714	4,304	410
County and State Fees	168,683	165,003	164,858	145
Legislative	206,825	206,825	184,182	22,643
Other Administrative	598,990	649,347	630,452	18,895
<i>Total General Government</i>	<u>3,089,236</u>	<u>3,146,974</u>	<u>2,964,057</u>	<u>182,917</u>
Security of Persons and Property:				
Police Department	3,071,286	3,074,483	2,987,021	87,462
Fire Department	2,202,150	2,196,301	2,132,087	64,214
Central Dispatch EMS	132,000	132,004	132,003	1
<i>Total Security of Persons and Property</i>	<u>5,405,436</u>	<u>5,402,788</u>	<u>5,251,111</u>	<u>151,677</u>
Transportation:				
Motor Vehicle Maintenance	166,884	176,884	163,874	13,010
Traffic Control	248,943	238,943	213,339	25,604
<i>Total Transportation</i>	<u>\$415,827</u>	<u>\$415,827</u>	<u>\$377,213</u>	<u>\$38,614</u>

(continued)

City of Fairview Park, 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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Community Environment:				
Planning and Designing	\$2,586	\$2,736	\$2,437	\$299
Building Department	<u>322,675</u>	<u>314,485</u>	<u>291,130</u>	<u>23,355</u>
Total Community Environment	<u>325,261</u>	<u>317,221</u>	<u>293,567</u>	<u>23,654</u>
Basic Utility Services:				
Recycling and Solid Waste Disposal	<u>99,185</u>	<u>98,885</u>	<u>91,968</u>	<u>6,917</u>
Leisure Time Activities:				
Bain Park	12,020	13,770	12,631	1,139
Parks and Property Maintenance	12,150	12,150	7,456	4,694
Senior Life Office	<u>403,077</u>	<u>417,877</u>	<u>412,952</u>	<u>4,925</u>
Total Leisure Time Activities	<u>427,247</u>	<u>443,797</u>	<u>433,039</u>	<u>10,758</u>
Public Health Services	<u>840</u>	<u>1,540</u>	<u>1,413</u>	<u>127</u>
<i>Total Expenditures</i>	<u>9,763,032</u>	<u>9,827,032</u>	<u>9,412,368</u>	<u>414,664</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(36,713)</u>	<u>(74,160)</u>	<u>339,705</u>	<u>413,865</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	801	801
Advances Out	(64,000)	(64,000)	(64,000)	0
Transfers Out	<u>(683,880)</u>	<u>(683,880)</u>	<u>(683,880)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(747,880)</u>	<u>(747,880)</u>	<u>(747,079)</u>	<u>801</u>
<i>Net Change in Fund Balance</i>	(784,593)	(822,040)	(407,374)	414,666
<i>Fund Balance Beginning of Year</i>	1,801,527	1,801,527	1,801,527	0
Prior Year Encumbrances Appropriated	<u>41,628</u>	<u>41,628</u>	<u>41,628</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,058,562</u>	<u>\$1,021,115</u>	<u>\$1,435,781</u>	<u>\$414,666</u>

City of Fairview Park, 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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$2,175,886	\$2,213,863	\$2,210,971	(\$2,892)
Property Taxes	332,259	332,259	336,783	4,524
Charges for Services	997,192	1,014,596	1,013,271	(1,325)
Intergovernmental	58,340	58,473	58,463	(10)
Rentals	183,617	186,822	186,578	(244)
Contributions and Donations	16,629	16,919	16,897	(22)
Other	22,564	22,958	22,928	(30)
<i>Total Revenues</i>	<i>3,786,487</i>	<i>3,845,890</i>	<i>3,845,891</i>	<i>1</i>
Expenditures				
Current:				
Leisure Time Activities				
Recreation:				
Leisure Time Activities	2,817,542	2,885,942	2,823,360	62,582
Debt Service:				
Principal Retirement	585,000	585,000	585,000	0
Interest and Fiscal Charges	662,288	662,288	662,288	0
<i>Total Debt Service</i>	<i>1,247,288</i>	<i>1,247,288</i>	<i>1,247,288</i>	<i>0</i>
<i>Total Expenditures</i>	<i>4,064,830</i>	<i>4,133,230</i>	<i>4,070,648</i>	<i>62,582</i>
<i>Net Change in Fund Balance</i>	<i>(278,343)</i>	<i>(287,340)</i>	<i>(224,757)</i>	<i>62,583</i>
<i>Fund Balance Beginning of Year</i>	<i>1,164,733</i>	<i>1,164,733</i>	<i>1,164,733</i>	<i>0</i>
Prior Year Encumbrances Appropriated	6,754	6,754	6,754	0
<i>Fund Balance End of Year</i>	<i>\$893,144</i>	<i>\$884,147</i>	<i>\$946,730</i>	<i>\$62,583</i>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,486,956	\$2,273,114	\$2,273,114	\$0
Tap-in Fees	12,910	11,800	11,800	0
Intergovernmental	134	122	122	0
<i>Total Revenues</i>	2,500,000	2,285,036	2,285,036	0
Expenses				
Personal Services	343,728	373,605	203,772	169,833
Materials and Supplies	84,199	91,427	69,194	22,233
Contractual Services	1,772,109	1,918,277	1,248,519	669,758
<i>Total Expenses</i>	2,200,036	2,383,309	1,521,485	861,824
<i>Net Change in Fund Equity</i>	299,964	(98,273)	763,551	861,824
<i>Fund Equity Beginning of Year</i>	2,154,508	2,154,508	2,154,508	0
Prior Year Encumbrances Appropriated	91,520	91,520	91,520	0
<i>Fund Equity End of Year</i>	\$2,545,992	\$2,147,755	\$3,009,579	\$861,824

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines, Licenses and Permits	\$199,440	\$195,945	\$195,945	\$0
Intergovernmental	501,098	492,317	492,316	(1)
Interest	562	552	552	0
<i>Total Revenues</i>	701,100	688,814	688,813	(1)
Expenditures				
Current:				
Transportation	676,992	686,061	684,866	1,195
<i>Net Change in Fund Balance</i>	24,108	2,753	3,947	1,194
<i>Fund Balance Beginning of Year</i>	32,402	32,402	32,402	0
<i>Fund Balance End of Year</i>	<u>\$56,510</u>	<u>\$35,155</u>	<u>\$36,349</u>	<u>\$1,194</u>

City of Fairview Park, 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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$15,446	\$15,887	\$15,887	\$0
Intergovernmental	38,770	39,878	39,878	0
Interest	284	292	292	0
<i>Total Revenues</i>	54,500	56,057	56,057	0
Expenditures				
Current:				
Transportation	75,000	75,000	75,000	0
<i>Net Change in Fund Balance</i>	(20,500)	(18,943)	(18,943)	0
<i>Fund Balance Beginning of Year</i>	44,644	44,644	44,644	0
<i>Fund Balance End of Year</i>	<u>\$24,144</u>	<u>\$25,701</u>	<u>\$25,701</u>	<u>\$0</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$314,353	\$202,084	\$202,084	\$0
Intergovernmental	30,440	30,440	30,440	0
<i>Total Revenues</i>	344,793	232,524	232,524	0
Expenditures				
Current:				
Security of Persons and Property	981,784	982,014	904,798	77,216
<i>Excess of Revenues Under Expenditures</i>	(636,991)	(749,490)	(672,274)	77,216
Other Financing Sources				
Transfers In	685,000	685,000	681,000	(4,000)
<i>Net Change in Fund Balance</i>	48,009	(64,490)	8,726	73,216
<i>Fund Balance Beginning of Year</i>	84,155	84,155	84,155	0
<i>Fund Balance End of Year</i>	<u>\$132,164</u>	<u>\$19,665</u>	<u>\$92,881</u>	<u>\$73,216</u>

City of Fairview Park, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$233,000	\$230,820	\$230,820	\$0
Expenditures				
Current:				
Security of Persons and Property	256,300	256,300	249,442	6,858
<i>Net Change in Fund Balance</i>	(23,300)	(25,480)	(18,622)	6,858
<i>Fund Balance Beginning of Year</i>	36,009	36,009	36,009	0
<i>Fund Balance End of Year</i>	<u>\$12,709</u>	<u>\$10,529</u>	<u>\$17,387</u>	<u>\$6,858</u>

City of Fairview Park, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Solid Waste Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$757,000	\$714,492	\$714,492	\$0
Expenditures				
Current:				
General Government	7,073	7,073	7,073	0
Basic Utility Services	766,042	766,042	766,040	2
<i>Total Expenditures</i>	<u>773,115</u>	<u>773,115</u>	<u>773,113</u>	<u>2</u>
<i>Net Change in Fund Balance</i>	(16,115)	(58,623)	(58,621)	2
<i>Fund Balance Beginning of Year</i>	<u>66,410</u>	<u>66,410</u>	<u>66,410</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$50,295</u></u>	<u><u>\$7,787</u></u>	<u><u>\$7,789</u></u>	<u><u>\$2</u></u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$269,849	\$269,849	\$272,903	\$3,054
Intergovernmental	38,737	42,016	38,962	(3,054)
<i>Total Revenues</i>	308,586	311,865	311,865	0
Expenditures				
Current:				
Security of Persons and Property	280,874	295,374	289,436	5,938
<i>Net Change in Fund Balance</i>	27,712	16,491	22,429	5,938
<i>Fund Balance Beginning of Year</i>	174,130	174,130	174,130	0
<i>Fund Balance End of Year</i>	<u>\$201,842</u>	<u>\$190,621</u>	<u>\$196,559</u>	<u>\$5,938</u>

City of Fairview Park, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Safe Routes to School Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$341,887	\$341,887	\$236,720	(\$105,167)
Expenditures				
Current:				
Security of Persons and Property	441,873	437,873	337,427	100,446
<i>Net Change in Fund Balance</i>	(99,986)	(95,986)	(100,707)	(4,721)
<i>Fund Balance Beginning of Year</i>	67,578	67,578	67,578	0
Prior Year Encumbrances Appropriated	33,931	33,931	33,931	0
<i>Fund Balance End of Year</i>	<u>\$1,523</u>	<u>\$5,523</u>	<u>\$802</u>	<u>(\$4,721)</u>

City of Fairview Park, 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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Other	\$0	\$0	\$13,120	\$13,120
Expenditures				
Current:				
Security of Persons and Property	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(80,000)</u>	<u>(80,000)</u>	<u>(66,880)</u>	<u>13,120</u>
Other Financing Sources				
Advances In	80,000	80,000	64,000	(16,000)
Transfers In	<u>0</u>	<u>0</u>	<u>2,880</u>	<u>2,880</u>
<i>Total Other Financing Sources</i>	<u>80,000</u>	<u>80,000</u>	<u>66,880</u>	<u>(13,120)</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>18</u>	<u>18</u>	<u>18</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$18</u></u>	<u><u>\$18</u></u>	<u><u>\$18</u></u>	<u><u>\$0</u></u>

City of Fairview Park, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Waterline Repair Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other	\$29,000	\$34,158	\$34,158	\$0
Expenditures				
Current:				
General Government	<u>46,144</u>	<u>46,144</u>	<u>29,495</u>	<u>16,649</u>
<i>Net Change in Fund Balance</i>	(17,144)	(11,986)	4,663	16,649
<i>Fund Balance Beginning of Year</i>	<u>21,144</u>	<u>21,144</u>	<u>21,144</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,000</u></u>	<u><u>\$9,158</u></u>	<u><u>\$25,807</u></u>	<u><u>\$16,649</u></u>

City of Fairview Park, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bain Park Restoration Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$9,500	\$15,676	\$15,676	\$0
Expenditures				
Current:				
Leisure Time Activities	40,000	40,000	0	40,000
<i>Net Change in Fund Balance</i>	(30,500)	(24,324)	15,676	40,000
<i>Fund Balance Beginning of Year</i>	43,016	43,016	43,016	0
<i>Fund Balance End of Year</i>	<u>\$12,516</u>	<u>\$18,692</u>	<u>\$58,692</u>	<u>\$40,000</u>

City of Fairview Park, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$2,000	\$23,678	\$23,678	\$0
Expenditures				
Current:				
Security of Persons and Property	2,000	2,000	0	2,000
<i>Net Change in Fund Balance</i>	0	21,678	23,678	2,000
<i>Fund Balance Beginning of Year</i>	3,362	3,362	3,362	0
<i>Fund Balance End of Year</i>	\$3,362	\$25,040	\$27,040	\$2,000

City of Fairview Park, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
D.U.I. Education Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines, Licenses and Permits	\$4,000	\$2,113	\$2,113	\$0
Expenditures				
Current:				
Security of Persons and Property	<u>7,000</u>	<u>7,000</u>	<u>2,883</u>	<u>4,117</u>
<i>Net Change in Fund Balance</i>	(3,000)	(4,887)	(770)	4,117
<i>Fund Balance Beginning of Year</i>	<u>12,210</u>	<u>12,210</u>	<u>12,210</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$9,210</u></u>	<u><u>\$7,323</u></u>	<u><u>\$11,440</u></u>	<u><u>\$4,117</u></u>

City of Fairview Park, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police on Patrol Arresting Speeders Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines, Licenses and Permits	\$90,000	\$117,559	\$117,559	\$0
Expenditures				
Current:				
Security of Persons and Property	<u>81,370</u>	<u>105,570</u>	<u>95,517</u>	<u>10,053</u>
<i>Net Change in Fund Balance</i>	8,630	11,989	22,042	10,053
<i>Fund Balance Beginning of Year</i>	<u>59,793</u>	<u>59,793</u>	<u>59,793</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$68,423</u></u>	<u><u>\$71,782</u></u>	<u><u>\$81,835</u></u>	<u><u>\$10,053</u></u>

City of Fairview Park, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cable TV Franchise Fee Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Franchise Taxes	\$689,981	\$323,901	\$323,901	\$0
Other	19	9	9	0
<i>Total Revenues</i>	<u>690,000</u>	<u>323,910</u>	<u>323,910</u>	<u>0</u>
Expenditures				
Debt Service:				
Principal Retirement	183,334	183,334	183,334	0
Interest and Fiscal Charges	1,576	1,576	1,576	0
<i>Total Expenditures</i>	<u>184,910</u>	<u>184,910</u>	<u>184,910</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	505,090	139,000	139,000	0
<i>Fund Balance Beginning of Year</i>	<u>609,382</u>	<u>609,382</u>	<u>609,382</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,114,472</u></u>	<u><u>\$748,382</u></u>	<u><u>\$748,382</u></u>	<u><u>\$0</u></u>

City of Fairview Park, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
D.A.R.E. Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Security of Persons and Property	814	814	0	814
<i>Total Expenditures</i>	814	814	0	814
<i>Net Change in Fund Balance</i>	(814)	(814)	0	814
<i>Fund Balance Beginning of Year</i>	814	814	814	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$814	\$814

City of Fairview Park, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Medical System Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$364,779	\$371,682	\$371,682	\$0
Intergovernmental	221	225	225	0
<i>Total Revenues</i>	365,000	371,907	371,907	0
Expenditures				
Current:				
Security of Persons and Property	456,998	460,398	346,055	114,343
<i>Net Change in Fund Balance</i>	(91,998)	(88,491)	25,852	114,343
<i>Fund Balance Beginning of Year</i>	154,400	154,400	154,400	0
Prior Year Encumbrances Appropriated	3,600	3,600	3,600	0
<i>Fund Balance End of Year</i>	<u>\$66,002</u>	<u>\$69,509</u>	<u>\$183,852</u>	<u>\$114,343</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$289,062	\$293,012	\$293,012	\$0
Intergovernmental	44,136	44,136	44,136	0
<i>Total Revenues</i>	<u>333,198</u>	<u>337,148</u>	<u>337,148</u>	<u>0</u>
Expenditures				
General Government	14,485	14,485	6,464	8,021
Capital Outlay	154,870	154,871	132,467	22,404
Debt Service:				
Principal Retirement	253,470	253,470	106,259	147,211
Interest and Fiscal Charges	16,778	16,778	14,344	2,434
<i>Total Expenditures</i>	<u>439,603</u>	<u>439,604</u>	<u>259,534</u>	<u>180,070</u>
<i>Net Change in Fund Balance</i>	(106,405)	(102,456)	77,614	180,070
<i>Fund Balance Beginning of Year</i>	107,313	107,313	107,313	0
Prior Year Encumbrances Appropriated	596	596	596	0
<i>Fund Balance End of Year</i>	<u>\$1,504</u>	<u>\$5,453</u>	<u>\$185,523</u>	<u>\$180,070</u>

City of Fairview Park, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Lorain Road Revitalization Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$80,000	\$80,000	\$80,000	\$0
Expenditures				
Capital Outlay	12,500	12,500	5,643	6,857
<i>Excess of Revenues Over Expenditures</i>	67,500	67,500	74,357	6,857
Other Financing Sources				
Proceeds from Sale of Capital Assets	63,714	63,714	63,714	0
<i>Net Change in Fund Balance</i>	131,214	131,214	138,071	6,857
<i>Fund Balance Beginning of Year</i>	415	415	415	0
<i>Fund Balance End of Year</i>	\$131,629	\$131,629	\$138,486	\$6,857

City of Fairview Park, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Senior Center Construction Fund
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Capital Outlay	<u>8,776</u>	<u>8,776</u>	<u>8,776</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(8,776)	(8,776)	(8,776)	0
<i>Fund Balance Beginning of Year</i>	<u>10,858</u>	<u>10,858</u>	<u>10,858</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,082</u></u>	<u><u>\$2,082</u></u>	<u><u>\$2,082</u></u>	<u><u>\$0</u></u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Municipal Income Taxes	\$900,714	\$1,105,485	\$1,105,485	\$0
Intergovernmental	443,164	543,915	543,915	0
<i>Total Revenues</i>	<u>1,343,878</u>	<u>1,649,400</u>	<u>1,649,400</u>	<u>0</u>
Expenditures				
Capital Outlay	1,057,900	1,057,900	916,289	141,611
Debt Service:				
Principal Retirement	392,667	392,667	332,969	59,698
Interest and Fiscal Charges	51,150	51,150	43,313	7,837
<i>Total Expenditures</i>	<u>1,501,717</u>	<u>1,501,717</u>	<u>1,292,571</u>	<u>209,146</u>
<i>Net Change in Fund Balance</i>	(157,839)	147,683	356,829	209,146
<i>Fund Balance Beginning of Year</i>	74,039	74,039	74,039	0
Prior Year Encumbrances Appropriated	151,478	151,478	151,478	0
<i>Fund Balance End of Year</i>	<u>\$67,678</u>	<u>\$373,200</u>	<u>\$582,346</u>	<u>\$209,146</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$1,348,634	\$1,348,634	\$1,348,634	\$0
Expenses				
Contractual Services	1,319,640	1,319,640	1,259,299	60,341
Claims	94,224	94,224	89,916	4,308
<i>Total Expenses</i>	1,413,864	1,413,864	1,349,215	64,649
<i>Net Change in Fund Equity</i>	(65,230)	(65,230)	(581)	64,649
<i>Fund Equity Beginning of Year</i>	220,730	220,730	220,730	0
<i>Fund Equity End of Year</i>	\$155,500	\$155,500	\$220,149	\$64,649

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Statistical Section

This Part of the City of Fairview Park, Ohio’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City’s overall financial health.

Contents	Pages(s)
<i>Financial Trends</i>	S2 – S11
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	S12 – S19
These schedules contain information to help the reader assess the City’s most significant local revenues, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	S20 - S25
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.	
<i>Economic and Demographic Information</i>	S26 – S29
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.	
<i>Operating Information</i>	S30 - S37
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

City of Fairview Park, Ohio
Net Position By Component
Last Ten Years
(Accrual Basis of Accounting)

	2016	2015 (1)	2014	2013
Governmental Activities				
Net Investment in Capital Assets	\$22,031,755	\$22,367,626	\$21,750,920	\$22,115,990
Restricted:				
Capital Projects	2,269,234	1,588,795	1,740,765	1,743,868
Debt Service	0	0	176	176
Street Construction, Maintenance and Repair	351,529	339,189	326,805	334,592
State Highway	78,700	94,344	75,007	60,905
Street Lighting	265,018	167,062	207,685	227,856
Police Programs	133,991	101,378	54,526	125,684
Fire Operating	214,416	194,347	154,998	0
Police and Fire Pensions	48,107	37,289	98,489	0
Solid Waste	0	409,335	495,834	0
Waterline Repairs	25,807	21,144	47,776	0
Cable TV	828,481	691,095	599,080	0
Unclaimed Monies	0	0	0	0
Other Purposes	2,689	2,707	2,707	752,825
Unrestricted	(7,976,275)	(6,750,355)	(5,378,255)	7,820,356
<i>Total Governmental Activities Net Position</i>	<u>\$18,273,452</u>	<u>\$19,263,956</u>	<u>\$20,176,513</u>	<u>\$33,182,252</u>
Business Type - Activities				
Net Investment in Capital Assets	\$11,587,605	\$12,040,360	\$12,262,495	\$11,937,085
Restricted:				
For Capital Projects	0	0	0	0
Unrestricted	6,536,098	5,567,833	5,097,438	5,324,288
<i>Total Business-Type Activities Net Position</i>	<u>\$18,123,703</u>	<u>\$17,608,193</u>	<u>\$17,359,933</u>	<u>\$17,261,373</u>
Primary Government				
Net Investment in Capital Assets	\$33,619,360	\$34,407,986	\$34,013,415	\$34,053,075
Restricted	4,217,972	3,646,685	3,803,848	3,245,906
Unrestricted	(1,440,177)	(1,182,522)	(280,817)	13,144,644
<i>Total Primary Government Net Position</i>	<u>\$36,397,155</u>	<u>\$36,872,149</u>	<u>\$37,536,446</u>	<u>\$50,443,625</u>

(1) The City reported the impact of GASB Statement No. 68 beginning in 2015.

2012	2011	2010	2009	2008	2007
\$22,797,010	\$24,708,718	\$26,270,731	\$27,891,765	\$28,353,807	\$29,713,297
1,644,615	1,600,172	1,829,248	1,823,311	2,141,453	5,290,585
176	0	0	0	0	0
347,530	334,582	518,659	617,968	478,966	0
116,483	117,282	132,053	214,680	163,117	0
230,719	70,350	115,606	367,274	382,171	0
74,861	76,332	321,606	289,899	324,093	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	320,000	250,000	250,000	0
107,061	503,529	489,387	300,213	32,104	3,970,546
5,847,938	3,630,657	1,962,807	1,602,047	3,286,347	2,136,548
<u>\$31,166,393</u>	<u>\$31,041,622</u>	<u>\$31,960,097</u>	<u>\$33,357,157</u>	<u>\$35,412,058</u>	<u>\$41,110,976</u>
\$12,142,014	\$12,167,063	\$12,409,791	\$12,674,769	\$12,044,939	\$12,412,228
0	0	54,517	157,004	205,149	0
4,672,529	4,521,136	4,290,646	4,075,831	3,854,965	3,921,032
<u>\$16,814,543</u>	<u>\$16,688,199</u>	<u>\$16,754,954</u>	<u>\$16,907,604</u>	<u>\$16,105,053</u>	<u>\$16,333,260</u>
\$34,939,024	\$36,875,781	\$38,680,522	\$40,566,534	\$40,398,746	\$42,125,525
2,521,445	2,702,247	3,781,076	4,020,349	3,977,053	9,261,131
10,520,467	8,151,793	6,253,453	5,677,878	7,141,312	6,057,580
<u>\$47,980,936</u>	<u>\$47,729,821</u>	<u>\$48,715,051</u>	<u>\$50,264,761</u>	<u>\$51,517,111</u>	<u>\$57,444,236</u>

City of Fairview Park, Ohio

Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

	2016	2015 (1)	2014	2013
Program Revenues				
Governmental Activities:				
Charges for Services and Operating Assessments:				
General Government	\$130,240	\$132,931	\$5,149	\$268,836
Security of Persons and Property	1,087,814	945,815	685,210	1,402,208
Transportation	232,214	15,454	561	56,280
Community Environment	15,509	16,653	672	47,918
Basic Utility Services	343,113	737,038	1,171,695	155,829
Leisure Time Activities	1,279,145	1,335,012	1,319,874	1,483,370
Public Health Services	61	30	0	172
Subtotal - Charges for Services	<u>3,088,096</u>	<u>3,182,933</u>	<u>3,183,161</u>	<u>3,414,613</u>
Operating Grants and Contributions:				
General Government	0	0	0	34,989
Security of Persons and Property	312,404	122,908	76,452	108,687
Transportation	537,852	747,294	737,346	751,994
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
Leisure Time Activities	244,951	74,590	185,083	65,451
Subtotal - Operating Grants and Contributions	<u>1,095,207</u>	<u>944,792</u>	<u>998,881</u>	<u>961,121</u>
Capital Grants and Contributions:				
General Government	44,991	42,572	68,083	122,826
Transportation	252,611	397,032	0	0
Subtotal - Capital Grants and Contributions	<u>297,602</u>	<u>439,604</u>	<u>68,083</u>	<u>122,826</u>
<i>Total Governmental Activities Program Revenues</i>	<u>4,480,905</u>	<u>4,567,329</u>	<u>4,250,125</u>	<u>4,498,560</u>
Business-Type Activities:				
Charges for Services	2,260,448	2,145,416	2,189,245	2,198,234
Capital Grants and Contributions	0	4,189	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>2,260,448</u>	<u>2,149,605</u>	<u>2,189,245</u>	<u>2,198,234</u>
<i>Total Primary Government Program Revenues</i>	<u>6,741,353</u>	<u>6,716,934</u>	<u>6,439,370</u>	<u>6,696,794</u>
Expenses				
Governmental Activities:				
General Government	3,744,943	3,770,801	3,614,569	2,682,977
Security of Persons and Property	8,228,263	7,360,859	6,723,713	7,078,086
Transportation	2,339,841	2,259,606	2,239,324	2,458,167
Community Environment	320,418	423,279	409,230	382,877
Basic Utility Services	833,601	842,067	882,300	1,203,374
Leisure Time Activities	3,492,833	3,303,474	3,422,491	3,626,538
Public Health Services	1,393	667	695	1,256
Interest and Fiscal Charges	789,502	832,401	862,807	890,625
<i>Total Governmental Activities Expenses</i>	<u>19,750,794</u>	<u>18,793,154</u>	<u>18,155,129</u>	<u>18,323,900</u>
Business-Type Activities:				
Sewer	1,892,378	1,901,616	1,809,393	1,840,375
Gilles-Sweet	0	0	0	0
<i>Total Business-Type Activities Expenses</i>	<u>1,892,378</u>	<u>1,901,616</u>	<u>1,809,393</u>	<u>1,840,375</u>
<i>Total Primary Government Expenses</i>	<u>21,643,172</u>	<u>20,694,770</u>	<u>19,964,522</u>	<u>20,164,275</u>
Net (Expense)/Revenue				
Governmental Activities	(15,269,889)	(14,225,825)	(13,905,004)	(13,825,340)
Business-Type Activities	<u>368,070</u>	<u>247,989</u>	<u>379,852</u>	<u>357,859</u>
<i>Total Primary Government Net Expense</i>	<u>(\$14,901,819)</u>	<u>(\$13,977,836)</u>	<u>(\$13,525,152)</u>	<u>(\$13,467,481)</u>

2012	2011	2010	2009	2008	2007
\$307,861	\$606,539	\$179,232	\$57,064	\$6,574	\$190,627
1,571,539	904,038	1,232,136	768,714	318,802	781,176
58,115	39,215	10,288	22,419	0	177,223
46,643	34,313	25,319	8,941	252,958	216,091
178,946	126,646	93,974	31,515	0	0
1,344,253	1,305,112	1,237,710	1,165,775	1,136,867	249,051
236	149	0	0	0	0
3,507,593	3,016,012	2,778,659	2,054,428	1,715,201	1,614,168
0	0	0	663	3,000	0
74,568	0	116,288	92,460	219,431	0
743,516	709,728	747,139	726,985	746,222	793,031
0	0	0	104	0	0
0	0	4,799	366	0	0
50,550	0	87,275	62,491	37,177	44,142
868,634	709,728	955,501	883,069	1,005,830	837,173
56,837	0	0	0	0	0
0	53,081	169,922	56,203	516,189	0
56,837	53,081	169,922	56,203	516,189	0
4,433,064	3,778,821	3,904,082	2,993,700	3,237,220	2,451,341
2,258,224	1,998,193	1,795,677	1,562,718	1,735,435	1,702,798
0	0	0	0	0	0
2,258,224	1,998,193	1,795,677	1,562,718	1,735,435	1,702,798
6,691,288	5,777,014	5,699,759	4,556,418	4,972,655	4,154,139
2,692,957	2,776,358	2,782,550	2,564,768	2,953,774	2,537,880
6,658,780	7,267,524	7,854,479	7,118,625	7,562,285	6,291,888
2,376,608	2,586,528	2,221,067	2,326,135	2,780,185	3,454,757
331,394	359,121	328,999	344,583	432,720	139,717
1,137,831	1,129,614	1,013,896	1,005,866	1,383,619	1,247,756
3,660,823	3,555,596	3,303,008	4,200,804	6,515,743	2,024,273
1,501	1,335	1,795	1,625	2,785	4,395
1,263,516	1,070,312	1,101,108	1,236,834	1,156,874	1,364,203
18,123,410	18,746,388	18,606,902	18,799,240	22,787,985	17,064,869
2,109,903	2,115,212	2,063,857	1,951,784	1,903,636	1,508,864
0	0	53	0	0	0
2,109,903	2,115,212	2,063,910	1,951,784	1,903,636	1,508,864
20,233,313	20,861,600	20,670,812	20,751,024	24,691,621	18,573,733
(13,690,346)	(14,967,567)	(14,702,820)	(15,805,540)	(19,550,765)	(14,613,528)
148,321	(117,019)	(268,233)	(389,066)	(168,201)	193,934
(\$13,542,025)	(\$15,084,586)	(\$14,971,053)	(\$16,194,606)	(\$19,718,966)	(\$14,419,594)

City of Fairview Park, Ohio
Changes in Net Position (continued)
Last Ten Years
(Accrual Basis of Accounting)

	2016	2015 (1)	2014	2013
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$2,860,341	\$2,622,747	\$2,566,235	\$2,647,422
Permanent Improvements	293,252	273,929	268,047	276,545
Recreation	337,058	314,863	308,132	317,815
Police and Fire Pension	202,250	188,899	186,019	190,877
Fire Operations	272,925	264,401	257,474	265,334
Other Purposes	0	0	0	0
Municipal Income Taxes Levied for:				
General Purposes	5,544,081	5,239,613	5,078,058	5,122,164
Capital Improvements	1,113,099	1,034,957	1,002,859	1,009,760
Recreation	2,226,200	2,069,914	2,005,717	2,019,519
Franchise Taxes	322,287	324,113	300,312	275,387
Grants and Entitlements not Restricted to				
Specific Programs	722,560	851,661	863,390	3,459,471
Unrestricted Contribution and Donations	150	1,366	300	0
Investment Income	37,289	11,751	10,715	5,627
Gain (Loss) on Sale of Capital Assets	64,515	0	0	0
Other	283,378	115,054	81,436	335,990
Transfers	0	0	20,546	(84,712)
<i>Total Governmental Activities</i>	<u>14,279,385</u>	<u>13,313,268</u>	<u>12,949,240</u>	<u>15,841,199</u>
Business-Type Activities				
Gain on Investment in Joint Venture	147,318	0	0	0
Investment Income	0	0	0	0
Miscellaneous	122	271	0	4,259
Transfers	0	0	(20,546)	84,712
<i>Total Business-Type Activities</i>	<u>147,440</u>	<u>271</u>	<u>(20,546)</u>	<u>88,971</u>
<i>Total Primary Government General Revenues and Transfers</i>	<u>14,426,825</u>	<u>13,313,539</u>	<u>12,928,694</u>	<u>15,930,170</u>
Change in Net Position				
Governmental Activities	(990,504)	(912,557)	(955,764)	2,015,859
Business-Type Activities	515,510	248,260	359,306	446,830
<i>Total Change in Net Position</i>	<u>(\$474,994)</u>	<u>(\$664,297)</u>	<u>(\$596,458)</u>	<u>\$2,462,689</u>

(1) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.

Note: Property Taxes Levied for Other Purposes were not broken out into categories until 2008.

2012	2011	2010	2009	2008	2007
\$2,569,710	\$2,587,238	\$2,721,242	\$3,021,265	\$2,651,543	\$4,171,960
268,385	273,454	278,883	308,776	277,652	356,878
308,489	314,313	290,671	357,372	270,515	0
187,029	204,675	156,744	245,019	174,434	0
249,763	255,230	294,014	228,172	239,189	0
0	0	0	0	0	964,081
5,198,639	4,905,042	4,601,899	5,118,028	4,454,650	4,447,994
1,024,375	972,520	917,466	865,790	1,304,098	1,384,877
2,045,643	1,945,166	1,834,786	1,993,806	1,708,786	2,742,810
273,415	289,816	211,439	211,285	162,682	0
1,242,284	1,878,667	1,818,333	2,207,468	2,115,947	1,117,705
0	0	98,176	0	0	0
4,588	2,640	4,553	16,985	242,022	887,307
0	21,857	5,400	0	0	0
419,278	217,178	185,800	366,060	174,594	57,968
23,519	(56,823)	(113,646)	(1,189,387)	75,735	(314,866)
<u>13,815,117</u>	<u>13,810,973</u>	<u>13,305,760</u>	<u>13,750,639</u>	<u>13,851,847</u>	<u>15,816,714</u>
0	0	0	0	0	0
0	0	0	0	0	3,120
1,542	0	1,937	2,230	15,729	0
<u>(23,519)</u>	<u>56,823</u>	<u>113,646</u>	<u>1,189,387</u>	<u>(75,735)</u>	<u>314,866</u>
<u>(21,977)</u>	<u>56,823</u>	<u>115,583</u>	<u>1,191,617</u>	<u>(60,006)</u>	<u>317,986</u>
<u>13,793,140</u>	<u>13,867,796</u>	<u>13,421,343</u>	<u>14,942,256</u>	<u>13,791,841</u>	<u>16,134,700</u>
124,771	(1,156,594)	(1,397,060)	(2,054,901)	(5,698,918)	1,203,186
126,344	(60,196)	(152,650)	802,551	(228,207)	511,920
<u>\$251,115</u>	<u>(\$1,216,790)</u>	<u>(\$1,549,710)</u>	<u>(\$1,252,350)</u>	<u>(\$5,927,125)</u>	<u>\$1,715,106</u>

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

	2016	2015	2014	2013
General Fund				
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Nonspendable	\$113,445	\$109,256	\$105,959	\$92,569
Assigned	604,441	996,202	1,628,782	1,930,351
Unassigned	1,755,862	1,544,632	1,577,686	2,207,502
Total General Fund	2,473,748	2,650,090	3,312,427	4,230,422
All Other Governmental Funds				
Reserved	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	N/A	N/A
Debt Service fund (Deficit)	N/A	N/A	N/A	N/A
Capital Projects funds	N/A	N/A	N/A	N/A
Nonspendable	23,616	21,856	29,810	24,120
Restricted	3,309,173	2,590,361	2,685,043	2,532,620
Committed	1,692,731	1,612,438	1,980,961	1,892,731
Unassigned (Deficit)	(128,277)	(26,602)	0	0
Total All Other Governmental Funds	4,897,243	4,198,053	4,695,814	4,449,471
Total Governmental Funds	\$7,370,991	\$6,848,143	\$8,008,241	\$8,679,893

Note: The City implemented GASB 54 during 2011.

N/A - Information not applicable.

2012	2011	2010	2009	2008	2007
N/A	N/A	\$330,898	\$259,790	\$259,476	\$271,608
N/A	N/A	2,045,925	1,572,506	2,199,327	2,007,799
\$87,363	\$80,070	N/A	N/A	N/A	N/A
1,338,411	24,301	N/A	N/A	N/A	N/A
991,737	2,053,365	N/A	N/A	N/A	N/A
2,417,511	2,157,736	2,376,823	1,832,296	2,458,803	2,279,407
N/A	N/A	483,733	449,893	151,362	4,125,692
N/A	N/A	1,863,047	2,126,018	2,758,074	2,777,831
N/A	N/A	176	8	0	(7,559)
N/A	N/A	1,381,297	1,528,320	1,811,124	1,187,882
81,600	40,260	N/A	N/A	N/A	N/A
1,895,191	1,841,812	N/A	N/A	N/A	N/A
2,181,285	1,682,955	N/A	N/A	N/A	N/A
(218,493)	(235,817)	N/A	N/A	N/A	N/A
3,939,583	3,329,210	3,728,253	4,104,239	4,720,560	8,083,846
\$6,357,094	\$5,486,946	\$6,105,076	\$5,936,535	\$7,179,363	\$10,363,253

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

	2016	2015	2014	2013	2012
Revenues					
Taxes (1)	n/a	n/a	n/a	n/a	n/a
Municipal Income Taxes	\$9,001,268	\$8,510,935	\$8,174,821	\$7,752,690	\$8,034,255
Property Taxes	3,962,829	3,667,099	3,668,973	3,628,771	3,699,627
Franchise Taxes	322,287	324,113	300,312	275,387	273,415
Charges for Services	1,465,025	1,639,630	1,719,720	2,629,470	2,232,900
Fees, Licenses and Permits	710,363	477,451	505,856	514,246	500,445
Intergovernmental	1,891,193	2,204,114	1,985,134	4,499,697	2,292,518
Special Assessments	945,312	955,352	988,155	229,521	238,489
Contributions and Donations	17,047	20,014	18,085	0	0
Interest	37,289	11,751	10,715	5,627	4,588
Rentals	213,166	109,974	0	0	0
Other	283,378	120,389	81,436	335,990	419,278
<i>Total Revenues</i>	<u>18,849,157</u>	<u>18,040,822</u>	<u>17,453,207</u>	<u>19,871,399</u>	<u>17,695,515</u>
Expenditures					
Current:					
General Government	2,972,991	3,030,710	2,988,236	2,028,783	1,957,320
Security of Persons and Property	7,417,988	7,080,468	6,851,769	6,817,934	6,507,611
Transportation	1,099,971	1,092,672	1,059,139	1,215,153	1,098,467
Community Environment	293,534	408,325	381,000	318,989	297,151
Basic Utility Services	836,054	839,660	906,108	1,105,803	1,136,269
Leisure Time Activities	3,033,921	3,382,046	3,084,895	3,133,752	3,216,922
Public Health Services	1,393	655	715	1,225	1,505
Capital Outlay	805,889	1,473,722	946,854	1,122,449	1,135,437
Debt Service:					
Principal Retirement	1,207,562	1,134,971	1,131,604	1,593,238	992,973
Interest and Fiscal Charges	721,521	757,691	795,085	823,842	686,719
Bond Issuance Costs	0	0	0	0	277,464
<i>Total Expenditures</i>	<u>18,390,824</u>	<u>19,200,920</u>	<u>18,145,405</u>	<u>18,161,168</u>	<u>17,307,838</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>458,333</u>	<u>(1,160,098)</u>	<u>(692,198)</u>	<u>1,710,231</u>	<u>387,677</u>
Other Financing Sources (Uses)					
Bond Premium (Discount)	0	0	0	0	901,349
Refunding Bonds Issued	0	0	0	0	20,590,000
Payment to Refunded Bond Escrow Agent	0	0	0	0	(21,209,265)
Economic Development Notes Issued	0	0	0	550,000	0
Current Refunding	0	0	0	0	0
Sale of Capital Assets	64,515	0	0	0	0
OPWC Loan	0	0	0	0	0
Commercial Redevelopment Loans Issued	0	0	0	0	0
Inception of Capital Lease	0	0	0	133,444	140,090
Transfers In	683,880	628,100	814,112	900,000	722,797
Transfers Out	(683,880)	(628,100)	(793,566)	(970,876)	(662,500)
<i>Total Other Financing Sources (Uses)</i>	<u>64,515</u>	<u>0</u>	<u>20,546</u>	<u>612,568</u>	<u>482,471</u>
<i>Net Change in Fund Balances</i>	<u>\$522,848</u>	<u>(\$1,160,098)</u>	<u>(\$671,652)</u>	<u>\$2,322,799</u>	<u>\$870,148</u>
Debt Service as a Percentage of Noncapital Expenditures	11.2%	11.0%	11.3%	14.1%	10.2%

(1) 2008 was the first year that taxes were split between property and municipal income.

2011	2010	2009	2008	2007
n/a	n/a	n/a	n/a	\$13,685,944
\$7,696,575	\$7,444,610	\$7,091,943	\$8,245,667	n/a
3,699,559	3,702,107	4,094,073	3,625,281	n/a
289,816	211,439	211,285	162,682	n/a
2,291,794	2,035,758	1,425,433	1,356,368	697,267
490,901	505,760	402,723	438,441	478,917
2,656,203	3,056,856	3,121,304	3,423,663	1,827,018
233,317	237,141	233,052	268,887	280,487
0	98,176	0	0	0
2,640	4,553	16,985	242,022	902,878
0	0	0	12,470	11,005
217,178	185,800	366,060	174,594	175,679
<u>17,577,983</u>	<u>17,482,200</u>	<u>16,962,858</u>	<u>17,950,075</u>	<u>18,059,195</u>
1,926,354	1,928,797	1,810,825	1,967,282	1,825,369
7,364,669	7,238,353	6,956,305	7,241,799	6,606,229
1,308,777	1,062,943	1,311,737	1,596,174	2,285,613
297,860	271,935	283,406	366,556	150,868
1,144,672	1,011,700	1,006,478	1,384,836	1,239,329
3,114,531	2,827,571	3,851,156	6,286,903	1,785,080
1,355	1,795	1,625	2,785	4,395
1,085,895	855,352	1,521,439	624,601	11,019,177
552,713	888,450	964,220	795,177	892,753
1,096,822	1,118,517	1,202,639	1,263,587	1,221,322
0	0	0	0	0
<u>17,893,648</u>	<u>17,205,413</u>	<u>18,909,830</u>	<u>21,529,700</u>	<u>27,030,135</u>
<u>(315,665)</u>	<u>276,787</u>	<u>(1,946,972)</u>	<u>(3,579,625)</u>	<u>(8,970,940)</u>
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
750,000	0	1,100,000	0	0
(1,100,000)	0	(1,100,000)	0	0
21,857	5,400	0	0	0
0	0	750,887	0	0
0	0	391,757	0	0
82,501	0	0	320,000	0
1,043,240	1,148,300	1,112,010	1,140,658	1,166,028
<u>(1,100,063)</u>	<u>(1,261,946)</u>	<u>(1,550,510)</u>	<u>(1,064,923)</u>	<u>(1,480,894)</u>
<u>(302,465)</u>	<u>(108,246)</u>	<u>704,144</u>	<u>395,735</u>	<u>(314,866)</u>
<u>(\$618,130)</u>	<u>\$168,541</u>	<u>(\$1,242,828)</u>	<u>(\$3,183,890)</u>	<u>(\$9,285,806)</u>
9.6%	11.8%	12.2%	9.9%	10.5%

City of Fairview Park, Ohio
Assessed Valuation and Estimated True Values of Taxable Property
Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2016	\$318,782,070	\$68,533,530	\$1,106,616,000	\$5,424,840	\$6,164,591
2015	317,677,550	69,005,770	1,104,809,486	5,119,790	5,817,943
2014	298,898,670	60,914,970	1,028,038,971	5,003,170	5,685,420
2013	299,039,400	63,502,020	1,035,832,629	4,779,910	5,431,716
2012	299,182,420	58,992,630	1,023,357,286	4,364,670	4,959,852
2011	311,446,240	60,258,740	1,062,014,229	4,036,050	4,586,420
2010	312,052,360	64,654,730	1,076,305,971	3,895,260	4,426,432
2009	342,011,590	66,153,650	1,166,186,400	3,565,490	4,051,693
2008	341,934,910	59,863,300	1,147,994,885	3,395,360	3,858,364
2007	342,374,940	59,112,380	1,147,106,628	5,431,180	6,171,795

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property has been phased out, and during the phase out period, all general business tangible personal property was assessed at 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local inter-exchange telephone companies, at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010).

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by a 10 percent, and a 2 1/2 percent rollback and homestead exemptions before being billed.

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

Tangible Personal Property

General Business		Total			Tax
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Rate
\$0	\$0	\$392,740,440	\$1,112,780,591	35 %	\$11.80
0	0	391,803,110	1,110,627,429	35	11.80
0	0	364,816,810	1,033,724,392	35	11.80
0	0	367,321,330	1,041,264,344	35	11.80
0	0	362,539,720	1,028,317,138	35	11.80
0	0	375,741,030	1,066,600,649	35	11.80
0	0	380,602,350	1,080,732,403	35	11.80
2,643,000	42,288,000	414,373,730	1,212,526,093	34	11.80
1,973,776	15,790,208	407,167,346	1,167,643,457	35	11.80
4,791,198	25,553,056	411,709,698	1,178,831,479	35	11.80

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

	2016	2015	2014	2013
Inside Millage				
Operating	\$3.33000	\$3.33000	\$3.33000	\$3.33000
Fire Pension	0.30000	0.30000	0.30000	0.30000
Police Pension	0.30000	0.30000	0.30000	0.30000
<i>Total Inside Millage</i>	<u>3.93000</u>	<u>3.93000</u>	<u>3.93000</u>	<u>3.93000</u>
Charter Millage				
1976 Charter/Current Expense	5.00000	5.00000	5.00000	5.00000
1994 Charter/Permanent Improvement	0.87000	0.87000	0.87000	0.87000
1996 Charter/Fire	1.00000	1.00000	1.00000	1.00000
1996 Charter/Recreational	1.00000	1.00000	1.00000	1.00000
<i>Total Charter Millage</i>	<u>7.87000</u>	<u>7.87000</u>	<u>7.87000</u>	<u>7.87000</u>
Total Charter Millage	<u>\$11.80000</u>	<u>\$11.80000</u>	<u>\$11.80000</u>	<u>\$11.80000</u>

Overlapping Rates by Taxing District

Fairview Park City School District				
Residential/Agricultural Real	\$56.9658	\$54.4973	\$57.0919	\$57.0551
Commercial/Industrial and Public Utility Real	66.0402	63.5433	62.0500	61.1419
General Business and Public Utility Personal	98.6200	96.1700	96.4700	96.4700
Rocky River City School District				
Residential/Agricultural Real	46.3521	46.2970	49.5457	49.5067
Commercial/Industrial and Public Utility Real	67.0791	67.2385	64.8023	64.6202
General Business and Public Utility Personal	89.5500	89.5500	89.5500	89.5500
Berea City School District				
Residential/Agricultural Real	48.6417	44.4553	44.7135	44.7727
Commercial/Industrial and Public Utility Real	56.8991	52.7196	51.8216	51.5507
General Business and Public Utility Personal	82.2000	78.0000	78.7000	78.8000
Cuyahoga County Commissioners				
Residential/Agricultural Real	13.8802	13.8698	14.0500	14.0500
Commercial/Industrial and Public Utility Real	14.0124	14.0500	14.0195	13.9495
General Business and Public Utility Personal	14.0500	14.0500	14.0500	14.0500
Special Taxing Districts (1)				
Residential/Agricultural Real	16.8478	11.5328	19.5385	15.8801
Commercial/Industrial and Public Utility Real	17.9194	11.6375	19.6933	15.9433
General Business and Public Utility Personal	18.5200	11.7800	20.6300	16.9800

Source: Cuyahoga County Fiscal Officer

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Overlapping rates are those of local and county governments that apply to property owners within the City. Real property tax rates are reduced so that inflationary increases in value do not generate additional revenue.

The City has 13 mills (including inside millage) of charter millage authorized; through 2011 only 11.8 mills has been levied. The 11.8 mills includes 3.93 mills of inside millage.

(1) Includes the Metro Parks, Cuyahoga County Library, Rocky River Library, and Polaris Joint Vocational School District, Port Authority, and Cuyahoga Community College.

2012	2011	2010	2009	2008	2007
\$3.33000	\$3.33000	\$3.33000	\$3.33000	\$3.33000	\$3.33000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
3.93000	3.93000	3.93000	3.93000	3.93000	3.93000
5.00000	5.00000	5.00000	5.00000	5.00000	5.00000
0.87000	0.87000	0.87000	0.87000	0.87000	0.87000
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
7.87000	7.87000	7.87000	7.87000	7.87000	7.87000
\$11.80000	\$11.80000	\$11.80000	\$11.80000	\$11.80000	\$11.80000

\$58.2264	\$56.8256	\$56.7442	\$56.5150	\$51.9219	\$51.7745
62.5649	61.5257	61.2140	60.9701	59.3262	58.1597
97.7000	97.6000	97.6000	97.4000	96.1000	96.0000

49.3321	44.1296	43.9489	42.3267	40.8213	35.1663
64.4748	58.5507	57.4008	55.1613	55.6700	50.3371
89.4500	84.3500	84.3000	82.7000	82.7000	77.1000

44.8302	38.7028	38.5574	38.6449	35.9563	35.9965
51.4777	45.3316	44.9615	45.1142	43.6675	4.5842
78.9000	75.0000	74.9000	75.0000	74.9000	74.9000

13.2200	13.1182	13.1866	13.1789	12.6607	11.8689
12.9968	12.7845	12.8413	12.8457	12.8153	12.4536
13.2200	13.2200	13.3200	13.3200	13.3200	13.4200

14.9634	14.7429	14.7006	14.2125	13.4074	12.7052
15.0066	14.7148	14.5296	14.0203	14.0723	13.4384
16.0800	16.0800	16.0800	15.7800	15.7800	15.2800

City of Fairview Park, Ohio
Property Tax Levies And Collections (1)
Last Ten Years

Collection Year	Current Tax Levy (2)	Current Tax Collections (2)	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
2016	\$4,510,435	\$4,421,973	98.04 %	\$74,487	\$4,496,460
2015	4,247,194	4,151,873	97.76	81,402	4,233,275
2014	4,243,283	4,135,110	97.45	94,700	4,229,810
2013	4,280,430	4,112,114	96.07	80,784	4,192,898
2012	4,329,671	4,193,808	96.86	125,216	4,319,024
2011	4,417,972	4,191,060	94.86	103,228	4,294,288
2010	4,399,219	4,175,733	94.92	108,449	4,284,182
2009	4,754,307	4,527,554	95.23	97,095	4,624,649
2008	4,713,003	4,567,342	96.91	116,079	4,683,421
2007	4,799,649	4,644,801	96.77	131,447	4,776,248

Source: Cuyahoga County, Ohio; County Fiscal Officer

- (1) Information for Real and Personal Property only.
- (2) State reimbursement of rollback and homestead exemptions are included.
- (3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

Note: We are aware of the requirement to report delinquent tax collections by levy year rather than by collection year. However, the County is unable to provide delinquent collections by levy year. We are looking at options to improve this presentation.

<u>Percent of Total Tax Collections to Current Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes (3)</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
99.69 %	\$103,740	2.30 %
99.67	100,743	2.37
99.68	103,003	2.43
97.96	186,068	4.35
99.75	116,847	2.70
97.20	233,098	5.28
97.39	315,560	7.17
97.27	246,225	5.18
99.37	178,625	3.79
99.51	183,200	3.82

City of Fairview Park, Ohio
Principal Real Property Taxpayers
 2016 and 2007

2016		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Westgate Mall , LLC	\$16,324,360	4.21 %
Z and Sons Limited Partnership	6,168,200	1.59
Target Corporation	4,128,220	1.07
Cleveland Electric Illuminating Company	3,369,890	0.87
Fairview Shopping Center Corporation	3,097,010	0.80
Lawn Village Incorporated	2,335,910	0.60
200 West Apartments	1,836,320	0.47
West Valley Medical	1,659,040	0.43
East Ohio Gas	825,390	0.21
Aldi, Incorporated	788,830	0.20
Total	\$40,533,170	10.47 %
Total Real Property Assessed Valuation	\$387,315,600	

2007		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Z and Sons Limited Partnership	\$6,745,000	1.68 %
Westgate Mall, Incorporated	5,710,000	1.42
Fairview Shopping Center Corporation	4,139,000	1.03
Lawn Village, Incorporated	2,439,000	0.61
Cleveland Electric Illuminating Company	2,206,000	0.55
200 West Apartments	1,989,000	0.50
Ohio Bell Telephone Company	1,265,000	0.32
Stallard-Schrier Fan LTD Par	1,024,000	0.26
North Solon Office	1,019,000	0.25
Fairview Reality Invest Limited	1,003,000	0.25
Total	\$27,539,000	6.86 %
Total Real Property Assessed Valuation	\$401,487,320	

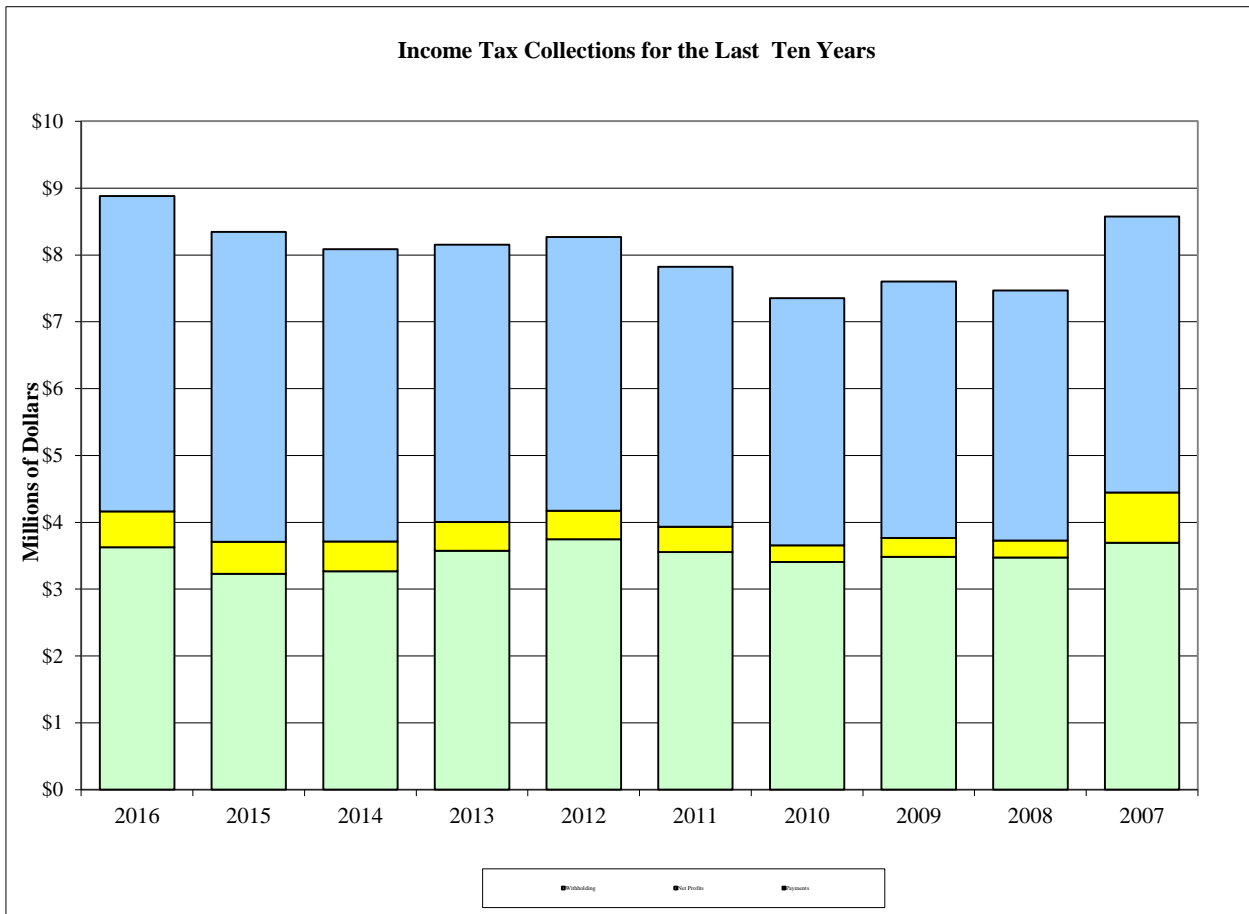
Source: Cuyahoga County Fiscal Officer

City of Fairview Park, Ohio
Income Tax Revenue Base and Collections
Last Ten Years

Tax Year (1)	Tax Rate	Total Tax Collected (1)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individual Payments	Percentage of Taxes from Individual Payments
2016	2.00%	\$8,883,380	3,625,307	40.81%	\$536,556	6.04%	\$4,721,516	53.15%
2015	2.00	8,344,484	3,228,481	38.69	479,808	5.75	4,636,195	55.56
2014	2.00	8,086,634	3,268,240	40.42	442,531	5.47	4,375,863	54.11
2013	2.00	8,151,443	3,574,069	43.85	430,565	5.28	4,146,809	50.87
2012	2.00	8,268,657	3,744,967	45.29	426,256	5.16	4,097,434	49.55
2011	2.00	7,822,728	3,555,014	45.44	379,285	4.85	3,888,429	49.71
2010	2.00	7,354,151	3,404,124	46.29	251,612	3.42	3,698,415	50.29
2009	2.00	7,602,945	3,483,223	45.81	280,339	3.69	3,839,383	50.50
2008	2.00	7,467,534	3,471,710	46.49	257,259	3.45	3,738,565	50.06
2007	2.00	8,575,681	3,692,373	43.06	753,961	8.79	4,129,347	48.15

Source: Regional Income Tax Agency (RITA)

- (1) - On an Accrual Basis
- (2) - The City is statutorily prohibited from presenting individual taxpayer information
- (3) - The City's basic income tax rate may only be increased by a majority vote of the City's residents



City of Fairview Park, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

Year	Governmental Activities						
	General Obligation Bonds	Lorain Road Revitalization Loan	OPWC Loan	Intergovernmental Loan	Commercial Redevelopment Loans	Economic Development Note	Capital Leases
2016	\$20,938,984	\$0	\$588,194	\$0	\$14,536	\$0	\$211,307
2015	21,829,059	0	613,222	52,941	43,605	183,334	288,497
2014	22,611,391	42,665	638,252	103,326	72,677	366,667	362,983
2013	23,388,495	82,654	663,282	160,135	101,749	550,000	435,354
2012	24,060,599	120,134	688,312	216,944	130,821	750,000	376,757
2011	22,289,346	155,263	713,342	277,241	219,893	750,000	310,112
2010	22,678,198	188,188	738,372	334,025	263,965	1,100,000	271,513
2009	23,212,050	219,048	750,887	390,821	391,757	1,100,000	437,000
2008	23,805,757	247,972	0	447,637	0	1,200,000	605,480
2007	24,370,511	275,038	0	504,461	0	1,200,000	466,767

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

Business-Type Activities					
OPWC Loan	Capital Leases	Contractual Debt	Total Debt	Percentage of Personal Income	Per Capita
\$0	\$0	\$2,768,394	\$24,521,415	4.59%	\$1,457
0	0	0	23,010,658	4.43	1,368
9,458	0	0	24,207,419	4.72	1,439
45,592	0	0	25,427,261	4.70	1,511
81,726	0	0	26,425,293	4.93	1,571
117,860	0	0	24,833,057	4.75	1,476
153,994	54,517	0	25,782,772	5.67	1,532
190,128	157,004	0	26,848,695	5.52	1,528
226,262	205,149	0	26,738,257	5.50	1,522
262,396	0	0	27,079,173	5.60	1,541

City of Fairview Park, Ohio

Legal Debt Margin

Last Nine Years (1)

	2016	2015	2014	2013
Total Assessed Property Value	<u>\$392,740,440</u>	<u>\$391,803,110</u>	<u>\$364,816,810</u>	<u>\$367,321,330</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$20,250,000	\$21,090,000	\$21,820,000	\$22,545,000
Lorain Road Revitalization Loan	0	0	42,665	82,654
OPWC Loan	588,194	613,222	638,252	663,282
Intergovernmental Loan	0	52,941	103,326	160,135
Commercial Redevelopment Loans	14,536	43,605	72,677	101,749
Economic Development Note	0	183,334	366,667	550,000
Contractual Debt	<u>2,768,394</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Gross Indebtedness	23,621,124	21,983,102	23,043,587	24,102,820
Less:				
2005 Various Purpose Bonds	(19,455,000)	(20,040,000)	(20,540,000)	(21,040,000)
Lorain Road Revitalization Loan	0	0	(42,665)	(82,654)
OPWC Loan	(588,194)	(613,222)	(638,252)	(663,282)
Intergovernmental Loan	0	(52,941)	(103,326)	(160,135)
Commercial Redevelopment Loans	(14,536)	(43,605)	(72,677)	(101,749)
Economic Development Note	0	(183,334)	(366,667)	(550,000)
Contractual Debt	(2,768,394)	0	0	0
General Obligation Bond Retirement Fund Balance	<u>(176)</u>	<u>(176)</u>	<u>(176)</u>	<u>(176)</u>
Total Net Debt Applicable to Debt Limit	<u>794,824</u>	<u>1,049,824</u>	<u>1,279,824</u>	<u>1,504,824</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>41,237,746</u>	<u>41,139,327</u>	<u>38,305,765</u>	<u>38,568,740</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$40,442,922</u>	<u>\$40,089,503</u>	<u>\$37,025,941</u>	<u>\$37,063,916</u>
Legal Debt Margin as a Percentage of the Debt Limit	98.07%	97.45%	96.66%	96.10%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$21,600,724</u>	<u>\$21,549,171</u>	<u>\$20,064,925</u>	<u>\$20,202,673</u>
Total Gross Indebtedness	23,621,124	21,983,102	23,043,587	24,102,820
Less:				
2005 Various Purpose Bonds	(19,455,000)	(20,040,000)	(20,540,000)	(21,040,000)
Economic Development Loan	0	(183,334)	(366,667)	(550,000)
Lorain Road Revitalization Loan	0	0	(42,665)	(82,654)
Commercial Redevelopment Loans	(14,536)	(43,605)	(72,677)	(101,749)
Intergovernmental Loan	0	(52,941)	(103,326)	(160,135)
General Obligation Bond Retirement Fund Balance	<u>(176)</u>	<u>(176)</u>	<u>(176)</u>	<u>(176)</u>
Net Debt Within 5 ½ % Limitations	<u>4,151,412</u>	<u>1,663,046</u>	<u>1,918,076</u>	<u>2,168,106</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$17,449,312</u>	<u>\$19,886,125</u>	<u>\$18,146,849</u>	<u>\$18,034,567</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	80.78%	92.28%	90.44%	89.27%

Source: City Financial Records

(1) Information prior to 2008 is not available

2012	2011	2010	2009	2008
<u>\$362,539,720</u>	<u>\$375,741,030</u>	<u>\$380,602,350</u>	<u>\$414,373,730</u>	<u>\$407,167,346</u>
\$23,165,000	\$21,585,000	\$21,935,000	\$22,430,000	\$22,965,000
120,134	155,263	188,188	219,048	247,972
688,312	831,202	892,366	941,015	226,262
216,944	277,241	334,025	390,821	447,637
130,821	219,893	263,965	391,757	0
750,000	750,000	1,100,000	1,100,000	1,200,000
0	0	0	0	0
25,071,211	23,818,599	24,713,544	25,472,641	25,086,871
(21,440,000)	(19,650,000)	(19,800,000)	(20,100,000)	(20,400,000)
(120,134)	(155,263)	(188,188)	(219,048)	(247,972)
(688,312)	(831,202)	(892,366)	(941,015)	(226,262)
(216,944)	(277,241)	(334,025)	(390,821)	(447,637)
(130,821)	(219,893)	(263,965)	(391,757)	0
(750,000)	(750,000)	(1,100,000)	(1,100,000)	(1,200,000)
0	0	0	0	0
(176)	(176)	(176)	(8)	0
1,724,824	1,934,824	2,134,824	2,329,992	2,565,000
38,066,671	39,452,808	39,963,247	43,509,242	42,752,571
<u>\$36,341,847</u>	<u>\$37,517,984</u>	<u>\$37,828,423</u>	<u>\$41,179,250</u>	<u>\$40,187,571</u>
95.47%	95.10%	94.66%	94.64%	94.00%
<u>\$19,939,685</u>	<u>\$20,665,757</u>	<u>\$20,933,129</u>	<u>\$22,790,555</u>	<u>\$22,394,204</u>
25,071,211	23,818,599	24,713,544	25,472,641	25,086,871
(21,440,000)	(19,650,000)	(19,800,000)	(20,100,000)	(20,400,000)
(750,000)	(750,000)	(1,100,000)	(1,100,000)	(1,200,000)
(120,134)	(155,263)	(188,188)	(219,048)	(247,972)
(130,821)	(219,893)	(263,965)	(391,757)	0
(216,944)	(277,241)	(334,025)	(390,821)	(447,637)
(176)	(176)	(176)	(8)	0
2,413,136	2,766,026	3,027,190	3,271,007	2,791,262
<u>\$17,526,549</u>	<u>\$17,899,731</u>	<u>\$17,905,939</u>	<u>\$19,519,548</u>	<u>\$19,602,942</u>
87.90%	86.62%	85.54%	85.65%	87.54%

City of Fairview Park, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2016

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Fairview Park
Direct Debt:			
City of Fairview Park			
General Obligation Bonds	\$20,938,984	100.00 %	\$20,938,984
OPWC Loan	588,194	100.00	588,194
Intergovernmental Loan	2,768,394	100.00	2,768,394
Commercial Redevelopment Loans	14,536	100.00	14,536
Capital Leases	211,307	100.00	211,307
<i>Total Direct Debt</i>	<u>24,521,415</u>		<u>24,521,415</u>
Overlapping Debt:			
Fairview Park City School District	22,055,019	100.00	22,055,019
Rocky River City School District	45,442,461	4.23	1,922,216
Berea City School District	30,990,934	0.03	9,297
Cuyahoga County			
General Obligation Bonds	242,795,758	1.42	3,447,700
Revenue Bonds	597,515,568	1.42	8,484,721
Certificates of Participation	256,864,058		
Loans	2,404,204	1.42	34,140
Leases	378,556,966	1.42	5,375,509
Greater Cleveland Regional Transit Authority	<u>139,107,969</u>	1.42	<u>1,975,333</u>
<i>Total Overlapping Debt</i>	<u>1,715,732,937</u>		<u>43,303,935</u>
<i>Total Direct and Overlapping Debt</i>	<u><u>\$1,740,254,352</u></u>		<u><u>\$67,825,350</u></u>

Source: Cuyahoga County, Ohio; 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 Fairview Park, Ohio
*Ratio of General Obligation Bonded Debt to Estimated Actual
Value and Bonded Debt Per Capita
Last Ten Years*

Year	Population (1)	Estimated Actual Values of Taxable Property (2)	Bonded Debt	Ratio of Bonded Debt to Estimated Actual Values of Taxable Property	Bonded Debt Per Capita
2016	16,826	\$1,112,780,591	\$20,938,984	1.88 %	\$1,244.44
2015	16,826	1,110,627,429	21,829,059	1.97	1,297
2014	16,826	1,033,724,392	22,611,391	2.19	1,343.84
2013	16,826	1,041,264,344	23,388,495	2.25	1,390.02
2012	16,826	1,028,317,138	24,060,599	2.34	1,429.97
2011	16,826	1,066,600,649	22,289,346	2.09	1,324.70
2010	16,826	1,080,732,403	22,678,198	2.10	1,347.81
2009	17,572	1,212,526,093	23,212,050	1.91	1,320.97
2008	17,572	1,167,643,457	23,805,757	2.04	1,354.76
2007	17,572	1,178,831,479	24,370,511	2.07	1,386.89

Sources:

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

(2) Cuyahoga County Fiscal Officer

City of Fairview Park, Ohio

Principal Employers

2016 and 2007

2016

Employer	Employees	Percentage of Total City Employment
Fairview Park City School District	339	4.35%
Cleveland Metroparks	260	3.33
Cuyahoga County Fiscal Office	149	1.91
Riser Food Company	149	1.91
Giant Eagle	146	1.87
St. Angelas Church	102	1.31
McGowan & Company Incorporated	99	1.27
Reserves Network, Incorporated	80	1.03
City of Cleveland	72	0.92
Fairview Eye Center	56	0.71
Total	1,452	18.61%
Total Employment within the City	7,802	

2007

Employer	Employees	Percentage of Total City Employment
Quadax	301	4.83%
US Department of Interior	276	4.42
Fairview Park City School District	268	4.30
Cleveland Metroparks	200	3.21
Riser Foods	191	3.06
McGowan & Company, Incorporated	76	1.22
Analex Corporation	68	1.09
ASRC Aerospace	65	1.04
Reserves Network, Incorporated	64	1.02
Cuyahoga County	59	0.95
Total	1,568	25.14%
Total Employment within the City	6,238	

Source: Number of employees obtained from the W2's from RITA

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City of Fairview Park, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2016	16,826	\$534,023,588	\$31,738	\$54,134	42.6
2015	16,826	519,973,878	30,903	53,425	42.4
2014	16,826	513,243,478	30,503	52,844	42.1
2013	16,826	540,854,944	32,144	53,693	42.1
2012	16,826	536,547,488	31,888	54,011	42.3
2011	16,826	522,666,038	31,063	52,982	41.5
2010	16,826	454,991,866	27,041	51,425	42.3
2009	17,572	486,076,664	27,662	50,487	40.9
2008	17,572	486,076,664	27,662	50,487	40.9
2007	17,572	483,423,292	27,511	50,436	40.8

(1) Source U. S. Census

(2) Source: Fairview Park City School District CAFR

(3) U.S. Department of Labor's Bureau of Labor Statistics

(4) Source: Cuyahoga County Fiscal Officer

(5) Total Personal Income is computed by multiplying Personal Income per Capita
by Population

(6) Cuyahoga County Jobs and Family Services

School Enrollment (2)	Cuyahoga County Unemployment Rate (6)	Average Sales Price of Residential Property (3)	Total Assessed Property Value (4)
1,807	5.4%	\$152,000	\$392,740,440
1,782	4.0	142,800	391,803,110
1,795	5.0	144,600	364,816,810
1,800	7.2	148,000	367,321,330
1,736	8.3	139,972	362,539,720
1,760	8.0	153,200	375,741,030
1,763	8.6	128,979	380,602,350
1,605	9.0	137,899	414,373,730
1,666	7.1	153,564	407,167,346
1,699	6.1	151,009	411,709,698

City of Fairview Park, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2016	2015	2014	2013
General Government				
City Hall and Police Station (square footage occupied)	40,489	40,489	40,489	40,489
Senior Center(square feet)	9,600	9,600	9,600	9,600
City Service Garage - Front (square feet)	4,000	4,000	4,000	4,000
City Service Garage - Rear (square feet)	4,000	4,000	4,000	4,000
Nelson Russ Center (square feet)	2,400	2,400	2,400	2,400
Bain Cabin	3,880	3,880	3,880	3,880
Administrative Vehicles	4	4	4	4
Inspection Vehicles	2	2	2	2
Police				
Stations	1	1	1	1
Vehicles	12	13	13	16
Fire				
Stations	1	1	1	1
Number of fire hydrants	866	866	866	866
Vehicles	7	7	7	7
Recreation				
Number of Parks	5	5	5	5
Number of Pools	2	2	2	2
Number of Tennis Courts	6	6	6	6
Number of Baseball Diamonds	7	7	7	7
Number of Soccer Fields	4	4	4	4
Number of Stadiums	1	1	1	1
Square Footage of Recreation Center	93,000	93,000	93,000	93,000
Other Public Works				
Streets (miles)	52.90	52.90	52.90	52.90
Number of street lights (per light bill)	1,262	1,262	1,262	1,262
Service Department Large Vehicles/Trucks	29	29	29	29
Wastewater				
Sanitary Sewers (miles)	52.90	52.90	52.90	52.90
Storm Sewers (miles)	52.90	52.90	52.90	52.90
Vehicles	1.00	1.00	1.00	1.00

Source: City of Fairview Park Departments
n/a: Information not available

2012	2011	2010	2009	2008	2007
40,489	40,489	40,489	40,489	40,489	40,489
9,600	9,600	9,600	9,600	9,600	9,600
4,000	4,000	4,000	4,000	4,000	4,000
4,000	4,000	4,000	4,000	4,000	4,000
2,400	2,400	2,400	2,400	2,400	2,400
3,880	3,880	3,880	3,880	3,880	3,880
4	4	4	4	4	4
2	2	2	2	2	2
1	1	1	1	1	1
16	16	16	16	13	13
1	1	1	1	1	1
866	866	866	866	866	866
7	7	7	7	7	8
5	5	5	5	5	5
2	2	2	2	2	0
6	6	6	6	6	6
7	7	7	7	7	8
4	4	4	4	4	3
1	1	1	1	1	1
93,000	93,000	93,000	93,000	93,000	93,000
52.90	52.90	52.90	52.90	52.90	52.90
1,262	1,262	1,262	1,262	1,262	1,262
29	30	30	36	34	34
52.90	52.90	52.90	52.90	52.90	50.10
52.90	52.90	52.90	52.90	52.90	50.10
1.00	1.00	1.00	0.00	0.00	1.00

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

Function/Program	2016	2015	2014	2013
General Government				
Council	4.50	4.50	4.50	4.50
Finance	3.00	2.50	3.00	3.00
Administration	3.00	3.50	5.00	3.50
Planning Design	1.00	1.00	1.00	1.00
Payroll/Civil Service	1.50	1.50	1.50	1.50
Security of Persons and Property				
Police	27.00	26.00	27.00	26.00
Police - Auxiliary/Guards	15.00	14.00	14.00	14.00
Police - Dispatchers/Office/Other	2.00	2.00	2.00	1.50
Animal Wardens	0.50	0.00	0.50	0.50
Fire	25.00	25.00	25.00	25.00
Fire Secretary	1.00	1.00	1.00	1.00
Leisure Time Activities				
Recreation	9.00	9.00	10.00	10.00
Senior Life	6.00	7.00	5.50	6.00
Community Development				
Building	3.00	2.00	4.00	4.00
Economic Development	2.00	2.00	2.00	2.00
Transportation				
Service	23.00	25.00	23.00	24.00
Totals:	<u>126.50</u>	<u>126.00</u>	<u>129.00</u>	<u>127.50</u>

Source: City of Fairview Park, Department of Finance

Method: Using 1.0 for each full-time employee and 0.50 for each part-time employee at December 31. Seasonal employees are not included.

2012	2011	2010	2009	2008	2007
8.00	8.00	8.00	8.00	8.00	8.00
3.50	3.50	3.50	3.50	3.00	3.00
4.00	4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
25.00	24.00	27.00	27.00	27.00	27.00
14.00	14.00	16.00	16.00	12.00	16.00
1.50	1.50	1.50	1.50	1.00	1.50
1.00	1.00	1.00	1.00	1.00	0.00
25.00	24.00	28.00	28.00	28.00	28.00
1.00	1.00	1.00	1.00	1.00	1.00
10.00	9.00	11.00	11.00	11.00	15.00
2.00	2.00	2.00	2.00	2.00	7.00
4.00	4.00	4.00	4.00	4.00	4.00
3.00	2.00	2.00	2.00	2.00	2.00
23.00	24.00	27.00	27.00	28.00	25.00
127.00	124.00	138.00	138.00	134.00	143.50

City of Fairview Park, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2016	2015	2014	2013
General Government				
<i>Council and Clerk</i>				
Number of Ordinances Passed	48	53	61	55
Number of Resolutions Passed	31	34	24	30
Number of Planning Commission docket items	20	28	48	20
Zoning Board of Appeals docket items	16	10	13	19
<i>Finance Department</i>				
Number of payroll checks issued	1,135	1,483	1,756	1,592
Number of checks/vouchers issued	2,305	2,560	2,469	2,465
Amount of checks written	\$13,316,379	\$11,739,562	\$12,105,865	\$9,339,571
Interest earnings for fiscal year (cash basis)	\$36,776	\$11,750	\$10,715	\$4,873
Number of Receipts issued	1,710	1,761	1,840	1,875
Number of Budget Adjustments issued	2	3	3	3
Agency Ratings - Moody's Financial Services	Aa2	A-	A-	A-
Health Insurance Costs vs. General Fund Expenditures %	13.43%	12.32%	12.70%	15.54%
General Fund Receipts	\$9,752,874	\$9,247,696	\$9,250,630	\$12,481,613
General Fund Expenditures	\$10,044,317	\$10,318,215	\$10,421,991	\$10,488,377
General Fund Cash Balances	\$1,551,712	\$1,801,527	\$2,741,896	\$3,895,005
<i>Engineer Contracted Services</i>				
Dollar amount of Construction overseen by Engineer	\$4,897,167	\$426,414	\$1,189,512	\$410,996
<i>Civil Service</i>				
Number of police entry tests administered	0	1	0	1
Number of fire entry tests administered	0	0	1	0
Number of police promotional tests administered	0	1	0	3
Number of fire promotional tests administered	0	0	3	0
Number of Police Officers hired	2	4	2	3
Number of Fire/Medics hired	2	1	1	0
<i>Building Department Indicators</i>				
New Construction Permits Issued	330	350	339	358
Estimated Value of Construction	\$10,454,168	\$13,223,287	\$12,782,725	\$20,467,573
Number of electrical/plumbing/remodeling permits issued	1,439	1,376	1,410	1,462
Amount of Revenue generated from permits	\$176,038	\$168,386	\$173,998	\$189,539
Number of contract registrations issued	520	518	568	516
Number of rental inspections performed	62	99	98	102
Annual Apartment/Rooming House License Fees	\$14,762	\$16,924	\$20,106	\$20,536
Security of Persons and Property				
<i>Police</i>				
Total Calls for Services	13,479	12,859	13,652	12,239
Number of traffic citations issued	3,841	3,262	3,152	3,690
Number of parking citations issued	1,378	1,412	1,963	1,263
Number of criminal arrests	295	173	174	191
Number of accident reports completed	249	249	236	224
Part 1 Offenses (major offenses)	123	91	79	42
Animal Warden service calls responded to per annual report	385	363	353	381
Police Dept. Auxiliary hours worked	2,857	2,933	2,433	2,718
DUI Arrests	68	50	71	45
Prisoners	739	635	638	684
Prisoner meal costs	7,397	6,981	7,995	7,099
Motor Vehicle Accidents	464	523	497	392
Property damage accidents	475	504	481	328
Fatalities from Motor Vehicle Accidents	0	0	1	0
Gasoline costs of fleet	39,779	36,792	56,740	50,973
Community Diversion Program Youths (1)	0	4	0	0
Community Diversion Program - community service hours	0	24	0	0
<i>Fire</i>				
EMS Calls	2,044	1,911	1,668	1,590
Ambulance Billing Collections (net)	\$372,209	\$384,419	\$361,475	\$359,309
Fire Calls	176	171	152	126
Fires with Loss	5	4	3	6
Fires with Losses exceeding \$10,000	2	2	3	4
Fire Losses \$	\$265,300	\$131,800	\$79,000	\$263,010
Fire Safety Inspections	599	565	484	509
Number of times Mutual Aid given to Fire and EMS	206	179	145	144
Number of times Mutual Aid received for Fire and EMS	126	145	174	52

2012	2011	2010	2009	2008	2007
51	68	47	85	76	78
23	27	24	17	25	27
16	18	21	49	22	36
11	2	13	11	12	12
1,667	1,817	1,898	2,223	0	0
2,421	2,349	1,765	3,090	3,614	3,396
\$8,685,570	\$8,648,137	\$7,314,408	\$10,283,501	\$16,095,444	\$26,308,251
\$4,695	\$2,597	\$4,489	\$16,985	\$525,500	\$906,612
1,857	1,920	1,673	2,230	30,096	1,446
2	1	1	3	0	0
A-	A-	A-	A-	A-	A-
12.74%	12.65%	15.10%	13.08%	11.78%	11.26%
\$10,363,066	\$10,297,802	\$10,746,175	\$10,319,406	\$10,016,188	\$11,201,852
\$9,982,702	\$10,637,753	\$9,785,443	\$10,838,029	\$10,531,074	\$10,260,650
\$1,854,319	\$1,453,491	\$1,781,327	\$796,678	\$1,301,642	\$1,586,382
\$1,068,732	\$776,992	\$83,083	\$1,633,623	\$1,276,825	\$1,386,923
0	1	0	0	0	97
0	0	1	0	1	0
0	0	0	0	0	0
0	2	2	0	0	0
1	0	0	0	1	0
1	2	1	1	0	3
296	310	267	278	348	674
\$6,520,419	\$5,679,573	\$4,512,702	\$6,770,889	\$10,236,541	\$2,196,066
1,490	1,403	1,772	1,494	1,837	1,923
\$101,551	\$97,189	\$95,425	\$101,187	\$158,570	\$273,157
473	523	534	422	429	203
139	112	468	1,783	1,783	1,783
\$20,536	\$20,396	\$10,482	\$10,482	\$10,482	\$10,482
11,893	12,149	12,149	12,000	11,990	11,298
4,859	5,716	5,716	4,561	5,420	4,946
1,621	1,460	1,460	1,373	1,521	2,176
172	136	136	115	105	112
244	222	222	217	259	224
73	51	51	62	65	87
376	392	392	433	380	393
3,486	1,672	1,672	1,981	1,699	0
55	48	48	52	60	57
517	498	498	491	502	737
4,369	3,770	3,770	4,133	7,388	12,344
339	418	418	404	37	224
197	192	192	176	117	100
0	0	0	1	1	0
55,086	42,098	42,098	31,140	55,649	38,974
0	0	0	0	1,440	1,440
0	0	0	0	48	0
1,458	1,469	1,465	1,253	1,363	1,508
\$325,256	\$345,936	\$273,070	\$262,020	\$282,167	\$250,972
334	207	197	148	161	201
9	6	10	11	40	99
5	2	8	6	6	2
\$242,800	\$221,050	\$394,000	\$482,400	\$250,000	\$154,000
697	362	663	578	721	1,276
121	76	87	100	104	97
54	31	50	63	80	55

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

Function/Program	2016	2015	2014	2013
Leisure Time Activities				
<i>Recreation</i>				
Recreation Swimming pool receipts	\$119,210	\$131,860	\$104,668	\$120,279
Recreation Mens & Womens Leagues receipts	16,750	16,800	18,340	20,430
Recreation programs	204,022	217,962	202,302	200,264
Youth Soccer League	19,025	19,394	20,085	18,196
Youth Basketball League	28,419	17,233	18,550	22,466
Facilities rentals	83,757	97,748	99,814	90,382
Recreation center memberships	449,675	459,350	480,599	507,057
Miscellaneous	140,838	146,966	122,223	112,469
Total Recreation Department receipts	\$1,061,696	\$1,107,313	\$1,066,581	\$1,091,543
Community Development				
Grant amounts received due to Economic Development Dept.	\$450,000	\$50,000	\$50,000	\$50,000
Basic Utility Services				
Refuse disposal per year (in tons) January through December	6,092	5,250	5,192	5,191
Refuse disposal costs per year January through December	\$841,568	\$823,930	\$182,770	\$830,581
Percentage of waste recycled	26.88%	45.09%	45.87%	30.00%
Annual recycling tonnage (excluding leaf and compost items)	1,637	1,597	1,742	1,500
Transportation				
Street Repair (Concrete, asphalt, crack sealing) (hours)	1,400	1,400	1,160	1,160
Mowing (hours)	1,950	1,950	1,950	1,950
Street Sweeper (hours)	320	320	320	320
Cold Patch (hours)	600	600	400	400
Snow & Ice Removal regular hours	1,200	1,200	1,600	1,600
Sewer and Sanitary calls for service	4,000	4,000	4,000	4,000
Fire hydrants (hours)	10	10	10	10
Catch basin (hours)	2,000	2,000	2,000	2,000
Leaf collection (hours)	2,500	2,500	2,500	2,500
Holiday lights setup (hours)	50	50	50	50
Burial Services (hours)	16	16	16	16
Equipment repair/body shop (hours)	5,000	5,000	5,000	5,000
Sign department (hours)	250	250	250	250
Paint striping (hours)	700	700	700	700
Building maintenance (hours)	9,011	9,011	9,011	9,011
Landscaping (hours)	2,280	2,280	2,280	2,280
Other (hours)	2,240	2,240	2,240	2,240
Tree Pruning and Care	1,500	1,500	1,500	1,500
Parks and main street garbage	2,000	2,000	2,000	2,000
Recycling crews	0	0	0	4,160
Traffic department (hours)	2,080	2,080	2,080	2,080
Summerfest	272	272	272	272
Wastewater Department				
Wastewater Rates per 1st 1000 Cu ft of water used	\$39.00	\$39.00	\$39.00	\$39.00
Total flow of wastewater treatment plant (Billions of Gallons)	5.88	5.88	5.88	5.88
Average daily flow (Millions of gallons per day)	16.13	16.13	16.13	16.13
Tons of dry sludge removed	1,686.05	1,686.05	1,686.05	1,686.05

Source: City of Fairview Park Departments

(1) In 2009, this program was discontinued due to budget cuts.

2012	2011	2010	2009	2008	2007
\$102,639	\$94,102	\$69,341	\$53,386	\$28,518	\$0
23,025	28,835	24,325	37,130	27,510	24,330
175,496	192,058	185,689	147,768	163,173	48,164
17,407	19,200	14,669	13,856	13,184	15,974
20,805	19,410	15,723	13,100	19,407	34,852
99,608	82,648	93,011	103,471	72,897	9,034
500,632	537,598	564,201	601,797	585,690	71,651
98,234	131,490	82,675	130,013	115,604	63,004
<u>\$1,037,846</u>	<u>\$1,105,341</u>	<u>\$1,049,634</u>	<u>\$1,100,521</u>	<u>\$1,025,983</u>	<u>\$267,009</u>
\$50,000	\$0	\$0	\$90,527	\$95,000	\$102,023
6,229	8,440	8,137	8,203	8,511	8,412
\$564,567	\$538,631	\$541,338	\$523,075	\$556,346	\$282,482
28.00%	26.00%	26.50%	26.40%	26.90%	26.34%
1,121	826	915	1,070	1,057	1,121
1,160	1,150	1,120	1,128	1,184	2,152
1,950	1,944	1,944	1,944	1,776	1,856
320	320	320	320	320	328
400	400	400	400	400	32
1,500	1,000	1,900	1,808	1,888	1,768
4,000	4,000	3,940	3,736	3,920	3,636
10	15	16	32	16	40
2,000	2,000	2,000	1,944	1,920	632
2,500	2,000	2,816	2,800	2,784	3,320
50	50	140	140	140	147
0	0	0	0	0	16
5,000	4,160	7,060	7,040	7,024	8,344
200	200	180	176	160	516
710	700	720	640	624	n/a
9,011	9,011	9,011	9,016	9,152	9,086
2,280	2,280	2,280	2,280	1,704	2,648
2,240	2,240	2,240	2,240	2,240	8,832
1,210	1,200	1,211	1,216	1,216	n/a
2,000	2,000	2,000	2,000	1,704	n/a
4,160	4,160	3,968	3,968	3,968	n/a
1,080	1,080	1,840	1,800	1,840	n/a
256	256	256	256	256	n/a
\$39.00	\$36.00	\$33.00	\$27.00	\$27.00	n/a
5.10	6.59	4.39	4.42	5.03	4.73
13.97	18.07	12.03	12.10	13.74	12.94
1,659.12	1,983.08	1,666.30	1,660.10	1,757.60	1,978.69

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City of Fairview Park, Ohio

For the Year Ended December 31, 2016

City of Fairview Park, Ohio

For the Year Ended December 31, 2016

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

Members of the City Council
City of Fairview Park, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairview Park, Ohio (the "City"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2017.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings, which we consider to be a material weakness (Finding No. 2016-001).

Members of the City Council
City of Fairview Park, Ohio

Compliance and Other Matters

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

City of Fairview Park, Ohio's Response to the Finding

The City's response to the finding identified in our audit is described in the City's corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Ciuni + Panichi, Inc.

Cleveland, Ohio
June 30, 2017

City of Fairview Park, Ohio

Schedule of Findings

For the year ended December 31, 2016

1. Summary of Auditor's Results

Type of Financial Statement Opinion	Unmodified
Were there any material weaknesses reported at the financial statement level (GAGAS)?	Yes
Were there any significant deficiencies reported at the financial statement level (GAGAS)?	No
Was there any material noncompliance reported at the financial statement level (GAGAS)?	No

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

2016-001 - Material Weakness in Internal Control:

Condition:

The City operates on the cash basis throughout the year. For financial reporting purposes, the City contracts with a third-party to assist with converting the cash basis activity to the accrual basis (modified or full) per accounting principles generally accepted in the United States of America (GAAP). As part of this conversion, entries recorded as part of the conversion process included errors that were undetected prior to the financial statements being submitted to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on the GAAP basis, and Ohio Revised Code Section 117.38, which requires cities reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of year end.

A receivable was recorded through the conversion process for street lighting and garbage collection special assessments based on an estimate of the collections for the first-half of 2017. After further examination by the Finance Director, including extensively researching the original ordinances passed to create the assessments for both, it was determined that the street lighting special assessments expected to be collected in 2017 are for 2016 services and the garbage collection special assessments collected in 2017 will be for 2017 services. As the street lighting special assessments are a full-year in arrears, the special assessment receivable improperly excluded the estimated second-half 2017 collections resulting in an audit entry to increase street lighting special assessment receivables by \$138,334. As the garbage collection special assessments are assessed in the year that it relates, only the delinquent amounts at December 31, 2016 should be included in receivables. The special assessments receivable improperly included estimated first-half 2017 collections, resulting in an audit entry to decrease garbage collection special assessments receivable by \$379,272. Both entries impact deferred inflows of resources on the fund financial statements and charges for services and operating assessments revenue on the government-wide financial statements.

Criteria:

The internal control structure and processes to convert the information from the cash-basis to the GAAP-basis should provide for the accurate reporting of balances and transactions.

City of Fairview Park, Ohio

Schedule of Findings

For the year ended December 31, 2016

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

2016-001 - Material Weakness in Internal Control (continued):

Cause:

The City contracts with a third-party to assist with preparing the financial statements, but the City accepts responsibility for the information used to prepare the financial statements as well as the financial statements themselves. Due to the City's reliance on the third-party to accurately prepare the financial statements, errors were not timely identified and corrected.

Effect:

Weaknesses in controls over the financial statement preparation process can result in inaccurate data being reported and relied upon to make financial decisions by the users of the financial statements.

Recommendation:

Monitoring controls should be enhanced such that there should be a detailed review of the individual sections prepared by the third-party conversion team to ensure the information and the resultant GAAP basis financial statements are complete and accurate.



CITY OF FAIRVIEW PARK

20777 Lorain Road
Fairview Park, Ohio 44126-2018

– *Established in 1910* –

Eileen Ann Patton, Mayor

City of Fairview Park
Corrective Action Plan
June 30, 2017

Finding 2016-001: Material Weakness in Internal Control

Contact Person: Gregory M. Cingle, CPA, Director of Finance

Corrective Action: The special assessments for street lighting and garbage collection have been in place for years. The City will annually review the special assessment estimates made by the third-party contracted with to prepare the financial statements to ensure accurate data is reported.

Completion Date: December 31, 2017

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Dave Yost • Auditor of State

CITY OF FAIRVIEW PARK

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 24, 2017**