

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2016



Dave Yost • Auditor of State

City Council
City of Findlay
318 Dorney Plaza
Findlay, Ohio 45840

We have reviewed the *Independent Auditor's Report* of the City of Findlay, Hancock County, prepared by Julian & Grube, 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 Findlay is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

August 30, 2017

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CITY OF FINDLAY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

PREPARED BY:

CITY AUDITOR'S OFFICE
JIM STASCHIAK II, CITY AUDITOR

CITY OF FINDLAY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

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JIM STASCHIAK II
CITY AUDITOR

June 15, 2017

To the Residents of Findlay, Ohio:

The Comprehensive Annual Financial Report (CAFR) of the City of Findlay (the "City"), Ohio, for the fiscal year ended December 31, 2016, is submitted herewith. The report has been prepared for the citizens of Findlay, the elected officials, bondholders, the investment community, rating agencies, and all persons interested in the financial affairs of the City. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the presented data and the thoroughness of the presentation rests with the City. We believe the data to be accurate in all material respects and to be presented in a manner designed to disclose the financial position of the City and the operating results of its various funds.

The City's financial records are maintained and reported according to GAAP. All City operations are categorized and reported by fund. Our internal accounting controls are designed to provide reasonable assurance for the safeguard of assets against loss from unauthorized use or disposition, and reliable records as the basis for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits likely to be derived from the operation of the system. The City monitors its internal controls and accounting procedures and these controls and procedures are evaluated during each official annual audit of the City's financial statements. The financial accounting system, including payroll processing, is fully computerized. The automated system used in conjunction with a series of manual controls and approvals provide an effective monitoring procedure.

The firm of Julian & Grube, Inc., has audited the basic financial statements of the City, and the Auditor's Report is included herein. In addition to the financial audit, a single audit was performed as required by the Single Audit Act Amendment of 1996 and the provisions of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. The single audit report is not included in this Comprehensive Annual Financial Report.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2016 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

This transmittal letter is designed to provide historical information about the City, as well as complement the required Management's Discussion and Analysis (MD&A). GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The City's MD&A can be found immediately following the Independent Auditor's Report.

PROFILE OF THE CITY

Findlay Ohio was incorporated in 1838 and is located in the northwestern part of the State of Ohio, and is the county seat and largest city in Hancock County. Findlay is a statutory city that is organized and operates under the statutes as set forth by the Ohio Revised Code; this provides for several elected officials including a Mayor, Council Members, a City Auditor, a Director of Law, and a part-time City Treasurer. All officials are elected to four-year terms except the members of Council who serve for a period of two years. There is a President of Council and ten council persons, three of whom are elected at-large and seven by the respective wards. The Service-Safety Director, Human Resource Director and City Engineer are appointed by the Mayor.

The City provides police and fire protection, engineering and zoning, street construction and maintenance, parks and recreation facilities, a Municipal Court, a cemetery, and general government services. The City also operates several enterprise activities including water treatment and distribution, water pollution control, parking enforcement, and airport maintenance and fuel sales. It is significant that private enterprises provide trash removal and ambulance services. The City's financial statements include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. The City has no component units.

Findlay Municipal Court operates under two elected municipal judges. The jurisdiction of the Court includes the City of Findlay and all of Hancock County except Washington Township and three precincts of a ward within the City of Fostoria, all of which are serviced by the Fostoria Municipal Court. The City's general fund provides the funding for the court, with reimbursement from the County for a percentage of certain administrative costs. The court costs and fines collected through the court are distributed to the various political jurisdictions based on the charges filed in the court. As Findlay Municipal Court is financially interdependent on the City, the activity of the Court has been reflected in an agency fund in the accompanying financial statements, but its operational costs are reflected in the general fund.

The annual budget serves as the foundation of the City's financial planning and control. Statutorily, a budget must be completed by end of first quarter and Findlay started its 2017 fiscal year with a permanent budget. Departmental budgets are prepared by the individual supervisors, approved by the Service-Safety Director, and then submitted to Council members for final review. The legal level of budgetary control is at the departmental level within each fund. Within each departmental budget, the legal level is further broken down to objects "personal services" and "other". All changes in departmental appropriations or changes between the "personal services" and "other" objects within a department require action by the City Council. See Note 2.F to the basic financial statements for further discussion on the City's budgetary process.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

Since the 1980's our community leaders have focused development efforts on diversification. They felt the City's economy should not be dependent on one industry or employment sector. This diversification was a key factor in preventing a much larger down turn in the recent recession, as experienced in other parts of Northwest Ohio. The financial health of the City is dependent on the vibrancy and economic growth of our tax base. The County Unemployment peaked in 2009 at 10.3% and began a steady decline ending 2016 at a 3.6% average, one of the lowest in the State.

Economic development is a key focus for growth of the City. The community expects to continue benefiting tremendously from the corporate split resulting in Marathon Petroleum Corporation headquartered in Findlay. It ranked 42 overall by Fortune 500 in 2016. Marathon has added 400 new, well-paid executive-level positions since the split and is expanding its footprint with a \$90+ million expansion that includes a new headquarters building, administrative building, two parking garages and a hotel. The expansion is expected to create 150 new jobs in the City. Investment in Tall Timbers Industrial Park expansion includes investment in roads, water and sewer in the 300 acre site. McLane Company opened its \$119 million 337,000 square-foot distribution center in Tall Timbers Industrial Park. New full time employment for McLane in the City is expected to be 425 people with an average wage in excess of \$50,000.

The City has benefited significantly in recent years from growth in some of the area's largest employers. In 2016, the City had 22 corporate facility investments from existing firms totaling \$127 million. Job creation in the City totaled 1,070 jobs in 2016. Additionally, Campbell Soup Supply Co. will begin construction of a 741,000 square-foot warehouse that will employ 160 people when it opens in the summer of 2018.

The real estate market and the affiliated businesses had a continued impact on the economy and real estate values remained stable from 2015 to 2016. In 2016, the City issued 13 permits for new business/commercial construction totaling and additions totaling \$40,022,000. The City issued 30 permits for new single family residential construction totaling \$6,292,000.

Raise the Bar Hancock County is a partnership of education, business, social services and community leaders focused on aligning and integrating the Hancock County Ohio community learning system with economic growth and a high quality of life. One of the immediate goals of this organization is to fill job vacancies that exist today and in the near future. Raise the Bar Hancock County has applied to become a 501(c) (3) nonprofit organization. Funding for the workforce development organization is coming from several sources including: The Hancock County Commissioners, the Findlay-Hancock County Community Foundation, Findlay-Hancock Economic Development, United Way of Hancock County and the City of Findlay. Each of these entities has committed \$30,000 per year, for five years beginning in 2016.

The City continues to get positive reviews. For the 17th consecutive year Findlay, Ohio was ranked as one of the best micropolitan communities in the U.S. for new and expanding facilities by *Site Selection* magazine. In 2014, 2015 and 2016, the City remained in the top 10 with a rank of 1st and best. For three years it has been named one of the 100 Best Communities for Young People by America's Promise – Alliance for Youth, which was founded by Colin Powell. Blanchard Valley Hospital has been named one of the 100 top hospitals in the nation five times by Truven Health Analytics. Additionally, the City benefits from The Community Foundation, with assets of more than \$117 million, 40% of which is unrestricted. This Foundation annually provides over \$2 million in grants to the benefit of the local community. The Foundation has become a valuable alternative funding resource for community programs and organizations which address problems to be solved or opportunities to be seized in the local area.

Relevant Financial Policies

The City has maintained its \$1 million Rainy Day Account and maintains an amount in excess of its approximate \$4.4 million minimum unappropriated general fund balance in compliance with its policy. In 2016, the minimum unappropriated balance policy is \$4.6 million or 16.7% of its appropriated general fund expenditures. Additionally, the City has been able to maintain debt limits in line with its Debt Policy adopted in 2008. Income tax growth has been steady, as of December 2016. For income tax receipts, the 5-year average growth of the 1% income tax is 3.67%.

Long-Term Financial Planning

The City's culture has always been one of conservative financial choices, trying to use debt sparingly. This preference for using cash for capital equipment needs as well as yearly road maintenance, park improvements, traffic signal construction, and so on, has given the City a great deal of financial flexibility. We will continue this approach of using cash as much as possible for our capital investments.

Planning and implementation were important in making the final transition to our historic tax revenue base after the Great Recession. Planning has become a key part of managing our departments and the services they provide to the residents of the City. The City's five-year capital improvement plan is annually updated with new projects and equipment. This capital plan enables the City to make choices based on broad, long-term needs. This expenditure planning tool ensures City Council is aware our debt service commitments come first and foremost. Additionally, the City has developed a 2-year budget for 2017 and 2018 and has begun the process of developing a five-year forecast for the general fund. Long term planning has become a standard component of the budget process.

Major Initiatives

The City is divided by the Blanchard River and is located on the south edge of what used to be the Great Black Swamp. In the past decade, the City has experienced several top ten historical flood events. The community understands the need to address this issue for continued economic growth. The Hancock County Commissioners

have taken a lead role and are working closely with the City to lobby for financial support at the State and Federal levels. On April 3, 2017, Stantec, the engineering firm hired by the Hancock County commissioners to propose designs of the county's flood control project, released their final report. The first of several proposals was presented May 5, 2017 to the Maumee Watershed Conservancy District who will make a recommendation to the Maumee Watershed Conservancy Court. The district is expected to ask the court for permission to begin work to improve the river channel in Findlay.

The Hancock County Sales tax is raising about \$3 million per year and is projected to raise an excess of \$25 million over ten years. The unappropriated balance of the County's Capital Projects flood mitigation fund is \$16,915,500 as of May 1, 2017.

The local approach for economic development resulted in an updated organization and reinvigorated efforts to obtain new investment to increase our local base of businesses. The Alliance of the City and Hancock County has become the lead entity and oversees the local Chamber of Commerce, Economic Development, and a Convention and Visitor's Bureau. The City and Hancock County hold voting seats on the board of directors of this group. The economic success of the local area has left limited existing facilities for a potential manufacturing or industrial occupant. A major objective of this group is the completion of a new 300-acre industrial park and local funds have been committed and infrastructure is being put into place which moved this initiative forward in 2016. McLane Company is the first occupant of this new site.

In 2014, the City began to see results from passing a City-wide Community Reinvestment Area or CRA. It essentially credits what would have been increases in real property taxes due to improvements for an opportunity to increase employment due to job creation surrounding new business development, with the City benefiting from increased income tax receipts. Additionally, the CRA allows the City to negotiate for a portion of the real property tax savings to be paid back to the City for specific infrastructure improvements. The CRA is seen as critical component of the City's economic development toolbox.

AWARDS & ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Findlay for its comprehensive annual financial report (CAFR) for the fiscal 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, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The staff of the Auditor's Office is a very talented, knowledgeable group; thank you to Amy Baird, Carolyn Ehrnschwender, Jennifer Niederkohr, and Ginger Sampson for their accurate and diligent work during 2016, which created the foundation for these financial reports. Ginger Sampson's knowledge and dedication have been instrumental in issuing this report. I would also like to thank our consultants, Julian & Grube, Inc. for their efforts in the development of this CAFR.

Respectfully submitted,



Jim Staschiak II
City Auditor

CITY OF FINDLAY, OHIO
ELECTED AND APPOINTED OFFICIALS
AS OF DECEMBER 31, 2016

ELECTED OFFICIALS

Mayor	Lydia Mihalik
Auditor	Jim Staschiak II
Municipal Court Judge	Jonathan Starn
Municipal Court Judge	Mark Miller
Treasurer	Susan J. Hite
Law Director	Donald Rasmussen

Council President	James P. Slough
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At Large	Grant Russel
At Large	Thomas Shindledecker
At Large	Jeffrey Wobser
First Ward	Holly Frische
Second Ward	Dennis Hellmann
Third Ward	R. Ronald Monday
Fourth Ward	Thomas Klein
Fifth Ward	John Harrington
Sixth Ward	James Niemeyer
Seventh Ward	Tim Watson

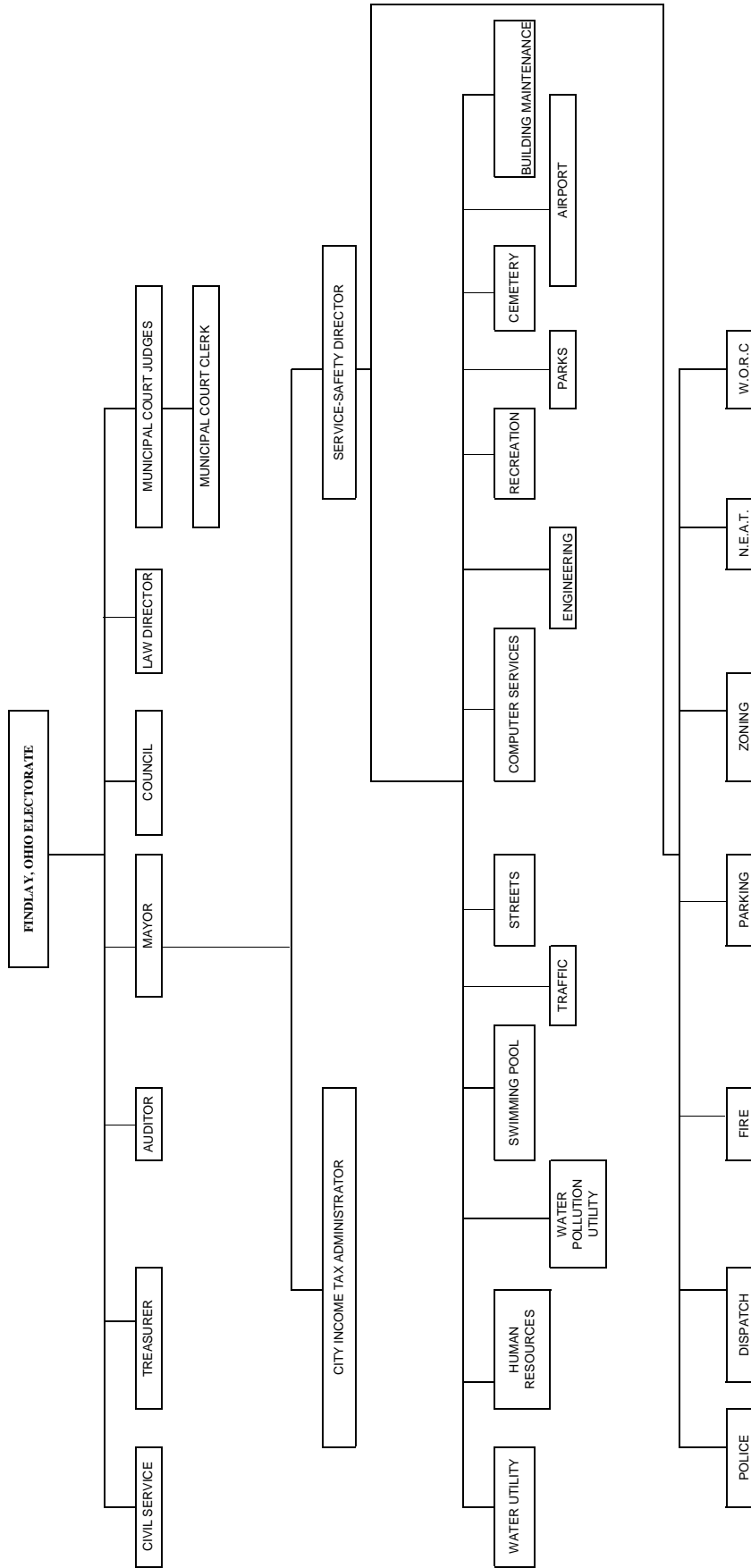
APPOINTED OFFICIALS

Service - Safety Director	Paul Schmelzer, P.E., P.S.
City Income Tax Administrator	Andrew L. Thomas
Municipal Court Clerk	David Spridgeon

CITY AUDITOR'S OFFICE

City Auditor	Jim Staschiak II
Deputy City Auditor	Ginger Sampson, CPA
Audit Clerk	Carolyn Ehrnschwender
Audit Clerk	Makalia Schultz
Audit Clerk	Amy Baird

**CITY OF FINDLAY, OHIO
ORGANIZATIONAL CHART**





Government Finance Officers Association

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

Presented to

**City of Findlay
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

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Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

City of Findlay
Hancock County
318 Dorney Plaza, Room 114
Findlay, Ohio 45840

To the Members of Council and Mayor:

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 Findlay, Hancock County, Ohio, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Findlay's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report
City of Findlay

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Findlay, Hancock County, Ohio, as of December 31, 2016, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Street Maintenance and Repair Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

The financial statements of the City of Findlay as of and for the year ended December 31, 2015 were *audited by a predecessor auditor*. An unmodified opinion was issued June 27, 2016 by the predecessor auditor. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Independent Auditor's Report
City of Findlay

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2017, on our consideration of the City of Findlay's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Findlay's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
June 15, 2017

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CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

The management's discussion and analysis (MD&A) of the City of Findlay's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2016. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

- The total net position of the City increased \$7,880,894 over the prior year. Net position of governmental activities increased \$2,636,031 or 2.92% from 2015 and net position of business-type activities increased \$5,244,863 or 3.52% over 2015.
- General revenues accounted for \$30,482,458 or 79.09% of total governmental activities revenue. Program specific revenues accounted for \$8,060,990 or 20.91% of total governmental activities revenue.
- The City had \$35,694,108 in expenses related to governmental activities; \$8,060,990 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$27,633,118 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$30,482,458.
- The general fund had revenues of \$33,069,851 in 2016. This represents a 0.01% decrease from 2015. Transfers-in amounted to \$414,288. The expenditures of the general fund, which totaled \$29,206,043 in 2016, increased \$3,052,780 from 2015. The City had transfers out to other funds of \$4,744,566. The net decrease in fund balance for the general fund was \$200,196 or 0.80%.
- The street maintenance and repair fund had revenues and other financing sources of \$6,089,754 in 2016. This represents a decrease of \$3,035,662 from 2015 revenues and other financing sources. The expenditures and other financing uses of the street maintenance and repair fund, totaled \$6,285,729 in 2016 which was a decrease of \$2,872,507 from 2015. The net decrease in fund balance for the street maintenance and repair fund was \$91,538 or 3.81%.
- Net position for the business-type activities which are made up of the Water, Water Pollution Control, Airport, Parking Facilities, and Swimming Pool operations, increased in 2016 by \$5,244,863. This increase in net position was due primarily to adequate charges for services revenue to cover operating expenses coupled with the receipt of approximately \$1,987,099 in capital contributions during the year.

Using this Comprehensive Annual Financial Report

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we 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 similar to the accounting used by most private-sector companies. The accrual basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is actually received or paid.

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

In the statement of net position and the statement of activities, the City is divided into two distinct kinds of activities:

Governmental activities - Most of the City's programs and services are reported here including police, fire, street maintenance, parks and recreation, capital improvements and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including federal and state grants and other shared revenues.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's water, water pollution control, airport, parking facilities, and swimming pool operations are reported here.

The City's Statement of Net Position and Statement of Activities can be found on pages 39-41 of this report.

Reporting the City's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, 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 can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 27.

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

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 fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on 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 the 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, the 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.

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund and street maintenance and repair fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 42-50 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, water pollution control, airport, parking facilities, and swimming pool functions. The water, water pollution control and airport funds are considered major funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The basic proprietary fund financial statements can be found on pages 52-59 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Private-purpose trust and agency funds are the City's fiduciary fund types. The basic fiduciary fund financial statements can be found on pages 60-61 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 63-120 of this report.

Required Supplementary Information (RSI)

The RSI contains information regarding the City's proportionate share of the Ohio Public Employees Retirement System's (OPERS) and Ohio Police and Fire Retirement System (OP&F) net pension liability/net pension asset and the City's schedule of contributions to OPERS and OP&F. The RSI can be found on pages 122-127 of this report.

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Government-Wide Financial Analysis

The table below provides a summary of the City's net position at December 31, 2016 and 2015.

	Net Position					
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	2016	2015
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>Total</u>	<u>Total</u>
<u>Assets</u>						
Current and other assets	\$ 45,970,072	\$ 44,915,354	\$ 28,128,644	\$ 27,459,027	\$ 74,098,716	\$ 72,374,381
Capital assets, net	<u>88,986,687</u>	<u>86,047,611</u>	<u>150,334,445</u>	<u>150,238,361</u>	<u>239,321,132</u>	<u>236,285,972</u>
Total assets	<u>134,956,759</u>	<u>130,962,965</u>	<u>178,463,089</u>	<u>177,697,388</u>	<u>313,419,848</u>	<u>308,660,353</u>
Deferred outflows	<u>9,576,213</u>	<u>3,615,128</u>	<u>1,839,252</u>	<u>701,749</u>	<u>11,415,465</u>	<u>4,316,877</u>
<u>Liabilities</u>						
Current and other liabilities	2,450,410	2,899,402	1,604,004	2,100,302	4,054,414	4,999,704
Long-term liabilities	<u>46,042,833</u>	<u>38,550,587</u>	<u>24,401,116</u>	<u>27,283,157</u>	<u>70,443,949</u>	<u>65,833,744</u>
Total liabilities	<u>48,493,243</u>	<u>41,449,989</u>	<u>26,005,120</u>	<u>29,383,459</u>	<u>74,498,363</u>	<u>70,833,448</u>
Deferred inflows	<u>3,124,676</u>	<u>2,849,082</u>	<u>96,157</u>	<u>59,477</u>	<u>3,220,833</u>	<u>2,908,559</u>
<u>Net Position</u>						
Net investment in capital assets	81,341,015	78,187,482	131,517,130	126,775,309	212,858,145	204,962,791
Restricted	7,208,614	8,553,883	5,989,837	5,071,300	13,198,451	13,625,183
Unrestricted	<u>4,365,424</u>	<u>3,537,657</u>	<u>16,694,097</u>	<u>17,109,592</u>	<u>21,059,521</u>	<u>20,647,249</u>
Total net position	<u>\$ 92,915,053</u>	<u>\$ 90,279,022</u>	<u>\$ 154,201,064</u>	<u>\$ 148,956,201</u>	<u>\$ 247,116,117</u>	<u>\$ 239,235,223</u>

The City adopted Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68" which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability/asset to the reported net position and subtracting deferred outflows related to pension.

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

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2016, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$247,116,117. At year-end, net position was \$92,915,053 and \$154,201,064 for the governmental activities and the business-type activities, respectively.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets represented 76.36% of total assets. Capital assets include land, computer software, buildings and improvements, improvements other than buildings, machinery and equipment, utility plant in service, utility lines in service, construction in progress and infrastructure. The net investment in capital assets at December 31, 2016, was \$81,341,015 and \$131,517,130 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets are not used to liquidate these liabilities.

As of December 31, 2016, the City 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. A portion of the City's net position, \$13,198,451 represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$21,059,521 may be used to meet the government's ongoing obligations to citizens and creditors.

Current and other assets remained comparable to the prior year. Capital assets, net increased as the City completed construction projects. Long-term liabilities increased due to an increase in the City's net pension liability.

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CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

The table below shows the changes in net position for fiscal year 2016 and 2015.

	Change in Net Position					
	Governmental	Governmental	Business-type	Business-type	2016	2015
	Activities	Activities	Activities	Activities	Total	Total
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>		
Revenues						
Program revenues:						
Charges for services	\$ 4,080,144	\$ 4,602,981	\$ 18,816,804	\$ 19,254,843	\$ 22,896,948	\$ 23,857,824
Operating grants and contributions	3,056,083	2,560,912	146,362	282,466	3,202,445	2,843,378
Capital grants and contributions	<u>924,763</u>	<u>2,358,020</u>	<u>1,987,099</u>	<u>529,202</u>	<u>2,911,862</u>	<u>2,887,222</u>
Total program revenues	<u>8,060,990</u>	<u>9,521,913</u>	<u>20,950,265</u>	<u>20,066,511</u>	<u>29,011,255</u>	<u>29,588,424</u>
General revenues:						
Property taxes	2,955,824	2,894,894	-	-	2,955,824	2,894,894
Income taxes	25,505,967	23,365,523	-	-	25,505,967	23,365,523
Unrestricted grants and entitlements	833,401	1,026,477	-	-	833,401	1,026,477
Tax increment financing	71,783	71,985	-	-	71,783	71,985
Investment earnings	143,048	82,858	104,573	63,699	247,621	146,557
Increase in fair value of investments	54,343	(54,665)	-	-	54,343	(54,665)
Miscellaneous	<u>918,092</u>	<u>1,033,630</u>	<u>162,524</u>	<u>101,590</u>	<u>1,080,616</u>	<u>1,135,220</u>
Total general revenues	<u>30,482,458</u>	<u>28,420,702</u>	<u>267,097</u>	<u>165,289</u>	<u>30,749,555</u>	<u>28,585,991</u>
Total revenues	<u>38,543,448</u>	<u>37,942,615</u>	<u>21,217,362</u>	<u>20,231,800</u>	<u>59,760,810</u>	<u>58,174,415</u>
Expenses:						
General government	9,570,553	7,685,516	-	-	9,570,553	7,685,516
Security of persons and property	16,061,874	15,342,739	-	-	16,061,874	15,342,739
Public health and welfare	1,715,431	2,198,660	-	-	1,715,431	2,198,660
Transportation	6,130,358	6,507,689	-	-	6,130,358	6,507,689
Leisure time activity	1,789,883	1,524,053	-	-	1,789,883	1,524,053
Interest and fiscal charges	426,009	340,235	-	-	426,009	340,235
Water	-	-	6,192,080	5,749,014	6,192,080	5,749,014
Water pollution control	-	-	7,998,804	7,071,836	7,998,804	7,071,836
Airport	-	-	1,781,823	1,807,053	1,781,823	1,807,053
Parking facilities	-	-	105,993	102,631	105,993	102,631
Swimming pool	<u>-</u>	<u>-</u>	<u>107,108</u>	<u>107,005</u>	<u>107,108</u>	<u>107,005</u>
Total expenses	<u>35,694,108</u>	<u>33,598,892</u>	<u>16,185,808</u>	<u>14,837,539</u>	<u>51,879,916</u>	<u>48,436,431</u>
Increase in net position before transfers	2,849,340	4,343,723	5,031,554	5,394,261	7,880,894	9,737,984
Transfers	<u>(213,309)</u>	<u>479,921</u>	<u>213,309</u>	<u>(479,921)</u>	<u>-</u>	<u>-</u>
Increase in net position	2,636,031	4,823,644	5,244,863	4,914,340	7,880,894	9,737,984
Net position at beginning of year	<u>90,279,022</u>	<u>85,455,378</u>	<u>148,956,201</u>	<u>144,041,861</u>	<u>239,235,223</u>	<u>N/A</u>
Net position at end of year	<u>\$ 92,915,053</u>	<u>\$ 90,279,022</u>	<u>\$ 154,201,064</u>	<u>\$ 144,041,861</u>	<u>\$ 247,116,117</u>	<u>\$ 234,320,883</u>

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

Governmental Activities

Governmental activities net position increased \$2,636,031 in 2016 as the revenue increase over 2015 of 1.58% was still sufficient to cover the expense increase from 2015 of 6.24%.

The City's income tax revenue increased \$2,140,444, or 9.16%, from 2015 due to increased collections due to improved economic conditions.

The City's total governmental activities expenses increased \$2,095,216, or 6.24% from 2015. Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$16,061,874 of the total expenses of the City. These expenses were partially funded by \$260,556 in direct charges to users of the services.

General government expenses totaled \$9,570,553. General government expenses were partially funded by \$2,944,742 in direct charges to users of the services. General government expenses increased \$1,885,037, or 24.53% from 2015.

Transportation expenses relate to road maintenance and construction. Transportation expenses decreased \$377,331 from 2015 to 2016.

Operating grants and contributions, consisting of state and federal government contributions, totaled \$3,056,083 for 2016. This represents an increase of \$495,171 or 19.34%. These operating grants and contributions consist primarily of restricted federal and state grant revenues, property tax rollbacks, fuel taxes and motor vehicle license fees. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$2,108,538 subsidized transportation programs.

The City had a total of \$924,763 in capital grants and contributions during 2016. These capital grants and contributions consist primarily of federal and state grant revenues that are restricted for capital acquisition and construction. All of the total capital grants and contributions, \$924,763 subsidized transportation programs. Capital grants and contributions decreased \$1,433,257 from 2015.

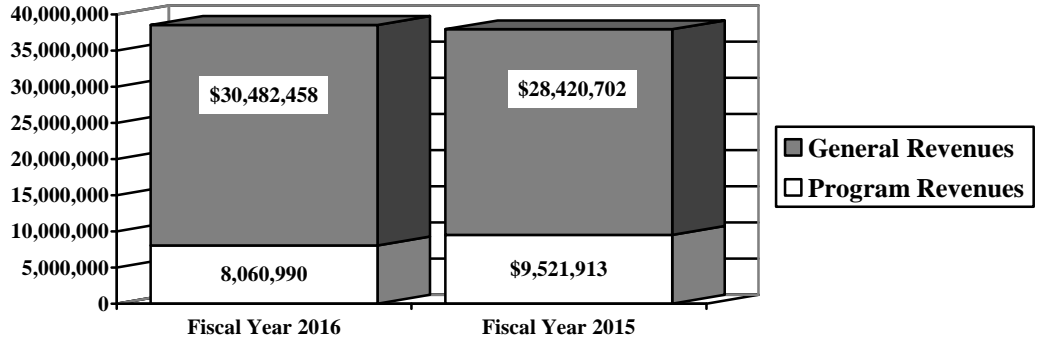
General revenues totaled \$30,482,458, and amounted to 79.09% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$2,955,824 and \$25,505,967, respectively. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government funding from the State of Ohio, making up \$833,401. The largest increase was in income tax revenue which increased \$2,140,444 or 9.61%.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

The graph below compares the City's general revenues (which includes property taxes, income taxes and unrestricted grants and entitlements) and program revenues for fiscal year 2016 and 2015.

Governmental Activities – General and Program Revenues



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

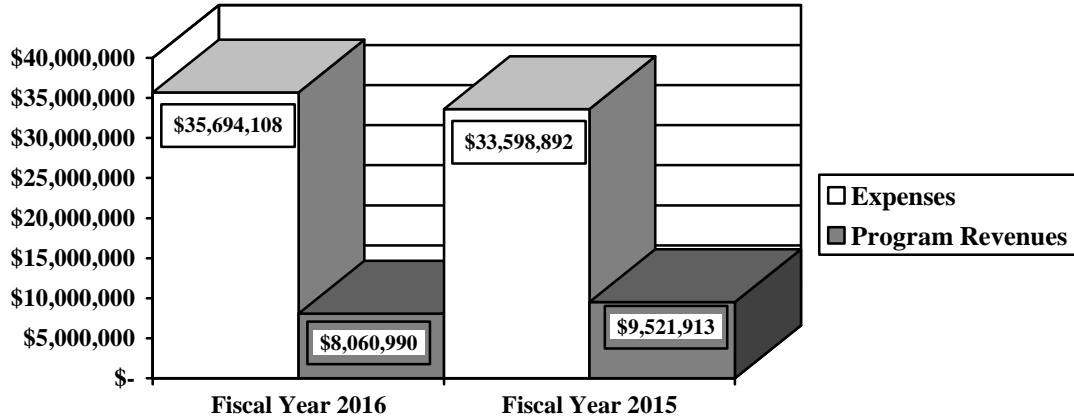
	Governmental Activities			
	Total Cost of Services <u>2016</u>	Net Cost of Services <u>2016</u>	Total Cost of Services <u>2015</u>	Net Cost of Services <u>2015</u>
Program Expenses:				
General government	\$ 9,570,553	\$ 6,089,398	\$ 7,685,516	\$ 4,111,023
Security of persons and property	16,061,874	15,791,616	15,342,739	14,965,631
Public health and welfare	1,715,431	1,124,355	2,198,660	991,133
Transportation	6,130,358	2,959,221	6,507,689	2,768,609
Leisure time activity	1,789,883	1,276,558	1,524,053	933,761
Interest and fiscal charges	426,009	391,970	340,235	306,822
Total	<u>\$ 35,694,108</u>	<u>\$ 27,633,118</u>	<u>\$ 33,598,892</u>	<u>\$ 24,076,979</u>

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

The dependence upon general revenues for governmental activities is apparent, with 77.42% of expenses supported through taxes and other general revenues.

Governmental Activities – Program Revenues vs. Total Expenses

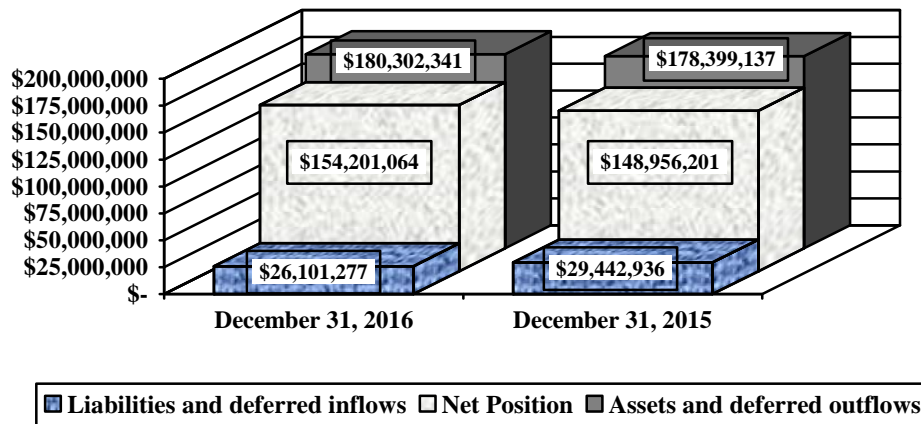


Business-type Activities

The net position of the business-type activities, include the water, water pollution control, airport, parking facilities, and swimming pool operations. These operations had program revenues of \$20,950,265 which were sufficient to support the total expenses of \$16,185,808. Program revenues exceeded total expenses by \$4,764,457 in 2016.

The graph below shows the business-type activities assets and deferred outflow, liabilities and deferred inflows and net position at year-end.

Net Position of Business - Type Activities



CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

Net position of the business-type activities continued to grow. The City's charges for services program revenues decreased \$438,039 or 2.27% from 2015. The City's capital grants and contributions program revenues increased \$1,457,897 or 275.49% from 2015 due primarily to increased grant funding for water and water pollution control projects. Expenses of the business-type activities increased \$1,348,269, or 9.09%, primarily due to an increase of water pollution control expenses of \$926,968. For fiscal year 2016 and 2015, program revenues for the business-type activities exceeded expenses of the business-type activities by \$4,764,457 and \$5,228,972, respectively. Capital assets for the business-type activities increased \$96,084 due to capital outlays exceeding depreciation expense for 2016. The increase in capital contributions revenue resulted in an increase in capital outlays for 2016. Capital contributions are revenues received that are restricted for capital expenses and may not be used to finance the operations of the enterprise activities.

Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Fund balance includes various categories as described in Note 2.N and detailed in Note 15 to the financial statements. The City's governmental funds (as presented on the balance sheet on pages 42-43) reported a combined fund balance of \$31,734,570 which is \$217,068 above last year's total of \$31,517,502.

The schedule below indicates the fund balances as of December 31, 2016, 2015 and 2014 for all governmental funds.

	<u>Fund Balances</u> <u>12/31/16</u>	<u>Fund Balances</u> <u>12/31/15</u>	<u>Fund Balances</u> <u>12/31/14</u>	<u>Increase</u> <u>2016 - 2015</u>	<u>Increase</u> <u>2015-2014</u>
Major funds:					
General	\$ 24,904,406	\$ 25,104,602	\$ 23,661,158	\$ (200,196)	\$ 1,443,444
Street maintenance and repair	2,308,600	2,400,138	2,441,658	(91,538)	(41,520)
Nonmajor governmental funds	<u>4,521,564</u>	<u>4,012,762</u>	<u>4,435,465</u>	<u>508,802</u>	<u>(422,703)</u>
Total	<u>\$ 31,734,570</u>	<u>\$ 31,517,502</u>	<u>\$ 30,538,281</u>	<u>\$ 217,068</u>	<u>\$ 979,221</u>

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

General Fund

The City's general fund balance decreased \$200,196 from 2015. Revenues decrease \$4,869 from 2015 while expenditures increased \$3,530,406. The increase in expense is due to an increase of \$1,910,776 in capital outlay. The table that follows assists in illustrating the revenues of the general fund for 2016, 2015 and 2014:

	<u>2016</u> <u>Amount</u>	<u>2015</u> <u>Amount</u>	<u>2014</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u> <u>2016 - 2015</u>	<u>Increase/</u> <u>(Decrease)</u> <u>2015 - 2014</u>
<u>Revenues</u>					
Taxes	\$ 27,252,420	\$ 25,786,787	\$ 23,336,559	\$ 1,465,633	\$ 2,450,228
Charges for services	1,403,730	2,327,736	2,341,892	(924,006)	(14,156)
Licenses and permits	410,927	309,477	314,881	101,450	(5,404)
Fines and forfeitures	1,190,105	1,248,687	1,103,923	(58,582)	144,764
Investment income	137,915	81,887	43,234	56,028	38,653
Increase (decrease) in fair value of investments	54,343	(54,665)	(7,943)	109,008	(46,722)
Intergovernmental	1,625,540	1,877,342	1,217,567	(251,802)	659,775
Other	<u>994,871</u>	<u>1,497,469</u>	<u>1,215,626</u>	<u>(502,598)</u>	<u>281,843</u>
Total	<u>\$ 33,069,851</u>	<u>\$ 33,074,720</u>	<u>\$ 29,565,739</u>	<u>\$ (4,869)</u>	<u>\$ 3,508,981</u>

Tax revenue in the general fund represents property, income and other local taxes. Tax revenue represents 82.41% of all general fund revenue. The general fund receives 2.6 mills in real estate collections on an annual basis, and there are no voted levies in addition to that millage. Tax revenue did not increase or decrease from the prior year.

The general fund, which includes the city income tax fund on a GAAP-basis, had \$24,732,412 in income tax revenue in 2016. The income tax revenues are included in the "taxes" revenues listed above. The city income tax revenues increased \$1,398,877 from 2015 primarily due to increased collections and improved economic conditions.

Charges for services revenue decreased \$924,006 from 2015. Charges for services primarily relate to fees charged from programs related to leisure time activities and public health and welfare programs. Effective January 1, 2016, the City's Health Department merged with the Hancock County Health Department to form the Hancock Public Health District. The Health District operates independent of the City thus causing a reduction to charges for services revenues.

Licenses and permits revenue increased \$101,450 from 2015. The increase was primarily due to an increase in professional and occupancy licenses revenue generated in 2016.

Fines and forfeitures revenue decreased \$58,582 from 2015 primarily in the areas of court fines and fees.

The increase in investment income is primarily due to improved interest rates on applicable investments and more monies invested by the City.

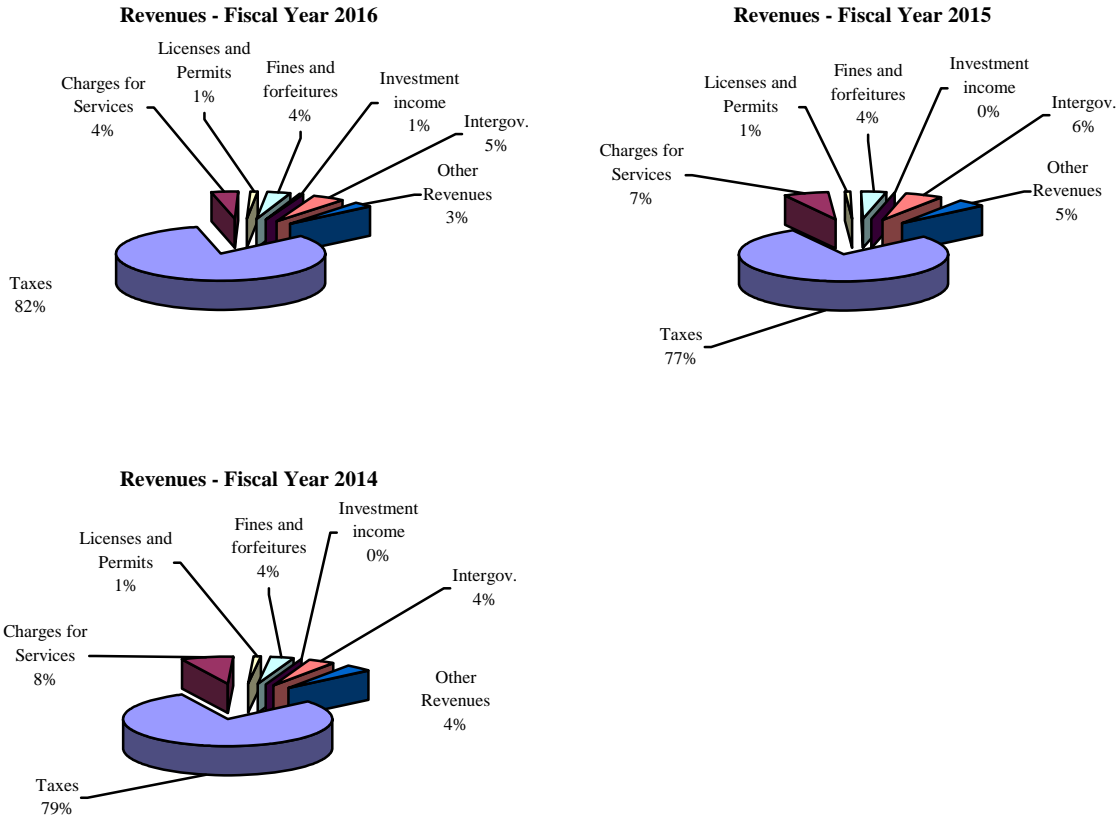
At December 31, 2016, the fair value of the City's federal agency securities increased \$54,343 from the fair value of these securities at December 31, 2015. These securities fluctuate in value depending upon market conditions. The City intends to hold investments to maturity thus eliminating the effects of fluctuations in fair value.

Other revenues decreased \$502,598 from 2015. Other revenues include rental income, contributions and donations and miscellaneous revenues.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

The graphs below reflect the percentage of revenues, by source, for 2016, 2015 and 2014:



The table that follows assists in illustrating the expenditures of the general fund for 2016, 2015 and 2014.

	2016 <u>Amount</u>	2015 <u>Amount</u>	2014 <u>Amount</u>	Increase/ (Decrease) 2016 - 2015	Increase/ (Decrease) 2015 - 2014
<u>Expenditures</u>					
General government	\$ 8,244,903	\$ 6,759,404	\$ 6,455,841	\$ 1,485,499	\$ 303,563
Security of persons and property	14,394,878	14,332,173	13,930,163	62,705	402,010
Public health and welfare	1,617,447	2,194,549	2,127,934	(577,102)	66,615
Leisure time activity	1,339,667	1,168,765	1,178,546	170,902	(9,781)
Capital outlay	<u>3,609,148</u>	<u>1,698,372</u>	<u>939,610</u>	<u>1,910,776</u>	<u>758,762</u>
Total	<u>\$ 29,206,043</u>	<u>\$ 26,153,263</u>	<u>\$ 24,632,094</u>	<u>\$ 3,052,780</u>	<u>\$ 1,521,169</u>

General government expenditures increased \$1,485,499 from 2015. The increase resulted from an increase in general contracted services supporting the City's government operations and an increase in contracted services related to municipal court. In addition, the City incurred additional expenditures for downtown revitalization and economic development.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

Security of persons and property expenditures, those related primarily to police and fire operations, increased \$62,705 from 2015. The increase in police operations is primarily in the area of repairs and maintenance expenditures and the increase in fire operations is primarily in the area of salary and wages and fringe benefits.

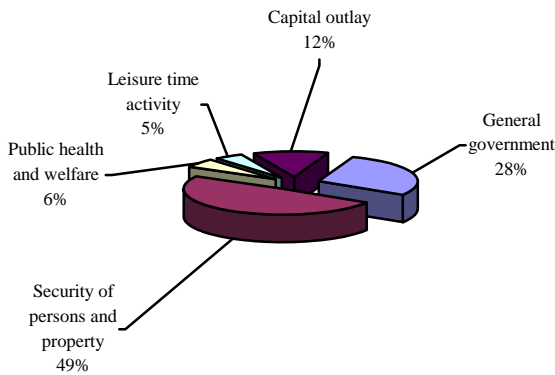
Public health and welfare decreased from the prior year as, effective January 1, 2016, the City's Health Department merged with the Hancock County Health Department to form the Hancock Public Health District. The Health District operates independent of the City.

Leisure time activities relate primarily to the operations of parks, recreation and the Cube. Total leisure time activities expenditures increased \$170,902 from 2015. The increase was in overall general operating expenses due to increased activity.

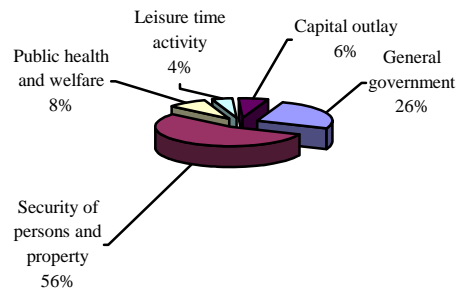
Capital outlay expenditures increased \$1,910,776 as the City performed more construction and various other projects in 2016 versus 2015. During 2016, the City incurred expenditures related to the P25 Multi-Agency Radio Communications System (MARCS Radio) conversion, improvements to Miracle field/diamonds, municipal court expansion, performing arts center parking, portable radio replacement project, the Ohio 629-McLane project. The City closely monitors capital outlays to perform only essential improvements.

The graphs below reflect the percentage of expenditures, by function, for 2016, 2015 and 2014:

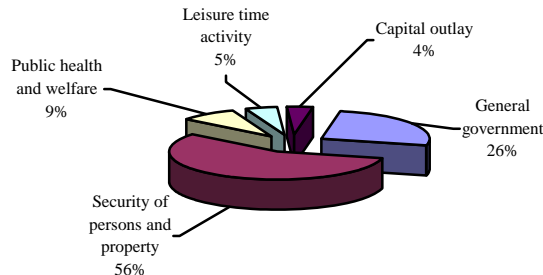
Expenditures - Fiscal Year 2016



Expenditures - Fiscal Year 2015



Expenditures - Fiscal Year 2014



CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

Street Maintenance and Repair Fund

The street maintenance and repair fund had revenues and other financing sources of \$6,089,754 in 2016. This represents a decrease of \$3,035,662 from 2015 revenues and other financing sources. The 2015 other financing sources included transfers in of \$5,917,888 that were decreased to \$3,472,516 in 2016. The expenditures and other financing uses of the street maintenance and repair fund, which totaled \$6,285,729 in 2016 decreased \$2,872,507 from 2015. The net decrease in fund balance for the street maintenance and repair fund was \$91,538 or 3.81%. The street maintenance and repair fund capital outlays was approximately \$2,493,803 less in 2016 versus 2015 primarily due to decreased expenditures resulted from the completion of Phase I of the Fostoria Avenue Drainage project being completed in 2015 and Phase II beginning in 2016 and the Tiffin Avenue curb replacement project which was completed in 2015.

General Fund Budgeting Highlights

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

For the general fund, the most significant changes were between the original and final budgeted amount in the area of expenditures and other financing uses, which increased \$7,847,018 from \$26,290,796 to \$34,137,814. The primary reason for the increase is an increase in budgeted transfers out which were \$845,000 in the original budget and \$2,852,750 in the final budget. Projects of the general fund are budgeted on a multi-year project basis and are not included in the original budget as part of the annual operating appropriation process. The final budget amounts for these projects represent supplemental appropriations which equal the actual capital outlays incurred during the year. This accounts for \$3,309,643, or 42.18%, of the \$7,847,018 increase from the original budget to the final budget. In addition, the City increased budgeted expenditures for general government by \$975,538 for non-capital projects related to general government operations. Actual expenditures and other financing uses of \$31,413,478 were lower than final appropriated expenditures and other financing uses of \$34,137,814 by \$2,724,336.

Original budgeted revenues and other financing sources increased \$7,096,029 to amounts reported in the final budget primarily due to the budgeting of intergovernmental revenues and transfers in related to multi-year projects as the supplemental appropriations were enacted. Actual revenues and other financing sources of \$30,795,273 were \$2,448,981 less than final budgeted revenues and other financing sources of \$33,244,254.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The only interfund activity reported in the government wide statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements.

Water Fund

The waterworks system has been municipally owned since it was first developed in 1888. Improvements have been made as needed and are financed from revenues of the system. The current facilities include two upland raw water storage reservoirs with a capacity of 6.4 billion gallons, a raw water pump station located at the reservoir, raw water lines that feed into the lime-soda softening water treatment plant, high service pumps, and a 320-mile distribution system with two elevated storage tanks. There is treated water storage capacity at the plant of 4.5 million gallons plus

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

2.75 million gallons in the two elevated towers. The plant is able to treat 16 million gallons per day, and in the future can be expanded to 24 million gallons per day if the customer demand for treated water increases to that level.

User charge rates are established to provide revenue for operation and maintenance of the treatment facility, the reservoir, and the distribution system. In addition, the charge rates must be set to support all capital improvements and debt service requirements. In accordance with Ohio law, the Service-Safety Director has the ability to revise the charge rates. Information regarding water customers for 2016 is presented below:

Ten Largest Single Water Customers

<u>Customer Account</u>	<u>Volume *HCF</u>	<u>Revenue</u>	<u>% of Total Revenue</u>
Whirlpool	138,327	\$563,996	7.47%
Cooper Corp	108,083	294,847	3.90%
Ball Metal	66,983	272,842	3.61%
Blanchard Valley Hospital	60,307	169,101	2.24%
University of Findlay	33,007	107,836	1.43%
Sanoh America Inc.	37,117	99,107	1.32%
City Laundry/Kramer Ent	34,789	94,134	1.25%
Createc	32,853	88,662	1.17%
Nissin Brake	28,027	75,288	1.00%
Marathon Petroleum	<u>24,680</u>	<u>69,614</u>	0.92%
Total Top Ten	564,173	\$1,836,027	24.32%
All Other Customers	<u>1,645,552</u>	<u>5,714,925</u>	<u>75.68%</u>
Total	<u>2,209,725</u>	<u>\$7,550,952</u>	<u>100.00%</u>

**Total Customer Use
By Class & Location**

<u>Customer Class</u>	<u>*HCF Water Use</u>	<u>Revenue</u>	<u>% of Total Revenue</u>
Inside City/Residential	756,291	\$2,574,337	34.09%
Inside City/Commercial	733,623	2,198,876	29.12%
Inside City/Industrial	267,224	727,546	9.64%
Outside City/Residential	158,094	793,222	10.50%
Outside City/Commercial	84,263	396,632	5.25%
Outside City/Industrial	<u>210,230</u>	<u>860,339</u>	<u>11.39%</u>
Total	<u>2,209,725</u>	<u>\$7,550,952</u>	<u>100.00%</u>
Total Water Customers	17,884		

* Hundred Cubic Feet

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Water Pollution Control Fund

The City's wastewater treatment facility has been updated and improved to maintain compliance with all EPA discharge permit standards. During the late 1980's, major renovations were made to the Broad Avenue treatment plant and a 6.0 million gallon per day (MGD) oxidation ditch type of treatment plant was constructed on River Road. In 2000, construction began on two additional oxidation ditches, two additional final clarifiers and UV disinfecting at the River Road Plant. This expansion of the facility was fully operational in July 2001. The design of the River Road Plant allows for the construction of additional modules as demand on the facilities increases. Currently the treatment plant provides for a 15 MGD average design flow and a 40 MGD peak design flow. In addition, the city is working toward a comprehensive stormwater management plan to comply with EPA guidelines. Information regarding wastewater customers for 2016 is presented below:

Ten Largest Single Wastewater Customers

<u>Customer</u>	<u>Revenue</u>	Percent of <u>Total</u>
University of Findlay	\$135,781	1.59%
Blanchard Valley Hospital	133,489	1.56%
Cooper Corp	129,799	1.52%
Whirlpool	124,620	1.46%
Sanoh America, Inc.	72,546	0.85%
City Laundry/Kramer Ent.	69,189	0.81%
Ball Metal	66,819	0.78%
Marathon Petroleum	62,319	0.73%
Findlay Bd of Education	57,874	0.68%
Hancock County	<u>53,861</u>	<u>0.63%</u>
Total Top Ten	\$ 906,297	10.59%
All Other Customers	<u>7,649,528</u>	<u>89.37%</u>
Total	<u>\$8,555,825</u>	<u>100.00%</u>

**Total Customer Use
By Class & Location**

<u>Customer Class</u>	<u>Revenue</u>	% of Total <u>Revenue</u>
Inside City/Residential	\$4,104,152	47.97%
Inside City/Commercial	2,323,285	27.15%
Inside City/Industrial	462,038	5.40%
Outside City/Residential	1,089,351	12.73%
Outside City/Commercial	321,577	3.76%
Outside City/Industrial	<u>255,422</u>	<u>2.99%</u>
Total	<u>\$8,555,825</u>	<u>100.00%</u>
Total Wastewater Customers Inside Corp		14,623
Total Wastewater Customers Outside Corp		2,695

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2016, the City had \$239,321,132 (net of accumulated depreciation) invested in land, software, non-depreciable land improvements, buildings and improvements, improvements other than buildings (I.O.T.B.), machinery and equipment, utility plant in service, utility lines in service, infrastructure and construction in progress (CIP). Of this total, \$88,986,687 was reported in governmental activities and \$150,334,445 was reported in business-type activities. The following table shows fiscal year 2016 balances compared to 2015:

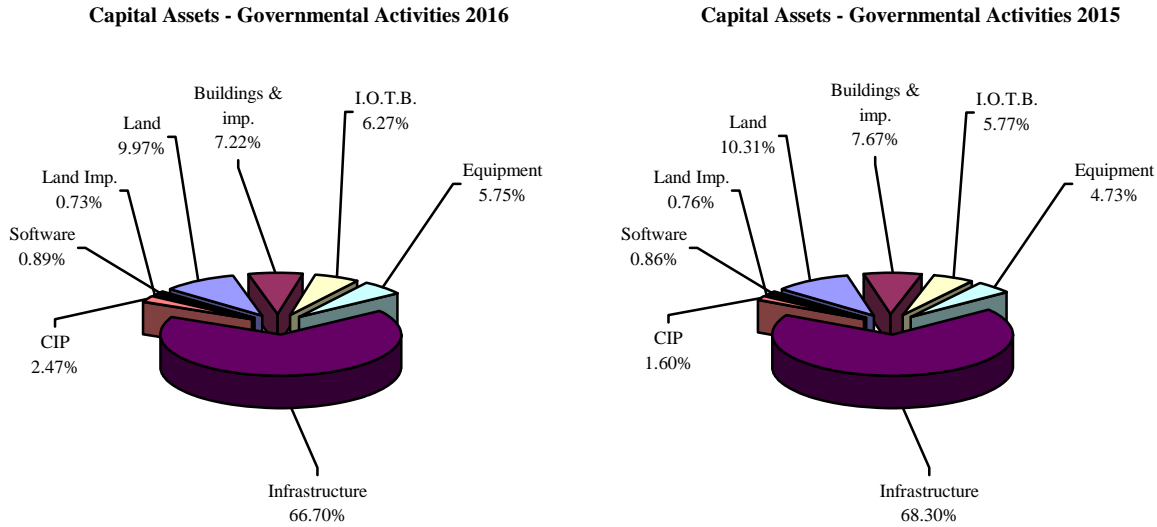
**Capital Assets at December
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 8,875,082	\$ 8,875,082	\$ 4,734,694	\$ 4,734,694	\$ 13,609,776	\$ 13,609,776
Land improvements	653,392	653,392	-	-	653,392	653,392
Software	788,201	738,601	100,272	100,272	888,473	838,873
Buildings and improvements	6,424,699	6,597,735	-	413	6,424,699	6,598,148
I.O.T.B.	5,575,623	4,962,886	19,121,460	16,857,098	24,697,083	21,819,984
Utility plant in service	-	-	41,151,174	42,658,027	41,151,174	42,658,027
Utility lines in service	-	-	82,019,002	79,947,133	82,019,002	79,947,133
Machinery and equipment	5,116,881	4,073,137	2,572,922	168,895	7,689,803	4,242,032
Infrastructure	59,356,269	58,771,425	-	-	59,356,269	58,771,425
Construction in progress	<u>2,196,540</u>	<u>1,375,353</u>	<u>634,921</u>	<u>5,771,829</u>	<u>2,831,461</u>	<u>7,147,182</u>
Totals	<u>\$ 88,986,687</u>	<u>\$ 86,047,611</u>	<u>\$ 150,334,445</u>	<u>\$ 150,238,361</u>	<u>\$ 239,321,132</u>	<u>\$ 236,285,972</u>

CITY OF FINDLAY, OHIO

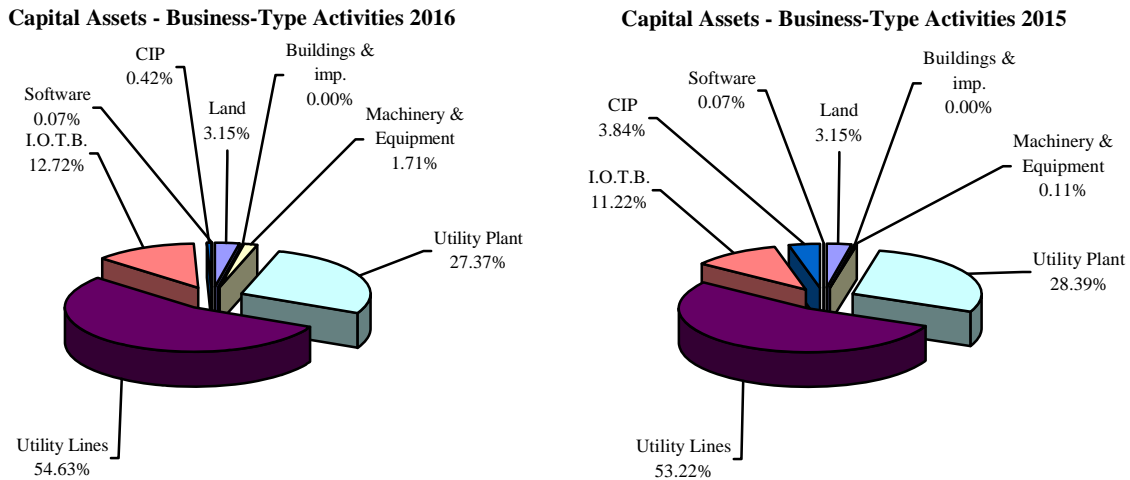
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

The following graphs show the breakdown of governmental capital assets by category for 2016 and 2015.



The City's largest governmental capital asset category is infrastructure which includes streets, storm sewers, and traffic signals. These items are immovable and of value only to the City; however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 66.70% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category for 2016 and 2015.



The City's largest business-type capital asset category, are utility lines that primarily includes water and sewer lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's utility lines (cost less accumulated depreciation) represents approximately 54.63% of the City's total business-type capital assets.

See Note 8 to the basic financial statements for further detail on capital assets.

CITY OF FINDLAY, OHIO

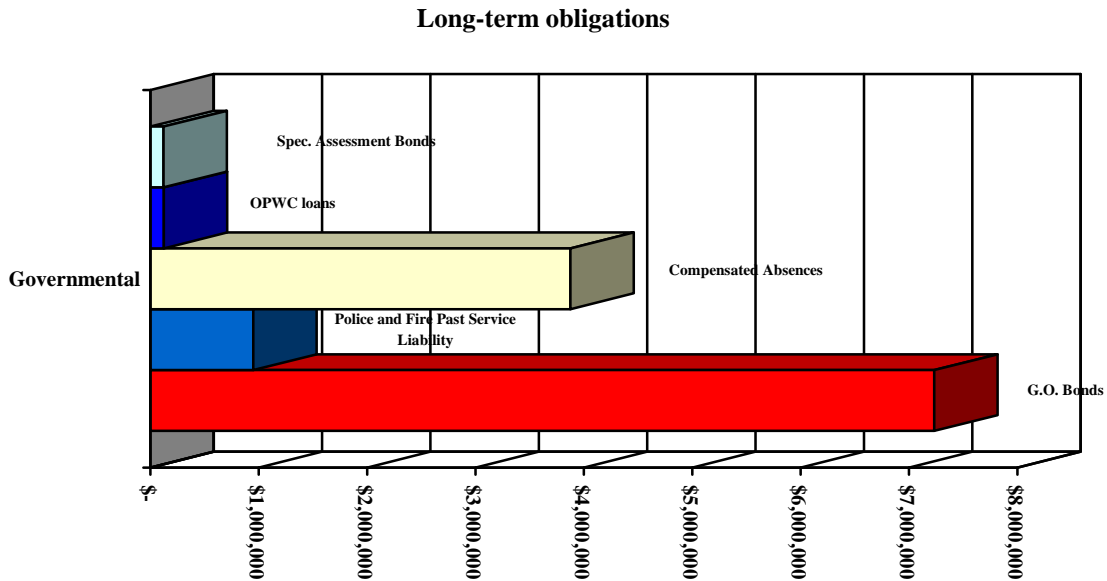
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

Debt Administration

The City had the following long-term debt obligations outstanding at December 31, 2016 and 2015:

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Compensated absences	\$ 3,875,170	\$ 3,837,483
Police and Fire past service liability	950,946	984,333
OPWC loans	125,089	139,773
Special Assessment bonds	122,000	140,000
General Obligation bonds	<u>7,231,546</u>	<u>7,523,601</u>
Total long-term debt obligations	<u>\$ 12,304,751</u>	<u>\$ 12,625,190</u>
	<u>Business-Type Activities</u>	
	<u>2016</u>	<u>2015</u>
General Obligation bonds	\$ 3,850,000	\$ 5,938,500
OPWC loans	451,562	506,903
OWDA loans	14,542,918	16,837,874
Compensated absences	<u>954,252</u>	<u>841,768</u>
Total long-term debt obligations	<u>\$ 19,798,732</u>	<u>\$ 24,125,045</u>

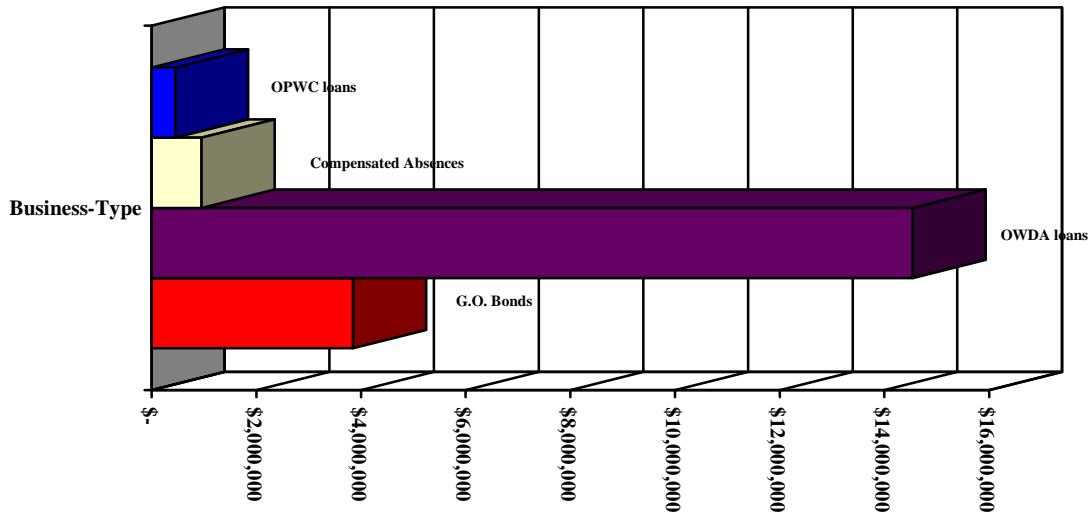
A comparison of the long-term obligations by category is depicted in the chart below.



CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

Long-term obligations



It has long been the policy of the City to borrow money only for those projects that cannot be supported from the current available cash balances. When financing is necessary, careful consideration is given to total construction costs, length of payback period, and available interest rates before debt is actually issued. The City currently maintains an Aa2 credit rating with Moody's Investors Service and an AA rating from Standard and Pools.

See Note 11 to the basic financial statements for further detail on the City long-term debt obligations outstanding at year-end.

Economic Factors and 2017 Budgets and Rates

Unemployment in Hancock County was 3.6 % for December 2016 versus 3.6% for December 2015. This compared favorably with the State's rate of 4.8% for December 2016 and the national rate of 4.5% for December 2016.

Projected stability for the overall economy was part of the consideration for the 2016 income tax revenue projection, with some consideration for business profits tax volatility. The City strives to take a conservative approach when estimating revenues and budgets well within the projected available funds while maintaining reserves in excess of its policy amounts. The income tax allocation to the City Income Tax Restricted Capital Improvements Account was 19% for 2016; the general fund was 81%. For 2017, this allocation has been set at 20% to the City Income Tax Restricted Capital Improvements Account and 80% to the general fund, an important move toward our historic allocations. It is of note that the City has maintained its minimum balance requirement for the general fund which is 16.7% of its budgeted expenses in addition to maintaining a \$1 million rainy day account.

All fund budgets comply with Ohio Revised Code 5705.36 which limits total appropriations for the calendar year to the amount of the Official Certificate of Estimated Resources, filed with the County.

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

General fund actual expenditures in 2016 were \$2.1 million below final appropriations contributing to a beginning unappropriated cash balance of more than \$13.4 million for 2017. A 2016 general fund operating budget has been adopted with a \$1,250,500 deficit; however, the year-end cash balance is budgeted to be in excess of \$10.3 million, at the time of this report.

City Council and the Service-Safety Director increased water and sewer rates in 2011; no increase is scheduled for 2016. It is expected to see continued improvement the health of both of these funds, due largely to continued reduction in debt. Each has been budgeted to end the 2017 calendar year with a cash balance in excess of three month operations expenses.

The 5-Year Capital Plan has been updated and the first year has been adopted by Council. The revision of this plan is providing a sound foundation for determining the allocation between general fund operations and Capital Improvements funding needs. The plan projects the percentage of the money allocated to the City Income Tax Restricted Capital Improvements Account to remain at 20% with 80% being allocated to the general fund over the 5-year period.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Jim Staschiak II, Auditor, City of Findlay, 318 Dorney Plaza, 313 Municipal Building, Findlay, Ohio 45840 or email at jstaschiak@findlayohio.com.

CITY OF FINDLAY, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	\$ 25,820,097	\$ 18,249,683	\$ 44,069,780
Cash in segregated accounts	295,619	-	295,619
Cash with fiduciary agent	529,460	-	529,460
Cash with escrow agent	110,282	17,272	127,554
Receivables (net of allowances for uncollectibles).	11,917,407	2,725,491	14,642,898
Internal balance	(168,409)	168,409	-
Due from other governments.	1,310,295	-	1,310,295
Prepayments	414,824	127,128	541,952
Materials and supplies inventory.	740,680	834,895	1,575,575
Net pension asset (see Note 12)	28,873	15,929	44,802
Restricted assets:			
Equity in pooled cash and investments	4,970,944	5,989,837	10,960,781
Capital assets:			
Nondepreciable capital assets	12,513,215	5,469,887	17,983,102
Depreciable capital assets, net.	76,473,472	144,864,558	221,338,030
Total capital assets, net.	88,986,687	150,334,445	239,321,132
Total assets	134,956,759	178,463,089	313,419,848
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	467,616	49,083	516,699
Pension	9,108,597	1,790,169	10,898,766
Total deferred outflows of resources	9,576,213	1,839,252	11,415,465
Liabilities:			
Accounts payable.	1,402,296	382,833	1,785,129
Contracts payable.	-	4,646	4,646
Retainage payable	77,154	17,272	94,426
Accrued wages and benefits payable	531,074	137,923	668,997
Insurance deposits payable	234,436	56,449	290,885
Due to other governments	39,479	-	39,479
Deposits held and due to others	-	778,100	778,100
Workers' compensation payable	29,673	-	29,673
Matured bonds payable.	33,128	-	33,128
Accrued interest payable	103,170	226,781	329,951
Long-term liabilities:			
Due within one year	2,093,561	4,689,159	6,782,720
Due in more than one year:			
Net pension liability (see Note 12)	33,360,449	4,602,384	37,962,833
Other amounts due in more than one year.	10,588,823	15,109,573	25,698,396
Total liabilities	48,493,243	26,005,120	74,498,363
Deferred inflows of resources:			
Property taxes levied for the next fiscal year.	2,664,015	-	2,664,015
TIF revenue levied for next fiscal year	149,689	-	149,689
Pension	310,972	96,157	407,129
Total deferred inflows of resources	3,124,676	96,157	3,220,833
Net position:			
Net investment in capital assets	81,341,015	131,517,130	212,858,145
Restricted for:			
Debt service	140,251	-	140,251
Capital projects	225,888	5,989,837	6,215,725
Security of persons and property programs	86,048	-	86,048
General government operations	882,802	-	882,802
Transportation improvement projects	1,769,929	-	1,769,929
Economic development programs.	1,112,532	-	1,112,532
Perpetual care:			
Expendable	7,288	-	7,288
Nonexpendable	1,373,776	-	1,373,776
Other purposes.	1,610,100	-	1,610,100
Unrestricted	4,365,424	16,694,097	21,059,521
Total net position	\$ 92,915,053	\$ 154,201,064	\$ 247,116,117

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government.	\$ 9,570,553	\$ 2,944,742	\$ 536,413	\$ -
Security of persons and property	16,061,874	260,556	9,702	-
Public health and welfare	1,715,431	221,838	369,238	-
Transportation.	6,130,358	137,836	2,108,538	924,763
Leisure time activity.	1,789,883	513,325	-	-
Interest and fiscal charges.	426,009	1,847	32,192	-
Total governmental activities	<u>35,694,108</u>	<u>4,080,144</u>	<u>3,056,083</u>	<u>924,763</u>
Business-type activities:				
Water	6,192,080	8,314,598	52,272	996,730
Water pollution control	7,998,804	9,604,120	74,041	913,793
Airport.	1,781,823	826,536	20,049	76,576
Parking facilities.	105,993	71,550	-	-
Swimming pool	107,108	-	-	-
Total business-type activities	<u>16,185,808</u>	<u>18,816,804</u>	<u>146,362</u>	<u>1,987,099</u>
Totals	<u>\$ 51,879,916</u>	<u>\$ 22,896,948</u>	<u>\$ 3,202,445</u>	<u>\$ 2,911,862</u>

General revenues:

Property taxes levied for:
General purposes
Police and fire pensions
Income taxes levied for:
General purposes
Tax increment financing revenues
Grants and entitlements not restricted to specific programs
Investment earnings
Increase in fair value of investments.
Miscellaneous
 Total general revenues
 Transfers
 Change in net position.
 Net position at beginning of year
 Net position at 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
\$ (6,089,398)	\$ -	\$ (6,089,398)
(15,791,616)	-	(15,791,616)
(1,124,355)	-	(1,124,355)
(2,959,221)	-	(2,959,221)
(1,276,558)	-	(1,276,558)
(391,970)	-	(391,970)
(27,633,118)	-	(27,633,118)
-	3,171,520	3,171,520
-	2,593,150	2,593,150
-	(858,662)	(858,662)
-	(34,443)	(34,443)
-	(107,108)	(107,108)
-	4,764,457	4,764,457
(27,633,118)	4,764,457	(22,868,661)
2,520,008	-	2,520,008
435,816	-	435,816
25,505,967	-	25,505,967
71,783	-	71,783
833,401	-	833,401
143,048	104,573	247,621
54,343	-	54,343
918,092	162,524	1,080,616
30,482,458	267,097	30,749,555
(213,309)	213,309	-
2,636,031	5,244,863	7,880,894
90,279,022	148,956,201	239,235,223
\$ 92,915,053	\$ 154,201,064	\$ 247,116,117

CITY OF FINDLAY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>Nonmajor Governmental Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 19,405,127	\$ 1,635,343	\$ 2,881,946
Cash in segregated accounts	45,078	-	250,541
Cash with fiduciary agent	-	-	529,460
Cash with escrow agent	-	77,154	33,128
Receivables (net of allowance for uncollectibles).	10,261,752	2,723	1,652,355
Due from other governments	376,457	843,152	90,686
Prepayments	318,444	37,930	1,608
Materials and supplies inventory	-	734,282	-
Restricted assets:			
Equity in pooled cash and investments	4,970,944	-	-
Total assets	<u>\$ 35,377,802</u>	<u>\$ 3,330,584</u>	<u>\$ 5,439,724</u>
Liabilities:			
Accounts payable	\$ 1,232,987	\$ 159,155	\$ 10,074
Retainage payable	-	77,154	-
Accrued wages and benefits payable	477,174	51,630	2,270
Insurance deposits payable	214,438	18,042	1,956
Compensated absences payable	82,538	-	-
Due to other governments	39,479	-	-
Matured bonds payable	-	-	33,128
Unearned revenue	-	-	-
Total liabilities	<u>2,046,616</u>	<u>305,981</u>	<u>47,428</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	2,162,687	-	501,328
TIF revenue levied for next fiscal year	-	-	149,689
Charges for services revenue not available	252,939	1,791	-
Special assessments revenue not available	-	-	139,484
Income tax revenue not available	5,673,870	-	-
Intergovernmental revenue not available	337,284	714,212	80,231
Total deferred inflows of resources	<u>8,426,780</u>	<u>716,003</u>	<u>870,732</u>
Fund balances:			
Nonspendable	318,444	772,212	1,375,384
Restricted	1,026,629	1,536,388	3,129,614
Committed	8,966,662	-	16,566
Assigned	1,182,289	-	-
Unassigned	13,410,382	-	-
Total fund balances	<u>24,904,406</u>	<u>2,308,600</u>	<u>4,521,564</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 35,377,802</u>	<u>\$ 3,330,584</u>	<u>\$ 5,439,724</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Governmental Funds 2016	Total Governmental Funds 2015
\$ 23,922,416	\$ 24,434,010
295,619	301,357
529,460	443,701
110,282	127,901
11,916,830	10,694,686
1,310,295	1,930,290
357,982	62,880
734,282	656,802
4,970,944	4,528,258
<u>\$ 44,148,110</u>	<u>\$ 43,179,885</u>
\$ 1,402,216	\$ 1,720,236
77,154	94,773
531,074	484,456
234,436	293,530
82,538	32,375
39,479	41,134
33,128	33,128
-	1,486
<u>2,400,025</u>	<u>2,701,118</u>
2,664,015	2,559,302
149,689	181,975
254,730	63,366
139,484	159,941
5,673,870	4,900,315
1,131,727	1,096,366
<u>10,013,515</u>	<u>8,961,265</u>
2,466,040	2,063,850
5,692,631	7,015,026
8,983,228	9,502,866
1,182,289	428,538
13,410,382	12,507,222
<u>31,734,570</u>	<u>31,517,502</u>
<u>\$ 44,148,110</u>	<u>\$ 43,179,885</u>

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CITY OF FINDLAY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2016

Total governmental fund balances		\$	31,734,570
<i>Amounts reported for governmental activities on 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.			88,986,687
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Income taxes receivable	\$	5,673,870	
Accounts receivable		254,730	
Intergovernmental receivable		1,131,727	
Special assessments receivable		139,484	
Total			7,199,811
Unamortized premiums on bonds issued are not recorded in the funds.			(377,633)
Unamortized deferred charges on debt refundings are not recorded in the funds.			467,616
Internal service funds are used by management to charge the costs of self-insurance, workers' compensation and central stores operations to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position. The net position of the internal service funds, including internal balances of (\$168,409), is:			1,763,336
The net pension asset/liability is not due and receivable/payable in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in the governmental funds:			
Deferred outflows of resources - pension		9,108,597	
Deferred inflows of resources - pension		(310,972)	
Net pension asset		28,873	
Net pension liability		(33,360,449)	
Total			(24,533,951)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:			
Accrued interest payable		(103,170)	
Special assessment bonds payable		(122,000)	
General obligation bonds payable		(7,231,546)	
OPWC loans payable		(125,089)	
Police and fire past service liability payable		(950,946)	
Compensated absences payable		(3,792,632)	
Total			(12,325,383)
Net position of governmental activities		\$	92,915,053

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>Nonmajor Governmental Funds</u>
Revenues:			
Municipal income taxes	\$ 24,732,412	\$ -	\$ -
Property and other local taxes	2,520,008	655	435,816
Charges for services	1,403,730	114,860	370,184
Licenses and permits	410,927	-	-
Fines and forfeitures	1,190,105	-	302,200
Intergovernmental	1,625,540	2,446,632	422,303
Special assessments	-	-	22,304
Investment income	137,915	5,843	29,219
Increase (decrease) in fair value of investments	54,343	-	-
Rental income	65,907	5,191	-
Contributions and donations	10,872	-	15,000
Reimbursements	894,930	21,389	506
Tax increment financing	-	-	71,783
Other	23,162	22,668	-
Total revenues	<u>33,069,851</u>	<u>2,617,238</u>	<u>1,669,315</u>
Expenditures:			
Current:			
General government	8,244,903	-	328,979
Security of persons and property	14,394,878	-	487,579
Public health and welfare	1,617,447	-	6,653
Transportation	-	2,629,203	44,458
Leisure time activity	1,339,667	-	-
Capital outlay	3,609,148	3,525,735	5,609
Debt service:			
Principal retirement	-	-	559,739
Interest and fiscal charges	-	-	319,030
Bond issuance costs	-	-	159,640
Total expenditures	<u>29,206,043</u>	<u>6,154,938</u>	<u>1,911,687</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,863,808</u>	<u>(3,537,700)</u>	<u>(242,372)</u>
Other financing sources (uses):			
Issuance of refunding bonds	-	-	6,505,000
Payment to refunded bond escrow agent	-	-	(6,715,929)
Sale of capital assets	300	-	-
Transfers in	414,288	3,472,516	987,622
Transfers (out)	(4,744,566)	(130,791)	(412,378)
Premium on bond issuance	-	-	385,262
Total other financing sources (uses)	<u>(4,329,978)</u>	<u>3,341,725</u>	<u>749,577</u>
Net change in fund balances	(466,170)	(195,975)	507,205
Fund balances at beginning of year	25,104,602	2,400,138	4,012,762
Increase (decrease) in materials and supplies inventory	-	77,480	-
Increase in prepaids	265,974	26,957	1,597
Fund balances at end of year	<u>\$ 24,904,406</u>	<u>\$ 2,308,600</u>	<u>\$ 4,521,564</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Governmental Funds 2016	Total Governmental Funds 2015
\$ 24,732,412	\$ 23,333,535
2,956,479	2,895,582
1,888,774	2,773,731
410,927	309,477
1,492,305	1,449,164
4,494,475	5,349,728
22,304	32,533
172,977	109,484
54,343	(54,665)
71,098	71,025
25,872	412,699
916,825	1,027,991
71,783	71,985
45,830	20,315
<u>37,356,404</u>	<u>37,802,584</u>
8,573,882	7,167,165
14,882,457	14,342,234
1,624,100	2,195,546
2,673,661	2,993,311
1,339,667	1,168,765
7,140,492	7,729,518
559,739	650,354
319,030	335,193
159,640	-
<u>37,272,668</u>	<u>36,582,086</u>
<u>83,736</u>	<u>1,220,498</u>
6,505,000	-
(6,715,929)	-
300	-
4,874,426	8,646,748
(5,287,735)	(8,885,761)
385,262	-
<u>(238,676)</u>	<u>(239,013)</u>
(154,940)	981,485
31,517,502	30,538,281
77,480	(10,831)
294,528	8,567
<u>\$ 31,734,570</u>	<u>\$ 31,517,502</u>

CITY OF FINDLAY, 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		\$ (154,940)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period:		
Capital outlays	\$ 7,972,560	
Depreciation expense	<u>(4,721,005)</u>	
Total		3,251,555
Contributed capital assets from business-type activities are not recorded in the governmental funds; however, these contributions are recorded as transfers or revenues in the statement of activities.		202,088
The effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and impairments) is to decrease net position.		(514,567)
Governmental funds report expenditures for prepaids and consumable inventories when purchased. However, in the statement of activities, they are reported as an expense when consumed.		372,008
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	773,555	
Charges for services	191,364	
Special assessments	(20,457)	
Intergovernmental	<u>35,361</u>	
Total		979,823
In the statement of activities, interest is accrued on outstanding bonds, whereas in the funds, an interest expenditure is reported when due. The following items contributed to less interest being reported in the statement of activities:		
Decrease in accrued interest payable	61,363	
Amortization of bond premiums	7,629	
Amortization of bond discounts	(33,012)	
Amortization of deferred charges on refundings	<u>(14,453)</u>	
Total		21,527
Repayments of bonds, loans and the police and fire past service liability are expenditures in the funds, but the repayments reduce long-term liabilities on the statement of net position.		593,126
Issuance of refunding bonds are recorded as other financing source in the funds; however, in the statement of activities, they are not reported as revenue as they increase liabilities on the statement of net position.		(6,505,000)
Payment to refunded bond escrow agent for the retirement of bonds is an other financing use in the funds but the payment reduces long-term liabilities on the statement of net position. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities. The following refunding transactions occurred during the year:		
Bonds refunded	6,270,000	
Deferred charges on debt refundings	<u>477,063</u>	
Total		6,747,063
Premiums on bonds issued are recorded as other financing source in the funds; however, in the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net position.		(385,262)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the funds.		12,476
Internal service funds are used by management to charge the costs of self-insurance, workers' compensation, and central stores operations to individual funds and are not reported in the City-wide statement of activities. Governmental fund expenditures and the related internal service funds revenue are eliminated. The net revenue (expense) of the internal service funds, including internal balance activity of (\$7,956), is allocated among the governmental activities.		117,729
Contractually required contributions are reported as expenditures in the funds; however, the statement of net position reports these amounts as deferred outflows.		2,525,444
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities.		<u>(4,627,039)</u>
Change in net position of governmental activities		<u><u>\$ 2,636,031</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other local taxes.	\$ 2,144,122	\$ 2,717,350	\$ 2,520,008	\$ (197,342)
Charges for services.	1,185,008	1,501,817	1,392,751	(109,066)
Licenses and permits	349,633	443,107	410,927	(32,180)
Fines and forfeitures	1,012,589	1,283,302	1,190,105	(93,197)
Intergovernmental.	1,383,074	1,752,836	1,625,540	(127,296)
Investment income.	117,344	148,715	137,915	(10,800)
Increase in fair value				
of investments	46,237	58,599	54,343	(4,256)
Rental income	56,076	71,068	65,907	(5,161)
Contributions and donations.	9,250	11,723	10,872	(851)
Reimbursements.	760,873	964,291	894,261	(70,030)
Other	19,699	24,965	23,152	(1,813)
Total revenues	<u>7,083,905</u>	<u>8,977,773</u>	<u>8,325,781</u>	<u>(651,992)</u>
Expenditures:				
Current:				
General government	7,610,250	8,583,137	7,607,599	975,538
Security of persons and property	15,533,136	16,086,379	14,386,867	1,699,512
Public health and welfare.	754,327	1,736,581	1,617,447	119,134
Leisure time activity	1,548,083	1,569,324	1,339,667	229,657
Capital outlay	-	3,309,643	3,609,148	(299,505)
Total expenditures	<u>25,445,796</u>	<u>31,285,064</u>	<u>28,560,728</u>	<u>2,724,336</u>
Excess of expenditures over revenues	<u>(18,361,891)</u>	<u>(22,307,291)</u>	<u>(20,234,947)</u>	<u>2,072,344</u>
Other financing sources (uses):				
Sale of capital assets.	255	324	300	(24)
Transfers in	19,064,065	24,266,157	22,469,192	(1,796,965)
Transfers (out).	<u>(845,000)</u>	<u>(2,852,750)</u>	<u>(2,852,750)</u>	<u>-</u>
Total other financing sources (uses)	<u>18,219,320</u>	<u>21,413,731</u>	<u>19,616,742</u>	<u>(1,796,989)</u>
Net change in fund balance	(142,571)	(893,560)	(618,205)	275,355
Fund balance at beginning of year	17,571,098	17,571,098	17,571,098	-
Increase in prepaids	264,012	264,012	264,012	-
Fund balance at end of year	<u>\$ 17,692,539</u>	<u>\$ 16,941,550</u>	<u>\$ 17,216,905</u>	<u>\$ 275,355</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
 STREET 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:				
Property and other local taxes.	\$ 700	\$ 691	\$ 655	\$ (36)
Charges for services.	122,000	121,234	114,860	(6,374)
Intergovernmental.	1,722,000	2,604,712	2,446,632	(158,080)
Investment income.	3,000	6,167	5,843	(324)
Rental income	4,885	5,479	5,191	(288)
Reimbursements.	5,000	22,576	21,389	(1,187)
Other	-	23,926	22,668	(1,258)
Total revenues	<u>1,857,585</u>	<u>2,784,785</u>	<u>2,617,238</u>	<u>(167,547)</u>
Expenditures:				
Current:				
Transportation	2,875,153	2,987,895	2,629,203	358,692
Capital outlay	-	3,552,702	3,525,735	26,967
Total expenditures	<u>2,875,153</u>	<u>6,540,597</u>	<u>6,154,938</u>	<u>385,659</u>
Excess of expenditures over revenues	<u>(1,017,568)</u>	<u>(3,755,812)</u>	<u>(3,537,700)</u>	<u>218,112</u>
Other financing sources (uses):				
Transfers in	770,000	3,665,209	3,472,516	(192,693)
Transfers (out).	-	(172,874)	(130,791)	42,083
Total other financing sources (uses)	<u>770,000</u>	<u>3,492,335</u>	<u>3,341,725</u>	<u>(150,610)</u>
Net change in fund balance	(247,568)	(263,477)	(195,975)	67,502
Fund balance at beginning of year	2,400,138	2,400,138	2,400,138	-
Increase in materials and supplies inventory .	77,480	77,480	77,480	-
Increase in prepaids	26,957	26,957	26,957	-
Fund balance at end of year	<u>\$ 2,257,007</u>	<u>\$ 2,241,098</u>	<u>\$ 2,308,600</u>	<u>\$ 67,502</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF FINDLAY, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Airport	Nonmajor Enterprise Funds
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 10,864,180	\$ 6,880,969	\$ 459,217	\$ 45,317
Cash with escrow agent	14,270	3,002	-	-
Receivables (net of allowances for uncollectibles).	1,124,357	1,559,929	41,205	-
Prepayments	63,981	48,374	13,286	1,487
Materials and supplies inventory.	721,935	59,421	53,539	-
Total current assets	<u>12,788,723</u>	<u>8,551,695</u>	<u>567,247</u>	<u>46,804</u>
Noncurrent assets:				
Net pension asset (see Note 12)	7,947	6,771	952	259
Restricted assets:				
Equity in pooled cash and investments.	800,746	5,189,091	-	-
Capital assets:				
Nondepreciable capital assets	1,153,630	633,736	3,586,559	95,962
Depreciable capital assets, net.	55,570,190	80,644,100	8,190,393	459,875
Total noncurrent assets	<u>57,532,513</u>	<u>86,473,698</u>	<u>11,777,904</u>	<u>556,096</u>
Total assets	<u>70,321,236</u>	<u>95,025,393</u>	<u>12,345,151</u>	<u>602,900</u>
Deferred outflows of resources:				
Unamortized deferred charges on debt refunding	24,255	24,828	-	-
Pension	893,138	760,953	106,972	29,106
Total deferred outflows of resources	<u>917,393</u>	<u>785,781</u>	<u>106,972</u>	<u>29,106</u>
Liabilities:				
Current liabilities:				
Accounts payable.	134,923	224,496	21,671	1,743
Contracts payable.	4,646	-	-	-
Accrued wages and benefits payable	72,232	55,211	8,213	2,267
Insurance deposits payable	31,042	25,016	87	304
Retainage payable	14,270	3,002	-	-
Workers' compensation payable	-	-	-	-
Deposits held and due to others	389,050	389,050	-	-
Accrued interest payable	44,648	182,133	-	-
Compensated absences payable - current.	150,056	125,564	35,978	3,354
Bonds payable - current	950,000	980,000	-	-
Loans payable - current	256,596	2,187,611	-	-
Total current liabilities	<u>2,047,463</u>	<u>4,172,083</u>	<u>65,949</u>	<u>7,668</u>
Long-term liabilities:				
Compensated absences payable	222,652	356,543	48,803	11,302
Bonds payable	1,370,000	550,000	-	-
Loans payable	2,531,748	10,018,525	-	-
Net pension liability (see Note 12)	2,296,187	1,956,351	275,014	74,832
Total long-term liabilities	<u>6,420,587</u>	<u>12,881,419</u>	<u>323,817</u>	<u>86,134</u>
Total liabilities	<u>8,468,050</u>	<u>17,053,502</u>	<u>389,766</u>	<u>93,802</u>
Deferred inflows of resources:				
Pension	47,974	40,874	5,746	1,563
Total liabilities and deferred inflows of resources.	<u>8,516,024</u>	<u>17,094,376</u>	<u>395,512</u>	<u>95,365</u>
Net position:				
Net investment in capital assets	51,620,815	67,563,526	11,776,952	555,837
Restricted for capital projects.	800,746	5,189,091	-	-
Unrestricted	10,301,044	5,964,181	279,659	(19,196)
Total net position	<u>\$ 62,722,605</u>	<u>\$ 78,716,798</u>	<u>\$ 12,056,611</u>	<u>\$ 536,641</u>

Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.
Net position of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

2016		2015		2016	2015
Enterprise		Enterprise		Governmental	Governmental
Funds Total		Funds Total		Activities -	Activities -
				Internal	Internal
				Service Funds	Service Funds
\$	18,249,683	\$	18,321,015	\$	1,897,681
	17,272		178,695		-
	2,725,491		2,759,283		577
	127,128		49,465		56,842
	834,895		905,719		6,398
	21,954,469		22,214,177		1,961,498
	15,929		13,097		-
	5,989,837		5,071,300		-
	5,469,887		10,606,795		-
	144,864,558		139,631,566		-
	156,340,211		155,322,758		-
	178,294,680		177,536,935		1,961,498
	49,083		118,591		-
	1,790,169		583,158		-
	1,839,252		701,749		-
	382,833		503,136		80
	4,646		119,671		-
	137,923		120,398		-
	56,449		88,344		-
	17,272		178,695		-
	-		-		29,673
	778,100		730,500		-
	226,781		359,558		-
	314,952		319,631		-
	1,930,000		2,088,500		-
	2,444,207		2,350,294		-
	6,293,163		6,858,727		29,753
	639,300		522,137		-
	1,920,000		3,850,000		-
	12,550,273		14,994,483		-
	4,602,384		3,158,112		-
	19,711,957		22,524,732		-
	26,005,120		29,383,459		29,753
	96,157		59,477		-
	26,101,277		29,442,936		29,753
	131,517,130		126,775,309		-
	5,989,837		5,071,300		-
	16,525,688		16,949,139		1,931,745
	154,032,655		148,795,748		\$ 1,931,745
	168,409		160,453		
\$	154,201,064	\$	148,956,201		\$ 1,806,060

CITY OF FINDLAY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Airport	Nonmajor Enterprise Funds
Operating revenues:				
Charges for services	\$ 8,314,598	\$ 9,604,120	\$ 826,536	\$ 71,550
Other operating revenues	104,150	57,986	-	388
Total operating revenues.	<u>8,418,748</u>	<u>9,662,106</u>	<u>826,536</u>	<u>71,938</u>
Operating expenses:				
Personal services	2,837,116	2,152,172	352,029	88,257
Contract services.	387,232	1,901,368	111,724	48,577
Materials and supplies.	841,112	306,827	460,024	32,842
Utilities	436,597	576,251	19,746	6,272
Claims	-	-	-	-
Depreciation.	<u>1,558,532</u>	<u>2,511,740</u>	<u>838,829</u>	<u>37,288</u>
Total operating expenses.	<u>6,060,589</u>	<u>7,448,358</u>	<u>1,782,352</u>	<u>213,236</u>
Operating income (loss)	<u>2,358,159</u>	<u>2,213,748</u>	<u>(955,816)</u>	<u>(141,298)</u>
Nonoperating revenues (expenses):				
Intergovernmental	52,272	74,041	20,049	-
Interest income.	53,620	50,953	-	-
Loss on disposal of capital assets	(12,148)	(206,523)	-	-
Interest and fiscal charges	(123,719)	(346,839)	-	-
Bond issue costs	-	-	-	-
Total nonoperating revenues (expenses).	<u>(29,975)</u>	<u>(428,368)</u>	<u>20,049</u>	<u>-</u>
Income (loss) before contributions and transfers	2,328,184	1,785,380	(935,767)	(141,298)
Capital contributions.	996,730	913,793	76,576	-
Transfer in	-	-	138,309	75,000
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	3,324,914	2,699,173	(720,882)	(66,298)
Net position at beginning of year	<u>59,397,691</u>	<u>76,017,625</u>	<u>12,777,493</u>	<u>602,939</u>
Net position at end of year.	<u>\$ 62,722,605</u>	<u>\$ 78,716,798</u>	<u>\$ 12,056,611</u>	<u>\$ 536,641</u>

Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.

Change in net position of business-type activities.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

2016 Enterprise Funds Total	2015 Enterprise Funds Total	2016 Governmental Activities - Internal Service Funds	2015 Governmental Activities - Internal Service Funds
\$ 18,816,804	\$ 19,254,843	\$ 13,783	\$ 14,741
162,524	101,590	39,483	-
<u>18,979,328</u>	<u>19,356,433</u>	<u>53,266</u>	<u>14,741</u>
5,429,574	5,064,286	-	-
2,448,901	1,713,849	123,671	134,914
1,640,805	1,741,986	9,043	14,181
1,038,866	924,509	-	-
-	-	-	41,120
4,946,389	4,493,379	-	-
<u>15,504,535</u>	<u>13,938,009</u>	<u>132,714</u>	<u>190,215</u>
3,474,793	5,418,424	(79,448)	(175,474)
146,362	282,466	-	-
104,573	63,699	5,133	971
(218,671)	(44,456)	-	-
(470,558)	(846,676)	-	-
-	-	-	-
<u>(438,294)</u>	<u>(544,967)</u>	<u>5,133</u>	<u>971</u>
3,036,499	4,873,457	(74,315)	(174,503)
1,987,099	529,202	-	-
213,309	144,013	200,000	95,000
-	(623,934)	-	-
5,236,907	4,922,738	125,685	(79,503)
		<u>1,806,060</u>	<u>1,885,563</u>
		<u>\$ 1,931,745</u>	<u>\$ 1,806,060</u>
<u>7,956</u>	<u>(8,398)</u>		
<u>\$ 5,244,863</u>	<u>\$ 4,914,340</u>		

CITY OF FINDLAY, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE TOTALS FOR 2015)

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Airport	Nonmajor Enterprise Funds
Cash flows from operating activities:				
Cash received from customers	\$ 8,322,888	\$ 9,637,436	\$ 828,100	\$ 71,550
Cash received from other operations	104,150	57,986	-	388
Cash payments for personal services	(2,678,975)	(2,033,868)	(334,348)	(82,307)
Cash payments for contract services.	(365,195)	(1,879,111)	(115,752)	(49,759)
Cash payments for materials and supplies	(782,730)	(365,359)	(508,382)	(33,813)
Cash payments for utilities	(436,597)	(576,251)	(19,746)	(6,272)
Cash payments for claims	-	-	-	-
Net cash provided by (used in) operating activities	<u>4,163,541</u>	<u>4,840,833</u>	<u>(150,128)</u>	<u>(100,213)</u>
Cash flows from noncapital financing activities:				
Grants and contributions	52,272	74,041	20,049	-
Transfers in	-	-	138,309	75,000
Net cash provided by noncapital financing activities.	<u>52,272</u>	<u>74,041</u>	<u>158,358</u>	<u>75,000</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(2,712,895)	(810,418)	(103,756)	-
Capital contributions	-	-	76,576	-
Principal paid on bonds	(1,106,000)	(982,500)	-	-
Interest paid on bonds	(40,015)	(24,120)	-	-
Principal paid on loans.	(250,215)	(2,100,082)	-	-
Interest paid on loans	(74,500)	(395,192)	-	-
Net cash used in capital and related financing activities.	<u>(4,183,625)</u>	<u>(4,312,312)</u>	<u>(27,180)</u>	<u>-</u>
Cash flows from investing activities:				
Interest received	49,228	45,967	-	-
Net cash provided by investing activities	<u>49,228</u>	<u>45,967</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	81,416	648,529	(18,950)	(25,213)
Cash and cash equivalents at beginning of year	<u>11,597,780</u>	<u>11,424,533</u>	<u>478,167</u>	<u>70,530</u>
Cash and cash equivalents at end of year	<u>\$ 11,679,196</u>	<u>\$ 12,073,062</u>	<u>\$ 459,217</u>	<u>\$ 45,317</u>

2016 Enterprise Funds Total	2015 Enterprise Funds Total	2016 Governmental Activities - Internal Service Funds	2015 Governmental Activities - Internal Service Funds
\$ 18,859,974	\$ 18,574,218	\$ 13,783	\$ 14,741
162,524	101,590	12,627	-
(5,129,498)	(5,025,866)	-	-
(2,409,817)	(1,678,883)	(133,675)	(137,738)
(1,690,284)	(1,828,029)	(9,544)	(16,822)
(1,038,866)	(924,509)	-	-
-	-	(601)	(20,808)
<u>8,754,033</u>	<u>9,218,521</u>	<u>(117,410)</u>	<u>(160,627)</u>
146,362	282,446	-	-
213,309	144,013	200,000	95,000
<u>359,671</u>	<u>426,459</u>	<u>200,000</u>	<u>95,000</u>
(3,627,069)	(5,625,638)	-	-
76,576	72,938	-	-
(2,088,500)	(2,066,000)	-	-
(64,135)	(86,248)	-	-
(2,350,297)	(2,260,196)	-	-
(469,692)	(733,788)	-	-
<u>(8,523,117)</u>	<u>(10,698,932)</u>	<u>-</u>	<u>-</u>
<u>95,195</u>	<u>59,415</u>	<u>4,764</u>	<u>798</u>
<u>95,195</u>	<u>59,415</u>	<u>4,764</u>	<u>798</u>
685,782	(994,537)	87,354	(64,829)
23,571,010	24,565,547	1,810,327	1,875,156
<u>\$ 24,256,792</u>	<u>\$ 23,571,010</u>	<u>\$ 1,897,681</u>	<u>\$ 1,810,327</u>

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CITY OF FINDLAY, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE TOTALS FOR 2015)

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Airport	Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 2,358,159	\$ 2,213,748	\$ (955,816)	\$ (141,298)
Adjustments:				
Depreciation	1,558,532	2,511,740	838,829	37,288
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	8,290	33,316	1,564	-
(Increase) decrease in materials and supplies inventory	63,045	(2,831)	10,610	-
(Increase) decrease in prepayments	(39,753)	(32,700)	(4,028)	(1,182)
Increase (decrease) in accounts payable	(4,663)	(55,701)	(58,968)	(971)
Increase in accrued wages and benefits	11,497	4,558	1,178	292
Increase in compensated absences payable	62,661	41,349	6,161	2,313
(Decrease) in insurance deposits payable	(13,286)	(11,688)	-	(1,064)
Increase (decrease) in deposits held and due to others	23,800	23,800	(5,857)	-
Increase (decrease) in workers' compensation payable	-	-	-	-
Increase in retainage payable	-	-	-	-
(Increase) in net pension asset	(1,413)	(1,204)	(169)	(46)
(Increase) in deferred outflows - pension	(602,193)	(513,068)	(72,126)	(19,624)
Increase in deferred inflows - pension	18,300	15,592	2,192	596
Increase in net pension liability	720,565	613,922	86,302	23,483
Net cash provided by (used in) operating activities	<u>\$ 4,163,541</u>	<u>\$ 4,840,833</u>	<u>\$ (150,128)</u>	<u>\$ (100,213)</u>

Non-cash Transactions:

During 2016 and 2015, the Water fund received \$996,730 and \$228,996, respectively, in capital contributions of donated water lines from private developers.

During 2016 and 2015, the Water Pollution Control fund received \$913,793 and \$227,268, respectively, in capital contributions of donated sewer lines from private developers.

At December 31, 2016 and 2015, the Water fund purchased \$18,916 and \$119,671, respectively, in capital assets on account.

At December 31, 2016 and 2015, the Water Pollution Control fund purchased \$3,002 and \$98,108, respectively, in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

2016 Enterprise Funds Total	2015 Enterprise Funds Total	2016 Governmental Activities - Internal Service Funds	2015 Governmental Activities - Internal Service Funds
\$ 3,474,793	\$ 5,418,424	\$ (79,448)	\$ (175,474)
4,946,389	4,493,379	-	-
43,170	(680,625)	-	-
70,824	(215,513)	115	(3,038)
(77,663)	(1,036)	(1,704)	(3,124)
(120,303)	129,470	(8,916)	697
17,525	14,623	-	-
112,484	104,838	-	-
(26,038)	(20,425)	-	-
41,743	28,600	-	-
-	-	(27,457)	20,312
-	7,402	-	-
(2,832)	(9,528)	-	-
(1,207,011)	(181,896)	-	-
36,680	59,477	-	-
1,444,272	71,331	-	-
<u>\$ 8,754,033</u>	<u>\$ 9,218,521</u>	<u>\$ (117,410)</u>	<u>\$ (160,627)</u>

CITY OF FINDLAY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 DECEMBER 31, 2016

	Private-Purpose Trust	Agency
	<u> </u>	<u> </u>
Assets:		
Equity in pooled cash and investments	\$ 156,995	\$ 310,854
Cash in segregated accounts	-	67,185
Receivables:		
Accounts	<u>80</u>	<u>-</u>
Total assets	<u>\$ 157,075</u>	<u>\$ 378,039</u>
Liabilities:		
Accounts payable	\$ -	\$ 22,116
Deposits held and due to others.	<u>-</u>	<u>355,923</u>
Total liabilities.	<u>-</u>	<u>\$ 378,039</u>
Net position:		
Held in trust for private cemetery care	<u>157,075</u>	
Total net position	<u>\$ 157,075</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Private-Purpose Trust
Additions:	
Investment income	\$ 650
Other	200
Total additions	<u>850</u>
Deductions:	
Cemetery care	<u>1,615</u>
Total deductions	<u>1,615</u>
Change in net position	(765)
Net position at beginning of year	<u>157,840</u>
Net position at end of year	<u><u>\$ 157,075</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1 - DESCRIPTION OF THE CITY

The City of Findlay (the "City") was incorporated in 1838 under the laws of the State of Ohio. The City of Findlay is a statutory City operating under the Mayor/Council form of municipal government. Services provided include police, fire, recreation programs (including parks and an outdoor swimming pool), street repair and maintenance, water and wastewater treatment, engineering, airport, municipal court, work release facility and general administrative services. Except for water and sewage, the major utilities are provided by private entities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City's reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the City are not misleading.

The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City. The City's Municipal Court is not legally separate from the City, nor does it possess separate corporate powers. As such, the operational activity of the City's Municipal Court is reflected in the general fund of the City. The operational activity of the Court is included in the City's reporting entity because of the significance of its operational and financial relationships with the City. The amount of fines and forfeitures collected by the Court that are disbursed to various State and local governments is reflected in an agency fund.

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; or (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the City has no component units. The basic financial statements of the reporting entity include only those of the City (the primary government).

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The following organizations are described due to their relationship to the City.

JOINTLY GOVERNED ORGANIZATIONS

Hancock Metropolitan Housing Authority

The Hancock Metropolitan Housing Authority (the "Housing Authority") is a jointly governed organization between Hancock County and the City of Findlay. The Housing Authority was established under Section 3735.27 of the Ohio Revised Code to provide safe, decent and sanitary housing to the citizens. Two members of the Board of Trustees are appointed by the Hancock County Probate Court Judge, two members are appointed by the mayor of the City of Findlay, and one member is appointed by the Hancock County Commissioners. Separate financial statements may be obtained from the Hancock Metropolitan Housing Authority, 1800 North Blanchard Street, Findlay, Ohio, 45840.

Blanchard Valley Port Authority

The Blanchard Valley Port Authority (the "Port Authority") is a jointly governed organization between the City of Findlay and Hancock County. The Authority was established pursuant to Ohio Revised Code Section 4582.21. The purpose of the Port Authority is to provide for the improvement and economic development in Hancock County and the City of Findlay.

The Port Authority is governed by a Board of Directors consisting of seven appointed members. Three are appointed by the Mayor of the City of Findlay, with the consent of City Council, three are appointed by the Hancock County Commissioners, and one is a joint appointment.

The Port Authority may be dissolved at any time upon the enactment of an ordinance by the City of Findlay Council and resolution by the Hancock County Board of Commissioners provided that upon dissolution, any real or personal property or combination thereof which has been received from or made available by the City of Findlay or Hancock County shall be returned to the subdivision from which it was received or made available. In the event of the dissolution, after paying all expenses, debts or funds or any remaining real or personal property belonging to the Port Authority shall be distributed to the City of Findlay and Hancock County equally. Financial information for the Blanchard Valley Port Authority can be obtained from the Hancock County Auditor, 300 South Main Street, Findlay, Ohio 45840-3345.

Hancock Regional Planning Commission

The Hancock Regional Planning Commission (the "Planning Commission") is a jointly governed organization between Hancock County and the City of Findlay. The Planning Commission provides professional planning services for the City and Hancock County. The Planning Commission is responsible for enforcement of the Hancock County subdivision regulations, lot splits, assistance to the villages and township zoning codes, zoning advisory and city planning reviews. The City and Hancock County appoint 10 and 12 members, respectively, to the Planning Commission Board. Separate financial statements may be obtained from the Hancock County Regional Planning Commission, 318 Dorney Plaza, Room 304, Findlay, Ohio, 45840.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Basis of Presentation

The City's BFS consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a 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 activities of the internal service funds are 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 activities. On the statement of activities, interfund services provided and used are not eliminated in the process of consolidation.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental functions are self-financing or draw 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 funds are presented in a single column on the face of the proprietary fund financial statements. Fiduciary funds are reported by type.

C. Fund Accounting

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

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities and deferred inflows are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows is reported as fund balance.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The following are the City's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Street maintenance and repair - This fund is used to account for 92.5% of the City's share of gasoline taxes and motor vehicle license fees as required by state statute. Expenditures of this fund are for street maintenance and construction.

Other governmental funds of the City are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

Enterprise funds - The 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 are the City's major enterprise funds:

Water - This fund accounts for the operations of the City's water utility. Revenues are from user charges, based on the rates set by the Service-Safety Director. Major water construction and renovation projects are accounted for and financed in this fund.

Water pollution control (sewer) - This fund accounts for the operation of the City's sewer utility. Revenues are from user charges, based on rates set by City Council. Major sewer construction and renovation projects are accounted for and financed in this fund.

Airport - This fund accounts for the operation of the City's airport facility including hangar rentals, aircraft fuel sales, runway maintenance and other operations of the airport.

The other enterprise funds of the City are used to account for swimming pool and parking enforcement operations.

Internal service funds - The 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 internal service funds report on the operations of central stores, a liability self-insurance program and a workers' compensation self-insurance program.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's fiduciary funds are a private-purpose trust fund which accounts for monies in trusts to benefit specific cemetery lots as directed by the contributor and agency funds used to account for deposits held for the satisfactory completion of various projects, to account for the funds maintained by the Municipal Court that are due to other State and local governments, to account for income tax and tax increment financing payments collected on-behalf and due to other governments, and for unclaimed funds held and due to others.

D. Measurement Focus and Basis of Accounting

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of 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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for sales and services. Operating expenses for the enterprise funds include personnel and other expenses related to the operations of the enterprise activities and operating expenses for the internal service funds include claims and administrative expenses for the self-insurance program and contracted services and materials and supplies expenses for the central stores operations. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Private-purpose trust funds are reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. 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. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and deferred outflows 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 fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within thirty-one days following year end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 6.B.). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6.A.). 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 a 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, local government funds and permissive tax), fines and forfeitures, fees and special assessments.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will 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, See Note 12 for deferred outflows of resources related the City's net pension liability. In addition, deferred outflows of resources include a deferred charge on debt refunding. 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.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance 2017 operations. These amounts have been recorded as a deferred inflow of resources 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, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, See Note 12 for deferred inflows of resources related to the City's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position. In addition, deferred inflows of resources include a deferred gain on debt refunding. A deferred gain 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.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

F. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinances. The tax budget and certificate of estimated resources are required to be prepared on the cash basis by the County Budget Commission and are prepared solely to satisfy these statutory requirements. The appropriation ordinances, under which the City controls its expenditures, and an internal revenue budget, under which the City measures available resources, are prepared on the accrual/modified accrual basis, as appropriate. The certificate of estimated resources and the appropriation ordinances are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources as certified. The legal level of budgetary control is at the "personal services" and "other" objects within each department within each fund. All changes in departmental appropriations or changes between the "personal services" and "other" objects within a department require action by the City Council. Capital outlays are budgeted on a multi-year project basis over the life of the project. Only supplemental appropriations for capital outlays incurred during the year are included in the budgetary comparison statements/schedules.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

On a GAAP-basis, the severance payout reserve fund and the city income tax administration fund are included as a component of the general fund; however, these funds have separate legally adopted budgets. Budgetary information for the general fund includes only the legally adopted budget for the general fund. These perspective differences are reported below:

Net Change in Fund Balance	<u>General</u>
Budget basis	\$ (618,205)
Funds budgeted elsewhere:	<u>152,035</u>
GAAP Basis	<u>\$ (466,170)</u>

Tax Budget - A budget of estimated cash receipts is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. This document is prepared on the cash basis of accounting.

Estimated Resources - The County Budget Commission certifies its actions to the City by September 1. As part of this process, the City receives the official certificate of estimated resources that states the projected cash receipts of each Fund. On or about January 1, this certificate is amended to include any unencumbered cash balances from the preceding year. This document is prepared on the cash basis of accounting.

Appropriations - At the beginning of the fiscal year, an annual appropriation ordinance is passed for the period January 1 to December 31. Supplemental appropriations were made during the year as new information became available to provide for additional expenditures deemed necessary by the legislative authority.

At the end of the year, all unexpended and unencumbered balances of operating appropriations lapse and revert to the funds from which the appropriation was initially made, where they become subject to future appropriation while encumbered balances are carried forward as part of the next year's appropriation. The unexpended balances of capital and special assessment appropriations continue until the project is completed at which time any remaining appropriation reverts to the fund from which the appropriation was initially made. Annual appropriation ordinances are adopted for all governmental, proprietary, and fiduciary funds. However, budget disclosure in the BFS is only required for the general fund and major special revenue funds.

G. Cash and Investments

To improve cash management, cash received by the City is pooled and invested in authorized investments (See Note 4). Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the financial statements. The City maintains depository accounts with financial institutions and deposits monies with the State Treasury Asset Reserve of Ohio (STAR) Plus. STAR Plus is a cash management program that provides Ohio political subdivisions with access to hundreds of FDIC insured banks in one account, offering participants full FDIC insurance up to \$100 million per account. Monies not maintained in depository accounts are invested.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

During 2016, investments were limited to Federal National Mortgage Association (FNMA) securities, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, U.S. Treasury Notes, STAR Ohio and nonnegotiable certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

During 2016, the City invested in STAR Ohio. STAR Ohio, is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its 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.

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during 2016 amounted to \$137,915, which includes \$52,507 assigned from other City funds as not all funds of the City receive interest earnings.

For purposes of the statement of cash flows, investments with an original maturity of three months or less are considered to be cash equivalents. In addition, all cash and investments of the cash management pool are considered to be cash equivalents because they are sufficiently liquid to permit withdrawal by the proprietary funds on demand. Investments with maturities greater than three months that are not part of the cash management pool are not considered to be cash equivalents.

An analysis of the City's investment account at year end is provided in Note 4.

H. Inventories of Materials and Supplies

On government-wide financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. Prepaids

Amounts recorded for prepaid items represent the unamortized portion of insurance policies that expire in 2017 or later. Governmental funds use the purchase method of accounting whereby insurance is recognized as an expenditure when purchased. Proprietary funds recognize insurance expense as it is incurred.

J. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of storm sewers, streets, and traffic signals. 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 capital assets is also capitalized for business-type activities.

The City's intangible assets include only purchased computer software. This asset class is reported separately from other capital assets classes reported in the capital asset schedule in Note 8. The City considers computer software (both purchased and internally generated) to be a non-depreciable capital asset. It is the City's policy that as long as annual maintenance and upgrades are purchased for the software, the software will be used indefinitely.

All reported capital assets are depreciated except for land, certain land improvements, computer software and construction in progress. Non-depreciable land improvements are improvements that are permanent and are not considered part of a structure and do not deteriorate over time. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Improvements other than buildings	20 - 50 years	20 - 50 years
Machinery and equipment	3 - 20 years	3 - 20 years
Utility plant in service	-	50 - 99 years
Utility lines in service	-	50 - 99 years
Infrastructure:		
Streets	10 years	-
Storm sewers	75 years	-
Traffic signals	25 years	-

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

K. Compensated Absences

Compensated absences of the City consist of vacation leave, sick leave, holivac (combination of holiday and vacation for individuals who are required to work holidays and non-standard hours), and compensatory time to the extent that payment to the employee for these absences is attributable to services already rendered and are not contingent on a specific event that is outside the control of the City and the employee.

In conformity with GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave, holivac, and compensatory time is accrued if: a) the employee's rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination payments, as well as those employees expected to become eligible in the future in accordance with GASB Statement No. 16. Sick leave benefits are accrued using the "vesting" method in accordance with GASB Statement No. 16.

The total liability for vacation leave, sick leave, holivac, and compensatory time has been calculated using the pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or City Ordinance, plus applicable additional salary related payments.

Sick leave accumulates at the rate of 4.6 hours of sick leave for 80 hours of work completed. For non-contract employees, sick leave may be converted into cash only upon retirement or death with 10 or more years of service with the State or any of its political subdivisions at the rate of one fourth the value of the first 960 hours of accrued, unused sick leave credit. If applicable, accrued, unused sick leave will be paid in cash for one-half the value of all accrued sick leave credit in excess of 960 hours. Individuals with accumulated sick leave greater than 1,920 hours receive cash at the rate of one-half the total hours accumulated. Sick leave for individuals leaving the employment of the City prior to retirement or at retirement with less than 10 years of service remains with the City; however, this amount is not eligible to be paid out as part of an accumulated sick leave settlement. Contract employees are paid for their sick time based upon their current contracts.

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

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

L. Accrued Liabilities and Long-Term Obligations

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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, compensated absences and the 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.

M. 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 funds are eliminated for reporting on the statement of activities.

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 nonoperating 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 BFS.

N. 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 classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. 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 nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of City Council, which includes giving the City Auditor the authority to constrain monies for intended purposes. City Council has, by ordinance, authorized the City Auditor to assign fund balances for encumbrances outstanding at year-end.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

O. Minimum Fund Balance Policy

The City has established, via Council legislation, a minimum fund balance policy for unforeseen emergencies or revenue shortfalls and to eliminate the need for short-term borrowing for cash-flow needs. The City's minimum fund balance target was approximately 16.7% of the City's general fund expenditures. The minimum fund balance is to be maintained in the City's general fund unassigned fund balance.

P. Budget Stabilization Arrangement

Pursuant to Ohio Revised Code Section 5705.13, the City has established a reserve balance account, in the City's general fund (referred to as the Rainy Day Account), to be used in emergencies for operational expenditures. The reserve account will not exceed five percent of the previous year's general fund revenues, as dictated by Ohio law. The balance of the reserve balance account at December 31, 2016 is \$1,000,000. This amount is reported as a component of unassigned fund balance in the general fund and unrestricted net position in the governmental activities.

Q. Estimates

The preparation of the BFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the BFS and accompanying notes. Actual results may differ from those estimates.

R. Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on the use of resources either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

S. Reimbursements

Reimbursements received from external sources outside of the City are reported as reimbursement revenue. Interfund activity is recorded as described in Note 2.M.

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

T. Contributions of Capital

Contributions of capital in proprietary fund financial statements and for the governmental activities arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as revenue in the proprietary fund financial statements and on the statement of activities.

U. Unamortized Bond Premiums and Discounts/Accounting Gain or Loss

Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an addition to the face amount of the bonds. Bond discounts are presented as a reduction to the face amount of the bonds.

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow.

On the governmental fund financial statements, issuance costs, bond premiums, bond discounts, and deferred charges from refunding are recognized in the current period. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 11.

V. Interfund Balances

On fund financial statements, receivables and payables resulting from services provided from one fund to another is classified as "due to/from other funds". Receivables and payables resulting from interfund loans are classified as "interfund loans payable/receivable".

The City had no due to/from other funds or interfund loans payables/receivables at December 31, 2016.

W. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2016.

X. Comparative Information

Comparative total data for the prior year have been presented in selected sections of the financial statements in order to provide an understanding of the changes in the government's financial position and operations. The financial statements include certain prior-year summarized comparative information in total, but not by net position class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Y. 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.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2016, the City has implemented GASB Statement No. 72, "Fair Value Measurement and Application", GASB Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 77, "Tax Abatement Disclosures", GASB Statement No. 78, "Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans" and GASB Statement No. 79, "Certain External Investment Pools and Pool Participants".

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the City's fiscal year 2016 financial statements (see Note 4); however, there was no effect on beginning net position/fund balance.

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purposes external financial reports of state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the City.

GASB Statement No. 76 identifies - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the City.

GASB Statement No. 77 requires governments that enter into tax abatement agreements to disclose certain information about the agreement. GASB Statement No. 77 also requires disclosures related to tax abatement agreements that have been entered into by other governments that reduce the reporting government's tax revenues. These disclosures were incorporated in the City's fiscal year 2016 financial statements (see Note 6.C); however, there was no effect on beginning net position/fund balance.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the City.

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 its 2016 financial statements; however, there was no effect on beginning net position/fund balance.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAR Ohio);
7. High grade commercial paper for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the City's interim monies available for investment; and,
8. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the City's interim monies available for investment.

The City may also invest any 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.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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. In accordance with Ohio Revised Code, 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. The City's investment policy limits security purchases to those that mature within two years of the settlement date. 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 treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash with Fiduciary Agent: At year end, the City had \$529,460 on deposit with the Hancock County Treasurer. The data regarding insurance and collateralization can be obtained from the Hancock County Comprehensive Annual Financial Report for the year ended December 31, 2016. This amount is not included in the City's depository balance below.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Cash with Escrow Agent: At year end, the City had \$127,554 on deposit with financial institutions for retainage escrow accounts and bond and coupon payments. These amounts are included in the City's depository balance below.

Cash in Segregated Accounts: At year end, the City had \$362,804 deposited with a financial institution for monies related to the Revolving Loan special revenue fund (a nonmajor governmental fund), the Municipal Court agency fund, employee benefits, and for police special drug operations. These amounts are included in the City's depository balance below.

A. Deposits with Financial Institutions

At December 31, 2016, the carrying amount of all City deposits was \$18,649,744 and the bank balance of all City deposits was \$19,658,537. Of the bank balance, \$17,162,147 was covered by pledged collateral held by the Federal Reserve Bank of Boston in the name of the City and \$2,496,390 was covered by the FDIC.

Custodial credit risk 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 the possession of an outside party. As permitted by Ohio Revised Code, the City's deposits are collateralized by a pool of eligible securities deposited with Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the depository bank and pledged as a pool of collateral against all public deposits held by the depository. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

B. Investments

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

Measurement/ Investment type	Measurement Value	Investment Maturities			
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months
Fair Value:					
FFCB	\$ 1,987,080	\$ -	\$ -	\$ -	\$ 1,987,080
FHLB	3,000,860	999,980	1,002,490	998,390	-
FHLMC	3,982,820	-	-	1,992,620	1,990,200
FNMA	1,000,450	-	-	-	1,000,450
U.S. Treasury Notes	9,996,690	4,002,550	4,993,670	1,000,470	-
Amortized Cost:					
STAR Ohio	<u>17,371,124</u>	<u>17,371,124</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 37,339,024</u>	<u>\$ 22,373,654</u>	<u>\$ 5,996,160</u>	<u>\$ 3,991,480</u>	<u>\$ 4,977,730</u>

The weighted average length to maturity of investment is 0.53 years.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's investments in federal agency securities (FFCB, FHLB, FHLMC, FNMA) and U.S. Treasury notes are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The City's investment policy further limits security purchases to those that mature within two years of the settlement date. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk by requiring the consideration of market conditions and cash flow requirements in determining the term of an investment.

Credit Risk: The City's investments in federal agency securities and U.S. Treasury notes were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. STAR Ohio carries a 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's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In 2013, the City entered a third party custodial agreement as it pertains to investments to provide for the separation of the safekeeping and custody function from the investment function. By arranging to have securities held by a third party, the City can effectively minimize safekeeping or custodial risk in an investment transaction. With this agreement, investments are settled in a delivery-versus-payment (DVP) basis; at no point in time does the City not have either the cash or the investment. The federal agency securities and U.S. Treasury notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the City's name.

The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the City Auditor or qualified trustee.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of each investment type held by the City at December 31, 2016:

Measurement/ Investment type	Measurement Amount	% of Total
Fair Value:		
FFCB	\$ 1,987,080	5.32
FHLB	3,000,860	8.04
FHLMC	3,982,820	10.67
FNMA	1,000,450	2.68
U.S. Treasury Notes	9,996,690	26.77
Amortized Cost:		
STAR Ohio	17,371,124	46.52
Total	\$ 37,339,024	100.00

C. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2016:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 18,649,744
Investments	37,339,024
Cash with fiduciary agent	529,460
Total	\$ 56,518,228

<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 31,726,402
Business-type activities	24,256,792
Fiduciary funds	535,034
Total	\$ 56,518,228

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers for 2016 consisted of the following as reported in the fund financial statements:

<u>Transfers To</u>	<u>Transfers From</u>			<u>Total</u>
	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>Nonmajor Governmental</u>	
General	\$ -	\$ 130,791	\$ 283,497	\$ 414,288
Street Maintenance and Repair	3,472,516	-	-	3,472,516
Nonmajor governmental	858,741	-	128,881	987,622
Airport	138,309	-	-	138,309
Nonmajor enterprise	75,000	-	-	75,000
Internal service	200,000	-	-	200,000
Total	<u>\$ 4,744,566</u>	<u>\$ 130,791</u>	<u>\$ 412,378</u>	<u>\$ 5,287,735</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers between governmental funds are eliminated for reporting on the statement of activities. Net transfers between governmental funds and enterprise funds are reported as transfers on the statement of activities.

The \$130,791 transfer from the street maintenance and repair fund to the general fund is the return of monies previously provided for street projects from the city income tax fund (which is a component of the general fund). Once the projects are complete, any monies left over from the initial funding of the projects are returned to the fund which initially funded the projects.

The \$283,497 transfer from the nonmajor governmental funds to the general fund consist of the following: (1) a \$233,497 transfer from the debt service fund to return monies previously provided by the city income tax fund (which is a component of the general fund). As the debt obligations are satisfied, any monies remaining from the initial funding of those obligations are returned to the fund which initially funded the debt service payments, and (2) \$50,000 from the capital improvement fund to finance municipal court improvement project being accounted for in the general fund.

The \$128,881 transfer from the nonmajor governmental funds to the nonmajor governmental fund was to move the collection of county permissive license tax to the debt service fund to pay debt service charges on debt issued for which the permissive license tax was levied.

NOTE 6 - TAXES

A. Property Tax

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 6 - TAXES - (Continued)

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 real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property 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 became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Auditor collects property taxes on behalf of all taxing districts in the County, including the City of Findlay. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2016 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2016 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as a deferred inflow of resources. The tax rate applicable to the 2016 operations was 3.2 mills. The assessed values of real and public utility property upon which 2016 property tax receipts were based are as follows:

Real property	\$ 768,406,470
Real and personal public utility	<u>33,991,260</u>
Total assessed value	<u>\$ 802,397,730</u>

B. City Income Tax

The City levies an income tax of 1.00% on the gross salaries, wages, and other service compensation earned by residents of the City and to the earnings of nonresidents working within the City. The City income tax rate was and has been 1.00% since it was imposed on January 1, 1967. Effective January 1, 2010, the income tax rate had been increased to 1.25% for a period of three years and the temporary 0.25% tax increase ended at December 31, 2012. Beginning January 1, 2013, the City's income tax rate reverted back to 1.0%. This tax also applies to the net income of businesses operating within the City. The City also requires certain employers to remit withholding taxes on a monthly basis as opposed to a quarterly basis.

The receipts of the City income tax and the administrative costs associated with their collection are accounted for in the city income tax administration fund (a component of the general fund for financial reporting purposes). Income tax receipts, net of the related administrative costs, are disbursed, appropriated, and allocated in accordance with City Ordinance. For 2016, 81% will be transferred to the general fund and 19% will be restricted within the city income tax administration fund (a component of the general fund for financial reporting purposes) for capital improvements. For 2017, 80% will be transferred to the general fund and 20% will be restricted within the city income tax administration fund (a component of the general fund for financial reporting purposes) for capital improvements. The allocation is determined by ordinance of Council and can be changed by Council at any time.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 6 - TAXES - (Continued)

The city income tax administration fund is reported as a component of the general fund for GAAP reporting. As such, transfers between the city income tax administration fund and the general fund have been eliminated. The general fund reported income tax revenues of \$24,732,412 for 2016.

C. Tax Abatements

As of December 31, 2016, the City provides property tax abatements through a Community Reinvestment Area (CRA) program.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

The City has entered into agreements to abate property taxes through this program. During 2016, the City's property tax revenues were reduced as a result of these agreements as follows:

<u>Tax Abatement Program</u>	<u>City Taxes Abated</u>
CRA	\$ <u>6,687</u>

NOTE 7 - RECEIVABLES

A. Proprietary Funds

The City's receivables from outside parties at December 31, 2016, by fund, are shown as follows:

	<u>Major Funds</u>			<u>Internal Service Funds</u>	<u>Total Proprietary Funds</u>
	<u>Water</u>	<u>Water Pollution Control</u>	<u>Airport</u>		
Billed and unbilled charges for services	\$ 1,113,395	\$ 1,548,851	\$ 41,205		\$ 2,703,451
Accrued interest - unrestricted	10,962	11,078	-	577	22,617
Total receivables, net of allowances	<u>\$ 1,124,357</u>	<u>\$ 1,559,929</u>	<u>\$ 41,205</u>	<u>\$ 577</u>	<u>\$ 2,726,068</u>
Total due from outside parties	<u>\$ 1,124,357</u>	<u>\$ 1,559,929</u>	<u>\$ 41,205</u>	<u>\$ 577</u>	<u>\$ 2,726,068</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 7 - RECEIVABLES - (Continued)

Residents are billed on a bi-monthly basis for water and wastewater service with approximately one-half of the City's customers being billed each month. Unbilled service receivables are accrued based upon the consumption for the applicable area of the City during the related period. Accrued interest represents the amount of interest that has accrued on investments as of December 31, 2016. All receivables for the proprietary funds are expected to be collected within the subsequent year.

B. Governmental Funds

The City's receivables from outside parties at December 31, 2016, by fund, are shown as follows:

	Major Funds			Total Governmental Funds
	General	Street Maintenance and Repair	Nonmajor Governmental Funds	
Income taxes	\$ 7,684,882	\$ -	\$ -	\$ 7,684,882
Property taxes	2,162,687	-	501,328	2,664,015
Hotel/motel taxes	127,548	-	-	127,548
Economic development loans	-	-	861,991	861,991
Special assessments	-	-	138,207	138,207
Tax increment financing payments	-	-	149,689	149,689
Miscellaneous	257,672	1,791	912	260,375
Accrued interest - unrestricted	28,963	932	228	30,123
Total receivables, net of allowances	\$ 10,261,752	\$ 2,723	\$ 1,652,355	\$ 11,916,830
Due from other governments:				
Property tax rollbacks	\$ 113,363	\$ -	\$ 26,220	\$ 139,583
Estate taxes	-	-	-	-
Local government funds	221,911	-	-	221,911
State tax	41,183	-	-	41,183
Fuel tax	-	676,809	54,877	731,686
Motor vehicle license fees	-	166,343	9,589	175,932
Grants	-	-	-	-
Total due from other governments	\$ 376,457	\$ 843,152	\$ 90,686	\$ 1,310,295
Total due from outside parties	\$ 10,638,209	\$ 845,875	\$ 1,743,041	\$ 13,227,125

The stated receivable amounts are net of the applicable allowance for uncollectibles. Such allowance balances are not significant in relation to the respective receivable balances.

City income taxes accrued at December 31, 2016 represent income taxes due the City at year end. Delinquent income taxes represent interest, penalties, and additional taxes due as a result of audits of returns filed.

Property taxes accrued at December 31, 2016 represent the City's portion of 2017 taxes to be collected by the Hancock County Treasurer during 2016 based on the assessed value of property described in Note 6.A.

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 7 - RECEIVABLES - (Continued)

Hotel/Motel taxes accrued at December 31, 2016 represent 2016 transient lodging taxes due to the City at year end and collected in the first quarter of 2017 from hotels and motels located within the City's corporation limits.

Economic development loans receivable at December 31, 2016 reported in the Revolving Loan Fund (a nonmajor governmental fund) represent loans to qualified businesses for the purpose of economic development. These loans are being repaid over a number of years.

Special assessments represent amounts due from taxpayers for certain pavement, sidewalk, and storm sewer work performed by the City. Special assessments are collected over a number of years.

Tax increment financing payments accrued at December 31, 2016 represent 2016 service payments in lieu of taxes for improvement projects performed benefitting specific real estate parcels.

Accrued interest represents the amount of interest that has accrued on investments as of December 31, 2016.

Due from other governments in the general fund represents 2016 State taxes, local government monies and property tax rollbacks (intergovernmental) anticipated to be received by the City from January 1, 2017 through June 30, 2017 and estate taxes due at December 31, 2016. In addition, the General fund has a grant receivable at December 31, 2016 for monies due the City related to the McLane 629 Project and the Eagle Creek Project.

Due from other governments in the special revenue funds represents 2016 motor vehicle license fees, gasoline excise taxes, and property tax rollbacks anticipated to be received by the City from January 1, 2017 to June 30, 2017.

The only receivables for the governmental funds that are not expected to be collected within the subsequent year are the special assessments and economic development loans which are collected over the life of the assessment or the life of the loan, respectively.

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CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 8 - CAPITAL ASSETS

A. Governmental activities

Governmental activities capital asset activity for the year ended December 31, 2016, was as follows:

	Balance			Balance
<u>Governmental activities:</u>	<u>12/31/15</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/16</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 8,875,082	\$ -	\$ -	\$ 8,875,082
Nondepreciable land improvements	653,392	-	-	653,392
Computer software	738,601	49,600	-	788,201
Construction in progress	<u>1,375,353</u>	<u>2,047,602</u>	<u>(1,226,415)</u>	<u>2,196,540</u>
Total capital assets, not being depreciated	<u>11,642,428</u>	<u>2,097,202</u>	<u>(1,226,415)</u>	<u>12,513,215</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	12,307,471	66,851	-	12,374,322
Improvements other than buildings	6,950,528	931,349	(23,310)	7,858,567
Equipment	15,772,267	2,706,463	(2,264,206)	16,214,524
Infrastructure	<u>113,331,187</u>	<u>3,624,033</u>	<u>(254,533)</u>	<u>116,700,687</u>
Total capital assets, being depreciated	<u>148,361,453</u>	<u>7,328,696</u>	<u>(2,542,049)</u>	<u>153,148,100</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(5,709,736)	(239,887)	-	(5,949,623)
Improvements other than buildings	(1,987,642)	(311,449)	16,147	(2,282,944)
Equipment	(11,699,130)	(1,159,976)	1,761,463	(11,097,643)
Infrastructure	<u>(54,559,762)</u>	<u>(3,034,528)</u>	<u>249,872</u>	<u>(57,344,418)</u>
Total accumulated depreciation	<u>(73,956,270)</u>	<u>(4,745,840)</u>	<u>2,027,482</u>	<u>(76,674,628)</u>
Total capital assets, being depreciated, net	<u>74,405,183</u>	<u>2,582,856</u>	<u>(514,567)</u>	<u>76,473,472</u>
Governmental activities capital assets, net	<u>\$ 86,047,611</u>	<u>\$ 4,680,058</u>	<u>\$ (1,740,982)</u>	<u>\$ 88,986,687</u>

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:

General government	\$ 414,051
Security of persons and property	455,811
Transportation	3,428,210
Leisure time activities	382,698
Public health and welfare	<u>40,235</u>
Total depreciation expense	4,721,005
Accumulated depreciation on capital assets transferred from Water fund	<u>24,835</u>
Increase in accumulated depreciation	<u><u>\$ 4,745,840</u></u>

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CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 8 - CAPITAL ASSETS - (Continued)

B. Business-type activities

Business-type activities capital asset activity for the year ended December 31, 2016, was as follows:

	Balance			Balance
<u>Business-type activities:</u>	<u>12/31/15</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/16</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,734,694	\$ -	\$ -	\$ 4,734,694
Computer software	100,272	-	-	100,272
Construction in progress	<u>5,771,829</u>	<u>397,168</u>	<u>(5,534,076)</u>	<u>634,921</u>
Total capital assets, not being depreciated	<u>10,606,795</u>	<u>397,168</u>	<u>(5,534,076)</u>	<u>5,469,887</u>
<i>Capital assets, being depreciated:</i>				
Buildings	1,632,539	-	-	1,632,539
Utility plant in service	77,346,550	-	-	77,346,550
Utility lines in service	105,408,558	3,353,578	(4,152)	108,757,984
Improvements other than buildings	28,951,635	3,322,006	-	32,273,641
Machinery and equipment	<u>9,290,631</u>	<u>3,732,468</u>	<u>(359,841)</u>	<u>12,663,258</u>
Total capital assets, being depreciated	<u>222,629,913</u>	<u>10,408,052</u>	<u>(363,993)</u>	<u>232,673,972</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(1,632,126)	(413)	-	(1,632,539)
Utility plant in service	(34,688,523)	(1,506,854)	-	(36,195,377)
Utility lines in service	(25,461,425)	(1,278,144)	588	(26,738,981)
Improvements other than buildings	(12,094,537)	(1,057,644)	-	(13,152,181)
Machinery and equipment	<u>(9,121,736)</u>	<u>(1,113,334)</u>	<u>144,734</u>	<u>(10,090,336)</u>
Total accumulated depreciation	<u>(82,998,347)</u>	<u>(4,956,389)</u>	<u>145,322</u>	<u>(87,809,414)</u>
Total capital assets, being depreciated, net	<u>139,631,566</u>	<u>5,451,663</u>	<u>(218,671)</u>	<u>144,864,558</u>
Business-type activities capital assets, net	<u>\$ 150,238,361</u>	<u>\$ 5,848,831</u>	<u>\$ (5,752,747)</u>	<u>\$ 150,334,445</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to the enterprise funds of the City as follows:

Business-type activities:

Water	\$ 1,558,532
Water pollution control	2,511,740
Airport	838,829
Parking	6,451
Swimming pool	<u>30,837</u>
Total depreciation expense	4,946,389
Accumulated depreciation on capital assets transferred from Water fund to Airport fund	<u>10,000</u>
Increase in accumulated depreciation	<u>\$ 4,956,389</u>

NOTE 9 - RISK MANAGEMENT

A. Municipal Liability Self-Insurance Fund

During 1987, the City established a Self-Insurance Fund which has been recorded as part of the Internal Service Funds. This Self-Insurance Fund serves the purpose of handling, processing, and paying general municipality liability insurance claims in lieu of purchasing general municipality liability insurance.

The City's plan covers a limit of \$1,000,000 per occurrence for bodily injury liability and \$1,000,000 aggregate for property damage liability. No settlements have exceeded this insurance coverage in any of the past three years. The City is fully insured through premium-based insurance policies for most other types of insurance including building and contents, fleet, workers' compensation, public officials' liability, etc. There has been no significant reduction in coverage from the prior year.

The City's policy for reporting a claims liability is based on the requirements GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims. It is the opinion of the City's legal counsel that, as of December 31, 2016, there were no material outstanding claims pending for the Self-Insurance fund. Claims activity for 2016 and 2015 are as follows:

<u>Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2016		\$ 18,709	\$ (18,709)	\$ -
2015	-	23,062	(23,062)	-

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 9 - RISK MANAGEMENT - (Continued)

B. Individual Retrospective Workers' Compensation Plan

For the period 2010 through 2013, the City participated in the Ohio Bureau of Workers' Compensation (Bureau) Retrospective Rating Plan (the Plan). The alternative rating program requires the City to pay only administrative charges to the Bureau, and in turn the City assumes the responsibility of paying all claims incurred during the policy period for up to ten years. After the tenth year, the Bureau will assume any existing claim for its duration. The City will be charged an actuarial amount for the claims transferred to the Bureau. The City's stop-loss coverage through the Plan is limited to \$300,000 per claim with a stop-loss annual coverage aggregate of 200% of the experience premium if the City would not have participated in the Plan. The City discontinued participation in the individual retrospective rating plan effective January 1, 2014 and joined a group retrospective rating plan (described below). The City will continue to report activity related to the individual retrospective rating plan for a ten year period ending 2023.

The City's activity related the Plan is accounted for in an internal service fund which will pay for all claims, claim reserves and administrative costs of the program. The internal service fund generates revenues by charging each fund a percentage rate determined by the City as recommended by its third party administrator for workers' compensation for the payroll during the reporting period. The claims liability of \$29,673 reported in the basic financial statements at December 31, 2016, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claim. This liability has been reported as "workers' compensation payable" in the financial statements. Changes in the workers' compensation payable liability in 2016 and 2015 are as follows:

<u>Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2016	\$ 57,130	\$ (26,856)	\$ (601)	\$ 29,673
2015	36,818	41,120	(20,808)	57,130

C. Group Retrospective Workers' Compensation Plan

The City participates in the Bureau's Group Retrospective Rating Plan. Under this plan, the City pays an individual annual premium to the Bureau and has the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending on that performance, the participating employers can receive either a premium refund or assessment. The Group Retrospective Rating Plan provides incentives to the group retro members to control and reduce losses.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 9 - RISK MANAGEMENT - (Continued)

D. Medical, Dental and Prescription Drug Benefits

The City is self-insured for medical, dental, vision and prescription drug benefits (the Program). The Program is administered through a third party administrator who manages and processes the claims. The City makes required payments to the third party administrator to reimburse them for the claim payments. The City's stop-loss coverage through the Program is limited to \$100,000 per claim with a stop-loss annual coverage aggregate that varies based upon the number of contracts in the Program. The City utilizes Findley Davies as its health benefits actuary. The City's policy for reporting a claims liability is based on the requirements GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims. The City has reported a liability in both the fund and government-wide financial statements amounting to \$290,885 for estimated claims payments incurred and due at year-end. This liability has been reported as "insurance deposits payable" in the financial statements. Changes in the insurance deposits payable liability in 2016 and 2015 follows:

Year	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2016	\$ 381,874	\$ 3,210,275	\$ (3,301,264)	\$ 290,885
2015	497,400	3,021,762	(3,137,288)	381,874

NOTE 10 - RESTRICTED ASSETS

Restricted assets at December 31, 2016 are comprised of the following:

	Cash and Investments
<u>Major governmental funds:</u>	
General fund:	
Restricted for capital improvements	\$ 4,970,944
Total governmental activities	<u>\$ 4,970,944</u>
<u>Major enterprise funds:</u>	
Water fund:	
Restricted for capital improvements to utility lines	\$ 800,746
Water Pollution Control fund:	
Restricted for capital improvements to utility lines	<u>5,189,091</u>
Total business-type activities	<u>\$ 5,989,837</u>

Restricted cash and investments in the governmental funds are equally offset by a fund balance commitment.

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 11 - LONG-TERM OBLIGATIONS

A. Governmental activities

In 2016, the following changes occurred in the City's governmental activities long-term obligations:

Governmental activities:	Interest	Maturity	Balance	Additions	Disposals	Balance	Amounts
	Rate	Date	12/31/15			12/31/16	Due in
							One Year
<u>General obligation bonds</u>							
Series 2008 HRC rehab	3.25 - 4.50%	2033	\$ 2,140,000	\$ -	\$ (2,140,000)	\$ -	\$ -
Series 2008 CR 236 land acquisition	3.25 - 4.50%	2033	630,000	-	(630,000)	-	-
Series 2008 CR 236 widening	3.25 - 4.50%	2028	3,155,000	-	(3,155,000)	-	-
Series 2008 five plex (ball diamonds)	3.25 - 4.00%	2018	610,000	-	(610,000)	-	-
Series 2011 energy bonds - Series A	2.96%	2019	274,096	-	(65,555)	208,541	67,496
Series 2011 energy bonds - Series B	5.40%	2026	518,005	-	-	518,005	-
Series 2014 fire improvement refunding	0.96%	2016	196,500	-	(196,500)	-	-
Series 2016 HRC rehab refunding	0.95 - 4.00%	2033	-	2,170,000	-	2,170,000	60,000
Series 2016 CR 236 land acquisition refunding	0.95 - 4.00%	2033	-	640,000	-	640,000	15,000
Series 2016 CR 236 widening refunding	0.95 - 4.00%	2033	-	3,245,000	-	3,245,000	75,000
Series 2016 five plex (ball diamonds) refunding	0.95 - 4.00%	2033	-	450,000	-	450,000	225,000
Total general obligation bonds			<u>7,523,601</u>	<u>6,505,000</u>	<u>(6,797,055)</u>	<u>7,231,546</u>	<u>442,496</u>
<u>Special assessment bonds</u>							
Series 2012 Hunters Creek drainage	2.79%	2022	140,000	-	(18,000)	122,000	19,000
Total special assessment bonds			<u>140,000</u>	<u>-</u>	<u>(18,000)</u>	<u>122,000</u>	<u>19,000</u>
<u>OPWC loans</u>							
Crystal/Melrose intersection	0%	2024	61,200	-	(7,200)	54,000	7,200
Howard Street improvements	0%	2026	78,573	-	(7,484)	71,089	7,483
Total OPWC loans payable			<u>139,773</u>	<u>-</u>	<u>(14,684)</u>	<u>125,089</u>	<u>14,683</u>
<u>Other long-term obligations</u>							
Police and fire past service liability	4.30%	2035	984,333	-	(33,387)	950,946	34,821
Compensated absences			3,837,483	1,742,105	(1,704,418)	3,875,170	1,582,561
Net pension liability:							
OPERS			5,724,177	2,617,789	-	8,341,966	-
OP&F			20,234,232	4,784,251	-	25,018,483	-
Total net pension liability			<u>25,958,409</u>	<u>7,402,040</u>	<u>-</u>	<u>33,360,449</u>	<u>-</u>
Total other long-term obligations			<u>30,780,225</u>	<u>9,144,145</u>	<u>(1,737,805)</u>	<u>38,186,565</u>	<u>1,617,382</u>
Total governmental activities							
long-term obligations			38,583,599	15,649,145	(8,567,544)	45,665,200	2,093,561
Add: Unamortized premium on bond issue			-	385,262	(7,629)	377,633	-
Less: Unamortized discount on bond issue			(33,012)	-	33,012	-	-
Total reported on the statement of net position			<u>\$ 38,550,587</u>	<u>\$ 16,034,407</u>	<u>\$ (8,542,161)</u>	<u>\$ 46,042,833</u>	<u>\$ 2,093,561</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Series 2008 Various Purpose Bonds (HRC/CUBE Rehab Portion)

On July 23, 2008, the City issued \$8,200,000 in various purpose general obligation bonds to fund various projects. A portion of the proceeds, \$2,340,000, was issued for the purpose of renovating, constructing, reconstructing, and expanding the HRC/CUBE, including acquisition of approximately 5.5 acres of land and interests in land adjacent to the HRC/CUBE, furnishing and equipping same; and all appurtenances relating thereto.

During 2016, the City made \$30,000 in principal payments and advance refunded the remaining portion of the bonds (\$2,110,000) with the issuance of the Series 2016 various purpose refunding bonds (see below). Principal and interest payments were made from the debt service fund (a nonmajor governmental fund). The Series 2008 various purpose general obligation bonds have been defeased (in-substance) and removed from the financial statements.

Series 2008 Various Purpose Bonds (County Road 236 Land Acquisition Portion)

On July 23, 2008, the City issued \$8,200,000 in various purpose general obligation bonds to fund various projects. A portion of the proceeds, \$700,000, was issued for the purpose of acquiring right-of-way along County Road 236 between U.S. Rt. 224 and State Route 12 to be used for the County Road 236 widening project.

During 2016, the City made \$10,000 in principal payments and advance refunded the remaining portion of the bonds (\$620,000) with the issuance of the Series 2016 various purpose refunding bonds (see below). Principal and interest payments were made from the debt service fund (a nonmajor governmental fund). The Series 2008 various purpose general obligation bonds have been defeased (in-substance) and removed from the financial statements.

Series 2008 Various Purpose Bonds (County Road 236 Widening Portion)

On July 23, 2008, the City issued \$8,200,000 in various purpose general obligation bonds to fund various projects. A portion of the proceeds, \$3,355,000, was issued for the purpose of improving County Road 236 by widening, constructing, reconstructing, grading, repaving and constructing drainage improvements and related infrastructure with landscaping, traffic control devices, lighting, and other appurtenances relating thereto.

During 2016, the City made \$30,000 in principal payments and advance refunded the remaining portion of the bonds (\$3,125,000) with the issuance of the Series 2016 various purpose refunding bonds (see below). Principal and interest payments were made from the debt service fund (a nonmajor governmental fund). The Series 2008 various purpose general obligation bonds have been defeased (in-substance) and removed from the financial statements.

Series 2008 Various Purpose Bonds (5-Plex Portion)

On July 23, 2008, the City issued \$8,200,000 in various purpose general obligation bonds to fund various projects. A portion of the proceeds, \$1,805,000, were issued for the purpose of improving athletic field and a perimeter walkway for the HRC/CUBE 5-Plex (ball diamonds) Sports Complex (the "5-Plex"), including grading, landscaping, irrigation, paving, fencing, lighting, signage, and all other improvements and appurtenances thereto.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

During 2016, the City made \$195,000 in principal payments and advance refunded the remaining portion of the bonds (\$415,000) with the issuance of the Series 2016 various purpose refunding bonds (see below). Principal and interest payments were made from the debt service fund (a nonmajor governmental fund). The Series 2008 various purpose general obligation bonds have been defeased (in-substance) and removed from the financial statements.

Series 2011 Energy Bonds

On June 30, 2011, the City issued \$518,006 of energy improvement bonds - Series 2011A and \$518,005 of energy improvement bonds - Series 2011B to finance energy efficiency and conservation systems in the City. The bonds were issued through the State of Ohio Air Quality Development Authority (the "Authority"). On June 30, 2011, the City entered into a loan agreement with the Authority whereby the City agreed to pay the debt service payments on the bonds issued by the Authority. The Series B bonds are qualified energy bonds whose interest is partially subsidized by the federal government. The full amount of the interest expenditure is reported on the financial statements and the interest subsidy is reported as intergovernmental revenue. During 2016, the City received interest subsidies totaling \$18,456 from the federal government related to the Series B bonds. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund). The bonds pay interest semiannually on June 1 and December 1 of each year and mature on December 1, 2019 (Series A bonds) and December 1, 2026 (Series B bonds). These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment.

During 2016, the City made \$65,555 in principal payments on the Series A bonds leaving a liability of \$208,541 at year end. During 2016, the City made no principal payments on the Series B bonds with the liability remaining at \$518,005 at year end.

Series 2014 Various Purpose Bonds (Fire Improvement Refunding Portion)

On April 3, 2014, the City issued \$7,935,000 in various purpose general obligation bonds to fund water and sewer projects and to currently refund previously issued bonds. A portion of the proceeds, \$392,500, were issued for the purpose of currently refunding the remaining portion of the Series 2004 various purpose bonds (fire improvement refunding portion). Proceeds of the Series 2014 issue were deposited into an escrow fund to provide for the retirement of the Series 2004 various purpose bonds (fire improvement refunding portion). The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the refunding (in-substance defeased). The assets held in trust as a result of the refunding are not included in the financial statements.

The refunding issue is comprised of current interest serial bonds, par value \$392,500. During 2016, the City made \$196,500 in principal payments on these bonds which retired the liability in full. Principal and interest payments were made from the debt service fund (a nonmajor governmental fund). There is no remaining obligation for the Series 2014 various purpose bonds at December 31, 2016.

The reacquisition price exceeded the net carrying amount of the old debt by \$22,527. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the refunding debt.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Series 2016 Various Purpose Refunding Bonds (HRC/CUBE Rehab Portion)

On August 17, 2016, the City issued \$6,505,000 of various purpose refunding bonds (\$2,685,000 Series 2016A and \$3,820,000 Series 2016B) to advance refund the Series 2008 various purpose general obligation bonds. A portion of the proceeds, \$2,170,000, were issued for the purpose of advance refunding the remaining portion of the Series 2008 various purpose bonds (HRC/CUBE Rehab Portion). Proceeds of the Series 2016 issue were deposited into an escrow fund to provide for the retirement of the Series 2008 various purpose bonds (HRC/CUBE Rehab Portion). The refunded bonds are not included in the City's outstanding debt since the City has satisfied its obligations through the refunding (in-substance defeased). The assets held in trust as a result of the refunding are not included in the financial statements.

The refunding issue is comprised of current interest serial and term bonds, par value \$2,170,000. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund). The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2033. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$188,765. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the refunding debt. The refunding reduced future debt service payments by \$155,483 resulting in an economic gain of \$136,426.

Series 2016 Various Purpose Refunding Bonds (County Road 236 Land Acquisition Portion)

On August 17, 2016, the City issued \$6,505,000 of various purpose refunding bonds (\$2,685,000 Series 2016A and \$3,820,000 Series 2016B) to advance refund the Series 2008 various purpose general obligation bonds. A portion of the proceeds, \$640,000, were issued for the purpose of advance refunding the remaining portion of the Series 2008 various purpose bonds (County Road 236 Land Acquisition Portion). Proceeds of the Series 2016 issue were deposited into an escrow fund to provide for the retirement of the Series 2008 various purpose bonds (County Road 236 Land Acquisition Portion). The refunded bonds are not included in the City's outstanding debt since the City has satisfied its obligations through the refunding (in-substance defeased). The assets held in trust as a result of the refunding are not included in the financial statements.

The refunding issue is comprised of current interest serial and term bonds, par value \$640,000. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund). The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2033. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$46,223. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the refunding debt. The refunding reduced future debt service payments by \$45,680 resulting in an economic gain of \$40,082.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Series 2016 Various Purpose Refunding Bonds (County Road 236 Widening Portion)

On August 17, 2016, the City issued \$6,505,000 of various purpose refunding bonds (\$2,685,000 Series 2016A and \$3,820,000 Series 2016B) to advance refund the Series 2008 various purpose general obligation bonds. A portion of the proceeds, \$3,245,000, were issued for the purpose of advance refunding the remaining portion of the Series 2008 various purpose bonds (County Road 236 Widening Portion). Proceeds of the Series 2016 issue were deposited into an escrow fund to provide for the retirement of the Series 2008 various purpose bonds (County Road 236 Widening Portion). The refunded bonds are not included in the City's outstanding debt since the City has satisfied its obligations through the refunding (in-substance defeased). The assets held in trust as a result of the refunding are not included in the financial statements.

The refunding issue is comprised of current interest serial and term bonds, par value \$3,245,000. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund). The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2033. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$221,283. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the refunding debt. The refunding reduced future debt service payments by \$229,441 resulting in an economic gain of \$201,321.

Series 2016 Various Purpose Refunding Bonds (5-Plex Portion)

On August 17, 2016, the City issued \$6,505,000 of various purpose refunding bonds (\$2,685,000 Series 2016A and \$3,820,000 Series 2016B) to advance refund the Series 2008 various purpose general obligation bonds. A portion of the proceeds, \$450,000, were issued for the purpose of advance refunding the remaining portion of the Series 2008 various purpose bonds (5-Plex Portion). Proceeds of the Series 2016 issue were deposited into an escrow fund to provide for the retirement of the Series 2008 various purpose bonds (5-Plex Portion). The refunded bonds are not included in the City's outstanding debt since the City has satisfied its obligations through the refunding (in-substance defeased). The assets held in trust as a result of the refunding are not included in the financial statements.

The refunding issue is comprised of current interest serial and term bonds, par value \$450,000. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund). The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2033. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$20,792. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the refunding debt. The refunding reduced future debt service payments by \$29,880 resulting in an economic gain of \$26,218.

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Special Assessment Bonds

The City has one special assessment bond outstanding at year end. Special assessments bonds were issued to provide various improvements throughout the City. The bonds will be repaid by tax assessments against the property owner whose benefits from the improvements exceed that of the general public. The bonds are secured by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt. Interest on these bonds is payable semiannually at stated interest rates. The principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

Ohio Public Works Commission (OPWC) Loans

The City has entered into loan agreements with the OPWC to finance Crystal/Melrose intersection improvements and Howard Street improvements. These loans are interest free and have twenty year terms. The OPWC loans may not be prepaid or retired prior to their scheduled maturity. The OPWC loans are being retired out of the debt service fund (a nonmajor governmental fund).

Police and Fire Past Service Liability

The City's accrued past service liability to the Ohio Police and Fire Pension Fund (OP&F) was determined and became a legal obligation to the State at the date the City became a participant in OP&F. The City pays this liability in semiannual installments of \$37,435 each, including principal and interest, through the year 2035. This liability has been recorded as a governmental activities long-term obligation using an implicit interest rate of approximately 4.3%. The principal and interest payments are recorded in the security of persons and property expenditures in the general fund on the governmental fund statements.

Compensated Absences

Compensated absences consist of vacation, holiday compensatory time and floating holiday balances due and payable at year-end. In addition, estimated sick time (severance) payments are also included as described in Note 2.K. Compensated absences will be paid from the general fund and the street maintenance and repair fund.

Net Pension Liability

The City pays obligations related to employee compensation from the fund benefitting from their services. See Note 12 for further information.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Future Debt Service Requirements

The following is a schedule of future principal and interest payments to retire the governmental activities bonds and loans and police and fire past service liability outstanding at December 31, 2016:

Year Ending December 31,	General Obligation Bonds		
	Principal	Interest	Total
2017	\$ 442,496	\$ 194,175	\$ 636,671
2018	414,494	211,795	626,289
2019	411,551	205,598	617,149
2020	425,021	197,896	622,917
2021	421,308	187,815	609,123
2022 - 2026	2,256,676	755,147	3,011,823
2027 - 2031	2,000,000	376,129	2,376,129
2032 - 2033	860,000	48,382	908,382
Totals	<u>\$ 7,231,546</u>	<u>\$ 2,176,937</u>	<u>\$ 9,408,483</u>

Year Ending December 31,	Special Assessment Bonds			OPWC
	Principal	Interest	Total	Loans Principal
2017	\$ 19,000	\$ 3,404	\$ 22,404	\$ 14,683
2018	20,000	2,873	22,873	14,683
2019	20,000	2,316	22,316	14,683
2020	21,000	1,758	22,758	14,683
2021	21,000	1,172	22,172	14,684
2022 - 2026	21,000	586	21,586	51,673
Totals	<u>\$ 122,000</u>	<u>\$ 12,109</u>	<u>\$ 134,109</u>	<u>\$ 125,089</u>

Year Ending December 31,	Police and Fire Past Service Liability		
	Principal	Interest	Total
2017	\$ 34,821	\$ 40,049	\$ 74,870
2018	36,317	38,553	74,870
2019	37,877	36,993	74,870
2020	39,504	35,366	74,870
2021	41,200	33,670	74,870
2022 - 2026	234,114	36	234,150
2027 - 2031	288,901	85,449	374,350
2032 - 2036	238,212	20,466	258,678
Totals	<u>\$ 950,946</u>	<u>\$ 290,582</u>	<u>\$ 1,241,528</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-type activities

During 2016, the following changes occurred in the City's business-type activities long-term obligations:

Business-type activities:	Interest <u>Rate</u>	Maturity <u>Date</u>	Balance <u>12/31/15</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/16</u>	Due in <u>One Year</u>
<u>General obligation bonds:</u>							
Series 2011 water refunding	1.95%	2018	\$ 720,000	\$ -	\$ (235,000)	\$ 485,000	\$ 240,000
Series 2014 water refunding	0.96%	2018	935,000	-	(310,000)	625,000	310,000
Series 2014 water pump station refunding	0.96%	2016	166,000	-	(166,000)	-	-
Series 2014 northern corridor sewer refunding	0.96%	2017	1,427,500	-	(717,500)	710,000	710,000
Series 2014 sewer bar screens	0.96%	2019	1,085,000	-	(265,000)	820,000	270,000
Series 2014 water clear wells	0.96%	2019	<u>1,605,000</u>	<u>-</u>	<u>(395,000)</u>	<u>1,210,000</u>	<u>400,000</u>
Total general obligation bonds			<u>5,938,500</u>	<u>-</u>	<u>(2,088,500)</u>	<u>3,850,000</u>	<u>1,930,000</u>
<u>OWDA loans:</u>							
Bright Road interceptor and sewer separation	1.73%	2023	1,496,064	-	(188,486)	1,307,578	191,761
Sewer system improvements	4.36%	2021	12,810,154	-	(1,911,596)	10,898,558	1,995,850
Water plant improvements	3.25%	2026	<u>2,531,656</u>	<u>-</u>	<u>(194,874)</u>	<u>2,336,782</u>	<u>201,258</u>
Total OWDA loans			<u>16,837,874</u>	<u>-</u>	<u>(2,294,956)</u>	<u>14,542,918</u>	<u>2,388,869</u>
OPWC loans	0%	2019-2029	<u>506,903</u>	<u>-</u>	<u>(55,341)</u>	<u>451,562</u>	<u>55,338</u>
<u>Other long-term obligations:</u>							
Compensated absences			841,768	416,061	(303,577)	954,252	314,952
Net pension liability - OPERS:							
Water			1,575,622	720,565	-	2,296,187	-
Water Pollution Control			1,342,429	613,922	-	1,956,351	-
Airport			188,712	86,302	-	275,014	-
Parking			<u>51,349</u>	<u>23,483</u>	<u>-</u>	<u>74,832</u>	<u>-</u>
Total net pension liability - OPERS			<u>3,158,112</u>	<u>1,444,272</u>	<u>-</u>	<u>4,602,384</u>	<u>-</u>
Total other long-term obligations			<u>3,999,880</u>	<u>1,860,333</u>	<u>(303,577)</u>	<u>5,556,636</u>	<u>314,952</u>
Total business-type activities long-term obligations			<u>\$ 27,283,157</u>	<u>\$ 1,860,333</u>	<u>\$ (4,742,374)</u>	<u>\$ 24,401,116</u>	<u>\$ 4,689,159</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Series 2011 Waterworks Improvement Refunding Bonds

On September 30, 2011, the City issued \$1,625,000 in waterworks improvement refunding bonds to currently refund the balance of the Series 1998 water improvement bonds. The remaining Series 1998 bonds were callable and have been retired through the current refunding.

The current refunding issue is comprised of current interest serial bonds, par value \$1,625,000. During 2016, the City made principal payments of \$235,000 on these bonds leaving a liability of \$485,000. Principal and interest payments are being made from the water fund. The refunding bonds pay interest semiannually on June 1 and December 1 of each year and mature on December 1, 2018. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$51,681. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the refunding debt.

Series 2014 Various Purpose Bonds (Water Refunding Portion)

On April 3, 2014, the City issued \$7,935,000 in various purpose general obligation bonds to fund water and sewer projects and to currently refund previously issued bonds. A portion of the proceeds, \$1,518,000, were issued for the purpose of currently refunding the remaining portion of the Series 2003 various purpose bonds (water refunding portion). Proceeds of the Series 2014 issue were deposited into an escrow fund to provide for the retirement of the Series 2004 various purpose bonds (water refunding portion). The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the refunding (in-substance defeased). The assets held in trust as a result of the refunding are not included in the financial statements.

The refunding issue is comprised of current interest serial bonds, par value \$1,518,000. During 2016, the City made \$310,000 in principal payments on these bonds leaving a liability of \$625,000 at year end. Principal and interest payments are made from the water fund. The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2018. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$29,562. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the refunding debt.

Series 2014 Various Purpose Bonds (Water Pump Station Refunding Portion)

On April 3, 2014, the City issued \$7,935,000 in various purpose general obligation bonds to fund water and sewer projects and to currently refund previously issued bonds. A portion of the proceeds, \$335,500, were issued for the purpose of currently refunding the remaining portion of the Series 2004 various purpose bonds (water pump station refunding portion). Proceeds of the Series 2014 issue were deposited into an escrow fund to provide for the retirement of the Series 2004 various purpose bonds (water pump station refunding portion). The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the refunding (in-substance defeased). The assets held in trust as a result of the refunding are not included in the financial statements.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The refunding issue is comprised of current interest serial bonds, par value \$335,500. During 2016, the City made \$166,000 in principal payments on these bonds retiring the liability at year end. Principal and interest payments are made from the water fund. The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2016. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$25,580. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the refunding debt.

Series 2014 Various Purpose Bonds (Northern Corridor Sewer Refunding Portion)

On April 3, 2014, the City issued \$7,935,000 in various purpose general obligation bonds to fund water and sewer projects and to currently refund previously issued bonds. A portion of the proceeds, \$2,147,000, were issued for the purpose of currently refunding the remaining portion of the Series 2004 various purpose bonds (northern corridor sewer refunding portion). Proceeds of the Series 2014 issue were deposited into an escrow fund to provide for the retirement of the Series 2004 various purpose bonds (northern corridor sewer refunding portion). The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the current refunding (in-substance defeased). The assets held in trust as a result of the current refunding are not included in the financial statements.

The refunding issue is comprised of current interest serial bonds, par value \$2,147,000. During 2016, the City made \$717,500 in principal payments on these bonds leaving a liability of \$710,000 at year end. Principal and interest payments are made from the water pollution control fund. The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2017. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$161,383. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the refunding debt.

Series 2014 Various Purpose Bonds (Sewer Bar Screens Portion)

On April 3, 2014, the City issued \$7,935,000 various purpose general obligation bonds to fund water and sewer projects and to refund previously issued bonds. A portion of the proceeds, \$1,350,000, were issued for the purpose of designing and installing bar screens for the oxidation ditches at the wastewater treatment plant and making related improvements to the municipal sewer system, including acquiring all necessary appurtenances thereto.

The refunding issue is comprised of current interest serial bonds, par value \$1,350,000. During 2016, the City made \$265,000 in principal payments on these bonds leaving a liability of \$820,000 at year end. Principal and interest payments are made from the water pollution control fund. The bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2019. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Series 2014 Various Purpose Bonds (Water Clear Wells Portion)

On April 3, 2014, the City issued \$7,935,000 various purpose general obligation bonds to fund water and sewer projects and to currently refund previously issued bonds. A portion of the proceeds, \$2,000,000, were issued for the purpose of modifying, repairing and/or replacing clear wells at the water treatment plant and making related improvements to the municipal water system, including all appurtenances thereto.

The refunding issue is comprised of current interest serial bonds, par value \$2,000,000. During 2016, the City made \$395,000 in principal payments on these bonds leaving a liability of \$1,210,000 at year end. Principal and interest payments are made from the water fund. The bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2019. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment.

Ohio Water Development Authority (OWDA) Loans

The City is eligible to borrow funds under the water pollution control loan fund agreement (WPCLFA) with the Ohio Water Development Authority to pay the approved eligible project costs of designing improvements to and extensions of the City's municipal sewerage system, including main sewer lines and additions to the City's water pollution control plant. In addition, the City has also borrowed funds through the OWDA (not part of the WPCLFA) to finance water treatment plant improvements.

On October 28, 1999, the City entered into a financing agreement with OWDA under the WPCLFA to borrow \$32,470,000 for sewer system improvements. The loan bears interest at 4.36% with principal and interest payments due semi-annually on January 1 and July 1 of each year. Effective January 1, 2016, the City will begin receiving a 3.0% interest subsidy from the OWDA on this loan effectively reducing the interest rate to 1.36%. The term of the loan is 20 years and payments on the loan began in 2001 after the borrowing was complete. Principal and interest payments are made from the water pollution control fund.

On August 30, 2001, the City entered into an additional financing agreement with OWDA under the WPCLFA to borrow \$3,597,546 for Bright Road interceptor and sewer separation. The loan bears interest at 1.73%, with principal and interest payments due semi-annually on January 1 and July 1 of each year. The term of the loan is 20 years and payments on the loan began in 2003 after the borrowing was complete. Principal and interest payments are made from the water pollution control fund.

On December 8, 2005, the City entered into a financing agreement with OWDA to borrow \$4,029,589 for water treatment plant improvements. The loan bears interest at 3.25% with principal and interest payments due semi-annually on January 1 and July 1 of each year. Effective January 1, 2016, the City will begin receiving a 3.0% interest subsidy from the OWDA on this loan effectively reducing the interest rate to 0.25%. The term of the loan is 20 years and payments on the loan began in 2006 after the borrowing was complete. Principal and interest payments are made from the water fund.

Ohio Public Works Commission (OPWC) Loans

The City has entered into loan agreements with the OPWC to finance various water improvement projects. All OPWC loans are interest free and have twenty year terms. The OPWC loans are being retired out of the water fund.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Compensated Absences

Compensated absences consist of vacation, holivac, compensatory time and floating holiday balances due and payable at year-end. In addition, estimated sick time (severance) payments are also included as described in Note 2.K). Compensated absences will be paid from the water fund, water pollution control fund, airport fund and the parking fund (a nonmajor enterprise fund).

Net Pension Liability

The City pays obligations related to employee compensation from the fund benefitting from their services. See Note 12 for further information.

Future Debt Service Requirements

The following is a schedule of the future principal and interest payments to retire the business-type activities long-term bonds and loans at December 31, 2016:

Year Ending December 31,	General Obligation Bonds		
	Principal	Interest	Total
2017	\$ 1,930,000	\$ 41,762	\$ 1,971,762
2018	1,235,000	20,858	1,255,858
2019	<u>685,000</u>	<u>6,576</u>	<u>691,576</u>
Totals	<u>\$ 3,850,000</u>	<u>\$ 69,196</u>	<u>\$ 3,919,196</u>

Year Ending December 31,	OWDA Loans			OPWC Loans
	Principal	Interest	Total	Principal
2017	\$ 2,388,870	\$ 402,551	\$ 2,791,421	\$ 55,338
2018	2,486,761	332,604	2,819,365	55,338
2019	2,588,807	259,732	2,848,539	55,339
2020	2,695,181	183,809	2,878,990	47,413
2021	2,806,073	104,706	2,910,779	47,413
2022 - 2026	1,577,226	112,123	1,689,349	153,094
2027 - 2029	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,627</u>
Totals	<u>\$ 14,542,918</u>	<u>\$ 1,395,525</u>	<u>\$ 15,938,443</u>	<u>\$ 451,562</u>

NOTE 12 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The net pension liability/asset 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/asset 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.

The 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 any net pension 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 or overfunded benefits is presented as a long-term *net pension liability* or *net pension asset*, respectively, on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *due to other governments* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension 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.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. 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 Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

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

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.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3% COLA adjustment on the defined benefit portion of their benefit.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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 for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$1,145,628 for 2016. Of this amount, \$49,523 is reported as due to other governments.

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

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

	Police	Firefighters
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 OP&F was \$1,787,146 for 2016. Of this amount \$68,931 is reported as due to other governments.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2016, the specific liability of the City was \$950,946 payable in semi-annual payments through the year 2035.

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

The net pension liability and net pension asset for the OPERS Traditional Pension Plan and Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2015, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.07364400%	0.39059080%	
Proportion of the net pension liability current measurement date	<u>0.07473100%</u>	<u>0.38890400%</u>	
Change in proportionate share	<u>0.00108700%</u>	<u>(0.00168680)%</u>	
Proportion of the net pension asset prior measurement date	0.09566100%		
Proportion of the net pension asset current measurement date	<u>0.15350200%</u>		
Change in proportionate share	<u>0.05784100%</u>		
Proportionate share of the net pension liability	\$ 12,944,350	\$ 25,018,483	\$ 37,962,833
Proportionate share of the net pension asset	44,802	-	44,802
Pension expense	1,908,126	3,397,352	5,305,478

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 1,636	\$ -	\$ 1,636
Net difference between projected and actual earnings on pension plan investments	3,824,449	4,072,046	7,896,495
Changes in employer's proportionate percentage/ difference between employer contributions	63,196	4,665	67,861
City contributions subsequent to the measurement date	1,145,628	1,787,146	2,932,774
Total deferred outflows of resources	<u>\$ 5,034,909</u>	<u>\$ 5,863,857</u>	<u>\$ 10,898,766</u>
Deferred inflows of resources			
Differences between expected and actual experience	270,445	70,251	340,696
Changes in employer's proportionate percentage/ difference between employer contributions	-	66,433	66,433
Total deferred inflows of resources	<u>\$ 270,445</u>	<u>\$ 136,684</u>	<u>\$ 407,129</u>

\$2,932,774 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/asset 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:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2017	\$ 864,451	\$ 1,047,501	\$ 1,911,952
2018	924,454	1,047,501	1,971,955
2019	976,004	1,047,499	2,023,503
2020	863,153	828,866	1,692,019
2021	(2,368)	(26,336)	(28,704)
Thereafter	(6,858)	(5,004)	(11,862)
Total	<u>\$ 3,618,836</u>	<u>\$ 3,940,027</u>	<u>\$ 7,558,863</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 FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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/asset in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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 1/7/2013 retirees: 3 percent, simple Post 1/7/2013 retirees: 3 percent, simple through 2018, then 2.80% 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 401 (h) Health Care Trust 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 0.40 percent for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS 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.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.31 %
Domestic equities	20.70	5.84
Real estate	10.00	4.25
Private equity	10.00	9.25
International equities	18.30	7.40
Other investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.27 %</u>

Discount Rate - The discount rate used to measure the total pension liability/asset was 8 percent for both the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. 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 for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability/asset 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/asset 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 (asset):			
Traditional Pension Plan	\$ 20,623,514	\$ 12,944,351	\$ 6,467,221
Combined Plan	(916)	(44,565)	(79,675)
Member-Directed Plan	619	(237)	(619)

Changes Between Measurement Date and Report Date - In October 2016, the OPERS Board of Trustees adopted certain assumption changes which impacted their annual actuarial valuation prepared as of December 31, 2016. The most significant changes are a reduction in the expected investment return to 7.50% from 8.00%, the expected long-term average wage inflation was reduced to 3.25% from 3.75%, the expected long-term average price inflation was reduced to 2.50% from 3.00% and a change to various demographic assumptions. Although the exact amount of these changes is not known, the impact to the County's net pension liability is expected to be significant.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions – OP&F

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

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

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 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 for the five-year period ended December 31, 2011. The recommended assumption changes based on this experience study were adopted by OPF's Board and were effective beginning with the January 1, 2012 actuarial valuation.

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 expected. 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.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %		
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 %		

* levered 2x

** numbers include inflation

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

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 32,996,007	\$ 25,018,483	\$ 18,260,706

NOTE 13 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension Plan and the Combined Plan. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2016, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2016 was 2.00%.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2016, 2015, and 2014 were \$201,208, \$193,634, and \$187,496, respectively; 96.32% has been contributed for 2016 and 100% has been contributed for 2015 and 2014. The remaining 2016 post-employment health care benefits liability has been reported as due to other governments/pension and postemployment benefits payable on the basic financial statements.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

B. Ohio Police and Fire Pension Fund

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

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

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

OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the website at www.op-f.org.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2016 thru December 31, 2016. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$20,249 and \$21,653 for the year ended December 31, 2016, \$19,444 and \$20,328 for the year ended December 31, 2015, and \$17,688 and \$20,489, for the year ended December 31, 2014. 100% has been contributed for 2015 and 2014. 96.31% has been contributed for police and 96.17% has been contributed for firefighters for 2016. The remaining 2016 post-employment health care benefits liability has been reported as due to other governments/pension and postemployment benefits payable on the basic financial statements.

NOTE 14 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2016.

B. Contracts

As of December 31, 2016, the City had \$3,734,397 open on outstanding purchase orders and contracts. Of this amount, \$3,327,388 related to ongoing capital projects and the remaining amount of \$407,009 was for various departmental purchase orders outstanding at year end.

The City had no material operating lease commitments at December 31, 2016.

C. Litigation

The City is party to other legal proceedings as a defendant. Although the outcome of the legal proceedings is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material, adverse effect on the financial condition of the City.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 15 - FUND BALANCE

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 resources in the governmental funds. The constraints placed on fund balance are presented below:

Fund balance	General	Street Maintenance and Repair	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Materials and supplies inventory	\$ -	\$ 734,282	\$ -	\$ 734,282
Prepays	318,444	37,930	1,608	357,982
Permanent fund	-	-	<u>1,373,776</u>	<u>1,373,776</u>
Total nonspendable	<u>318,444</u>	<u>772,212</u>	<u>1,375,384</u>	<u>2,466,040</u>
Restricted:				
Capital projects	-	-	225,888	225,888
Debt service	-	-	767	767
Security of persons and property programs	-	-	59,828	59,828
General government operations	-	-	939,689	939,689
Transportation improvement projects	-	1,536,388	783,622	2,320,010
Economic development programs	-	-	1,112,532	1,112,532
Public health and welfare programs	-	-	7,288	7,288
Other purposes	<u>1,026,629</u>	-	-	<u>1,026,629</u>
Total restricted	<u>1,026,629</u>	<u>1,536,388</u>	<u>3,129,614</u>	<u>5,692,631</u>
Committed:				
Income tax administration	7,030,498	-	-	7,030,498
Debt service	-	-	16,566	16,566
Future claims payments	1,281,682	-	-	1,281,682
Termination benefits	<u>654,482</u>	-	-	<u>654,482</u>
Total committed	<u>8,966,662</u>	<u>-</u>	<u>16,566</u>	<u>8,983,228</u>
Assigned:				
General government operations	103,751	-	-	103,751
Security of persons and property programs	103,198	-	-	103,198
Public health and welfare programs	6,038	-	-	6,038
Recreation activities	54,339	-	-	54,339
Subsequent year appropriations	<u>914,963</u>	-	-	<u>914,963</u>
Total assigned	<u>1,182,289</u>	<u>-</u>	<u>-</u>	<u>1,182,289</u>
Unassigned	<u>13,410,382</u>	<u>-</u>	<u>-</u>	<u>13,410,382</u>
Total fund balances	<u>\$ 24,904,406</u>	<u>\$ 2,308,600</u>	<u>\$ 4,521,564</u>	<u>\$ 31,734,570</u>

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 16 - OTHER COMMITMENTS

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the City's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	Year-End <u>Encumbrances</u>
General fund	\$ 656,049
Street Maintenance and Repair	286,475
Nonmajor governmental funds	<u>60,571</u>
Total	<u>\$ 1,003,095</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FINDLAY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/NET PENSION ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST THREE YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>			
City's proportion of the net pension liability	0.074731%	0.073644%	0.073644%
City's proportionate share of the net pension liability	\$ 12,944,351	\$ 8,882,289	\$ 8,681,668
City's covered-employee payroll	\$ 9,346,308	\$ 9,055,017	\$ 8,853,146
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	138.50%	98.09%	98.06%
Plan fiduciary net position as a percentage of the total pension liability	81.08%	86.45%	86.36%
<i>Combined Plan:</i>			
City's proportion of the net pension asset	0.091580%	0.095661%	0.095661%
City's proportionate share of the net pension asset	\$ 44,565	\$ 36,833	\$ 10,038
City's covered-employee payroll	\$ 335,367	\$ 349,675	\$ 370,431
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	13.29%	10.53%	2.71%
Plan fiduciary net position as a percentage of the total pension asset	116.90%	114.83%	104.56%
<i>Member Directed Plan:</i>			
City's proportion of the net pension asset	0.061922%	n/a	n/a
City's proportionate share of the net pension asset	\$ 237	n/a	n/a
City's covered-employee payroll	\$ 344,858	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	0.07%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	103.91%	n/a	n/a

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FINDLAY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST THREE YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.38890400%	0.39059080%	0.39059080%
City's proportionate share of the net pension liability	\$ 25,018,483	\$ 20,234,232	\$ 19,022,998
City's covered-employee payroll	\$ 7,852,007	\$ 7,669,047	\$ 7,579,883
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	318.63%	263.84%	250.97%
Plan fiduciary net position as a percentage of the total pension liability	66.77%	72.20%	73.00%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FINDLAY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST SEVEN YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 1,073,469	\$ 1,121,557	\$ 1,086,602	\$ 1,150,909
Contributions in relation to the contractually required contribution	<u>(1,073,469)</u>	<u>(1,121,557)</u>	<u>(1,086,602)</u>	<u>(1,150,909)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 8,945,575	\$ 9,346,308	\$ 9,055,017	\$ 8,853,146
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	13.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 38,712	\$ 40,244	\$ 41,961	\$ 48,156
Contributions in relation to the contractually required contribution	<u>(38,712)</u>	<u>(40,244)</u>	<u>(41,961)</u>	<u>(48,156)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 322,600	\$ 335,367	\$ 349,675	\$ 370,431
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	13.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 33,447	\$ 41,383		
Contributions in relation to the contractually required contribution	<u>(33,447)</u>	<u>(41,383)</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>		
City's covered-employee payroll	\$ 278,725	\$ 344,858		
Contributions as a percentage of covered-employee payroll	12.00%	12.00%		

Note: Information prior to 2010 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 940,601	\$ 925,667	\$ 802,628
<u>(940,601)</u>	<u>(925,667)</u>	<u>(802,628)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,406,010	\$ 9,256,670	\$ 8,998,072
10.00%	10.00%	8.92%
\$ 32,539	\$ 31,362	\$ 33,121
<u>(32,539)</u>	<u>(31,362)</u>	<u>(33,121)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 409,296	\$ 394,491	\$ 341,806
7.95%	7.95%	9.69%

CITY OF FINDLAY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Police:</i>				
Contractually required contribution	\$ 769,461	\$ 719,427	\$ 674,939	\$ 555,430
Contributions in relation to the contractually required contribution	<u>(769,461)</u>	<u>(719,427)</u>	<u>(674,939)</u>	<u>(555,430)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 4,049,795	\$ 3,786,458	\$ 3,552,311	\$ 3,497,670
Contributions as a percentage of covered-employee payroll	19.00%	19.00%	19.00%	15.88%
<i>Fire:</i>				
Contractually required contribution	\$ 1,017,685	\$ 955,404	\$ 967,433	\$ 831,955
Contributions in relation to the contractually required contribution	<u>(1,017,685)</u>	<u>(955,404)</u>	<u>(967,433)</u>	<u>(831,955)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 4,330,574	\$ 4,065,549	\$ 4,116,736	\$ 4,082,213
Contributions as a percentage of covered-employee payroll	23.50%	23.50%	23.50%	20.38%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 496,149	\$ 475,227	\$ 470,011	\$ 481,420	\$ 525,904	\$ 487,557
<u>(496,149)</u>	<u>(475,227)</u>	<u>(470,011)</u>	<u>(481,420)</u>	<u>(525,904)</u>	<u>(487,557)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,891,365	\$ 3,727,271	\$ 3,686,361	\$ 3,775,843	\$ 4,124,737	\$ 3,823,976
12.75%	12.75%	12.75%	12.75%	12.75%	12.75%
\$ 737,512	\$ 751,090	\$ 758,063	\$ 706,056	\$ 708,094	\$ 693,505
<u>(737,512)</u>	<u>(751,090)</u>	<u>(758,063)</u>	<u>(706,056)</u>	<u>(708,094)</u>	<u>(693,505)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,275,432	\$ 4,354,145	\$ 4,394,568	\$ 4,093,078	\$ 4,104,893	\$ 4,020,319
17.25%	17.25%	17.25%	17.25%	17.25%	17.25%

CITY OF FINDLAY, OHIO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
GENERAL FUND

DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Assets:		
Equity in pooled cash and investments	\$ 19,405,127	\$ 19,823,301
Cash in segregated accounts.	45,078	37,560
Receivables (net of allowances of uncollectibles).	10,261,752	9,017,131
Due from other governments	376,457	993,154
Prepayments	318,444	51,907
Restricted assets:		
Equity in pooled cash and investments	4,970,944	4,528,258
Total assets.	<u>\$ 35,377,802</u>	<u>\$ 34,451,311</u>
Liabilities:		
Accounts payable	\$ 1,232,987	\$ 1,234,034
Accrued wages and benefits	477,174	439,588
Insurance deposits payable.	214,438	260,443
Compensated absences payable	82,538	32,375
Due to other governments	39,479	41,134
Total liabilities	<u>2,046,616</u>	<u>2,007,574</u>
Deferred inflows of resources:		
Property taxes levied for the next fiscal year.	2,162,687	2,077,864
Charges for services revenue not available	252,939	56,037
Income tax revenue not available	5,673,870	4,900,315
Intergovernmental revenue not available	337,284	304,919
Total deferred inflows of resources	<u>8,426,780</u>	<u>7,339,135</u>
Total liabilities and deferred inflows of resources.	<u>10,473,396</u>	<u>9,346,709</u>
Fund balance:		
Nonspendable.	318,444	51,907
Restricted	1,026,629	2,614,069
Committed	8,966,662	9,502,866
Assigned	1,182,289	428,538
Unassigned	13,410,382	12,507,222
Total fund balance.	<u>24,904,406</u>	<u>25,104,602</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 35,377,802</u>	<u>\$ 34,451,311</u>

CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
STREET MAINTENANCE AND REPAIR FUND

DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Assets:		
Equity in pooled cash and investments	\$ 1,635,343	\$ 2,137,487
Cash with escrow agent	77,154	94,773
Receivables (net of allowances of uncollectibles)	2,723	8,075
Due from other governments	843,152	858,233
Prepayments	37,930	10,973
Materials and supplies inventory	<u>734,282</u>	<u>656,802</u>
Total assets.	<u>\$ 3,330,584</u>	<u>\$ 3,766,343</u>
Liabilities:		
Accounts payable	\$ 159,155	\$ 466,303
Retainage payable	77,154	94,773
Accrued wages and benefits	51,630	42,285
Insurance deposits payable.	<u>18,042</u>	<u>32,044</u>
Total liabilities	<u>305,981</u>	<u>635,405</u>
Deferred inflows of resources:		
Charges for services revenue not available	1,791	7,329
Intergovernmental revenue not available	<u>714,212</u>	<u>723,471</u>
Total deferred inflows of resources	<u>716,003</u>	<u>730,800</u>
Total liabilities and deferred inflows of resources.	<u>1,021,984</u>	<u>1,366,205</u>
Fund balance:		
Nonspendable.	772,212	667,775
Restricted	<u>1,536,388</u>	<u>1,732,363</u>
Total fund balance	<u>2,308,600</u>	<u>2,400,138</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,330,584</u>	<u>\$ 3,766,343</u>

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CITY OF FINDLAY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Property and other local taxes	\$ 2,144,122	\$ 2,717,350	\$ 2,520,008	\$ (197,342)	\$ 2,453,252
Charges for services	1,185,008	1,501,817	1,392,751	(109,066)	2,314,834
Licenses and permits.	349,633	443,107	410,927	(32,180)	309,477
Fines and forfeitures.	1,012,589	1,283,302	1,190,105	(93,197)	1,248,687
Intergovernmental	1,383,074	1,752,836	1,625,540	(127,296)	1,877,342
Investment income	117,344	148,715	137,915	(10,800)	81,887
Increase (decrease) in fair value of investments	46,237	58,599	54,343	(4,256)	(54,665)
Rental income.	56,076	71,068	65,907	(5,161)	66,140
Contributions and donations	9,250	11,723	10,872	(851)	397,699
Reimbursements.	760,873	964,291	894,261	(70,030)	995,358
Other	19,699	24,965	23,152	(1,813)	13,140
Total revenues	7,083,905	8,977,773	8,325,781	(651,992)	9,703,151
Expenditures:					
General government					
Council					
Personal services	116,082	117,989	114,713	3,276	112,975
Other	36,754	38,255	36,287	1,968	27,760
Mayors office					
Personal services	216,223	223,966	195,332	28,634	174,769
Other	62,046	62,046	49,474	12,572	26,443
Auditor/treasurer					
Personal services	493,483	513,739	467,764	45,975	435,219
Other	141,710	158,984	137,308	21,676	101,188
Law director					
Personal services	466,268	484,812	448,356	36,456	419,663
Other	144,949	144,949	141,175	3,774	128,280
Municipal court					
Personal services	1,428,143	1,485,993	1,296,334	189,659	1,251,673
Other	383,734	478,734	393,691	85,043	199,956
Civil service					
Personal services	84,461	87,243	80,949	6,294	79,182
Other	41,160	41,814	21,958	19,856	16,837
Computer services					
Personal services	203,267	216,103	179,777	36,326	176,267
Other	89,135	79,586	77,383	2,203	82,868
Service/safety director					
Personal services	193,231	196,932	188,180	8,752	152,046
Other	55,265	55,265	33,152	22,113	33,750
Engineering department					
Personal services	597,511	613,169	571,336	41,833	524,892
Other	168,006	172,006	113,205	58,801	92,128
General miscellaneous operations					
Other	2,178,500	2,355,143	2,095,779	259,364	1,591,764
Human resources department					
Personal services	102,281	104,626	101,441	3,185	94,965
Other	52,097	52,097	40,642	11,455	34,674
Public building department					
Personal services	85,115	72,973	68,161	4,812	81,139
Other	270,829	284,108	212,597	71,511	203,733
Projects					
Other	-	542,605	542,605	-	338,973
Total general government	7,610,250	8,583,137	7,607,599	975,538	6,381,144

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CITY OF FINDLAY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
GENERAL FUND (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Security of persons and property					
Police department					
Personal services	6,399,880	6,620,568	5,944,680	675,888	5,793,374
Other	511,014	546,970	414,027	132,943	516,457
Disaster services					
Other	52,672	52,672	49,344	3,328	49,930
Fire department					
Personal services	6,796,776	7,031,231	6,350,399	680,832	6,183,286
Other	358,849	387,725	348,139	39,586	337,785
Dispatch					
Personal services	923,456	955,003	817,902	137,101	777,560
Other	140,209	140,209	126,619	13,590	121,988
Work Opportunity Rehabilitation Center (WORC)					
Personal services	99,019	72,040	62,884	9,156	65,136
Other	251,261	279,961	272,873	7,088	263,451
Projects					
Other	-	-	-	-	93,567
Total security of persons and property	<u>15,533,136</u>	<u>16,086,379</u>	<u>14,386,867</u>	<u>1,699,512</u>	<u>14,202,534</u>
Public health and welfare					
Planning and zoning					
Other	146,719	152,719	146,545	6,174	146,220
Public health department					
Personal services	-	114,152	114,152	-	1,041,953
Other	-	233	146	87	430,211
Zoning department					
Personal services	158,741	164,311	108,500	55,811	99,112
Other	15,552	15,552	12,824	2,728	6,141
Neighborhood Enhancement and Abatement Team (NEAT)					
Personal services	75,604	79,909	71,732	8,177	69,808
Other	30,839	30,839	19,354	11,485	15,224
Cemetery department					
Personal services	240,934	249,194	226,549	22,645	207,685
Other	85,938	85,951	73,924	12,027	61,750
Projects					
Other	-	843,721	843,721	-	116,445
Total public health and welfare.	<u>754,327</u>	<u>1,736,581</u>	<u>1,617,447</u>	<u>119,134</u>	<u>2,194,549</u>

-- Continued

CITY OF FINDLAY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
GENERAL FUND (CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>	
Leisure time activities					
Park maintenance					
Personal services	399,742	405,588	367,778	37,810	300,047
Other	197,314	200,402	158,225	42,177	147,312
Reservoir recreation					
Other	5,217	5,217	3,542	1,675	2,931
Recreation department					
Personal services	377,676	385,186	325,127	60,059	206,518
Other	568,134	570,701	482,765	87,936	506,735
Projects					
Other	-	2,230	2,230	-	5,222
Total leisure time activities	<u>1,548,083</u>	<u>1,569,324</u>	<u>1,339,667</u>	<u>229,657</u>	<u>1,168,765</u>
Capital outlay					
Security of persons and property.	-	865,578	860,083	5,495	827,496
Public health and welfare	-	303,022	303,022	-	104,540
Transportation	-	492,862	492,862	-	196,769
Leisure time activities	-	643,677	948,677	(305,000)	280,807
General government	-	1,004,504	1,004,504	-	288,760
Total capital outlay	<u>-</u>	<u>3,309,643</u>	<u>3,609,148</u>	<u>(299,505)</u>	<u>1,698,372</u>
Total expenditures	<u>25,445,796</u>	<u>31,285,064</u>	<u>28,560,728</u>	<u>2,724,336</u>	<u>25,645,364</u>
Excess of expenditures over revenues	<u>(18,361,891)</u>	<u>(22,307,291)</u>	<u>(20,234,947)</u>	<u>2,072,344</u>	<u>(15,942,213)</u>
Other financing sources (uses):					
Sale of capital assets	255	324	300	(24)	-
Transfers in	19,064,065	24,266,157	22,469,192	(1,796,965)	22,900,520
Transfers out	(845,000)	(2,852,750)	(2,852,750)	-	(3,708,547)
Total other financing sources (uses).	<u>18,219,320</u>	<u>21,413,731</u>	<u>19,616,742</u>	<u>(1,796,989)</u>	<u>19,191,973</u>
Net change in fund balance	(142,571)	(893,560)	(618,205)	275,355	3,249,760
Fund balance, January 1	17,571,098	17,571,098	17,571,098	-	14,314,715
Increase in prepaids	264,012	264,012	264,012	-	6,623
Fund balance, December 31	<u>\$ 17,692,539</u>	<u>\$ 16,941,550</u>	<u>\$ 17,216,905</u>	<u>\$ 275,355</u>	<u>\$ 17,571,098</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
STREET MAINTENANCE AND REPAIR FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Property and other local taxes	\$ 700	\$ 691	\$ 655	\$ (36)	\$ 688
Charges for services	122,000	121,234	114,860	(6,374)	133,349
Intergovernmental	1,722,000	2,604,712	2,446,632	(158,080)	3,049,656
Investment income	3,000	6,167	5,843	(324)	4,405
Rental income	4,885	5,479	5,191	(288)	4,885
Reimbursements.	5,000	22,576	21,389	(1,187)	7,370
Other	-	23,926	22,668	(1,258)	7,175
Total revenues	1,857,585	2,784,785	2,617,238	(167,547)	3,207,528
Expenditures:					
Current:					
Transportation					
Street department					
Personal services	1,890,937	1,978,538	1,791,444	187,094	1,687,971
Other	714,861	724,525	574,088	150,437	722,489
Traffic signals					
Personal services	147,455	147,455	145,254	2,201	138,513
Other	121,900	137,377	118,417	18,960	126,287
Total transportation.	2,875,153	2,987,895	2,629,203	358,692	2,675,260
Capital outlay					
Street improvements	-	2,761,153	2,734,186	26,967	3,699,600
Traffic signals	-	299,833	299,833	-	265,645
Storm sewers.	-	491,716	491,716	-	2,054,293
Total capital outlay	-	3,552,702	3,525,735	26,967	6,019,538
Total expenditures	2,875,153	6,540,597	6,154,938	385,659	8,694,798
Excess of expenditures over revenues	(1,017,568)	(3,755,812)	(3,537,700)	218,112	(5,487,270)
Other financing sources (uses):					
Transfers in	770,000	3,665,209	3,472,516	(192,693)	5,917,888
Transfers out	-	(172,874)	(130,791)	42,083	(463,438)
Total other financing sources (uses)	770,000	3,492,335	3,341,725	(150,610)	5,454,450
Net change in fund balance	(247,568)	(263,477)	(195,975)	67,502	(32,820)
Fund balance, January 1	2,400,138	2,400,138	2,400,138	-	2,441,658
Increase (decrease) in reserve for inventory	77,480	77,480	77,480	-	(10,831)
Increase in prepaids.	26,957	26,957	26,957	-	2,131
Fund balance, December 31	\$ 2,257,007	\$ 2,241,098	\$ 2,308,600	\$ 67,502	\$ 2,400,138

CITY OF FINDLAY, OHIO

Nonmajor Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. The following are the nonmajor special revenue funds which the City of Findlay operates:

County Permissive Motor Vehicle License (MVL) Tax:

To account for the receipt and expenditures of all monies the City receives as its portion of a \$5.00 fee imposed by the County on the purchase of each motor vehicle license.

State Highway:

To account for state-levied and controlled gasoline tax and vehicle license fees for routine maintenance of state highways within the City.

Law Enforcement Trust:

To account for monies collected from the sale of contraband.

Drug Law Enforcement:

To account for the deposit and expenditure of mandatory fines for drug trafficking offenses.

Indigent Drivers Alcohol Treatment:

To account for monies received through the enforcement and implementation of Ohio traffic laws governing operation of a motor vehicle while under the influence of alcohol.

Enforcement and Education:

To account for a portion of fines imposed under the law. Expenditures are authorized only for the enforcement and education relating to laws governing operation of a motor vehicle while under the influence of alcohol.

Court Special Projects:

To account for monies received for specific court costs that are designated for funding the acquisition and maintenance of special projects for courts.

Court Computerization:

To account for monies received for specific court costs that are designated for funding the acquisition and maintenance of computerized equipment or software for courts.

METRICH Drug Law Enforcement Trust:

To account for federal funds received as a result of seizures in drug cases conducted with the METRICH drug task force.

Alcohol Monitoring:

To account for monies received through the enforcement and implementation of Ohio traffic laws governing operation of a motor vehicle while under the influence of alcohol.

Mediation Services:

To account for monies received for specific court costs that are designated to pay for the costs of promoting, establishing, maintaining, and improving court mediation programs.

Electronic Imaging:

To account for monies received for specific court costs that are designated for funding the acquisition and maintenance of computerized equipment or software for courts.

Legal Research:

To account for monies received for specific court costs that are designated for the purchase of computer equipment and services in the area of legal research for Municipal Court.

CITY OF FINDLAY, OHIO

Nonmajor Special Revenue Funds (Continued)

Police Pension:

To account for a 0.3 mill real estate tax levy as required by Ohio Revised Code.

Fire Pension:

To account for a 0.3 mill real estate tax levy as required by Ohio Revised Code.

Revolving Loan:

To account for monies received as development grants that become loans to a qualified business or industry for the purpose of economic development. As the initial loans are repaid, the money is perpetually "re-loaned" to stimulate growth in the community. Budgetary information for the Revolving Loan fund is not reported because it is not included in the entity for which the "appropriated budget" is adopted.

Severance Payout Reserve:

To account for monies reserved by the City for termination benefits. This fund is included in the general fund (GAAP basis), but has a separate legally adopted budget (budget basis). This fund is not included in the combining statements for the nonmajor special revenue funds since it is reported in the general fund (GAAP basis); however, the budgetary schedule for this fund is presented in this section.

City Income Tax Administration:

To account for the receipts from the assessment of a 1.00% income tax and the cost of operating the collection department. The use of this money is determined by Council. For 2015, 82% was transferred to the general fund and 18% was restricted within the city income tax administration fund for capital improvements. The allocation is determined by ordinance of Council and can be changed by Council at any time. This fund is included in the general fund (GAAP basis), but has a separate legally adopted budget (budget basis). This fund is not included in the combining statements for the nonmajor special revenue funds since it is reported in the general fund (GAAP basis); however, the budgetary schedule for this fund is presented in this section.

Nonmajor Debt Service Fund

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Service:

To account for the general obligation bond principal and interest that is paid from governmental revenues of the City. It also accounts for the special assessment bond principal and interest payments that are provided through the special assessment levies against certain properties in the City.

Nonmajor Capital Projects Funds

Capital projects funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by the proprietary or nonexpendable trust funds. The following is a description of all the City's nonmajor capital projects funds:

Capital Improvement Projects:

To account for the major construction projects. Financing sources can include debt proceeds, grants, private contributions, and City capital improvement dollars.

Municipal Court Improvements:

To account for the additional court cost levied on traffic and criminal cases through the City's Municipal Court. Revenues are used exclusively for Court capital improvements and related equipment purchases.

Nonmajor Permanent Fund

Permanent funds are used to account for the financial resources to be used for a specific purpose, and only the income generated by that money may be spent. The following is a description of the City's nonmajor permanent fund:

Cemetery Trust:

To account for the portion of the sales price for cemetery lots. These monies are invested, and the interest earned is transferred out to the general fund to help defray the cost of the Cemetery Department.

CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in pooled cash and investments	\$ 1,257,296	\$ 18,610	\$ 225,888	\$ 1,380,152	\$ 2,881,946
Cash in segregated accounts.	250,541	-	-	-	250,541
Cash with fiduciary agent	529,460	-	-	-	529,460
Cash with escrow agent.	-	33,128	-	-	33,128
Receivables (net of allowances of uncollectibles).	1,363,547	287,896	-	912	1,652,355
Due from other governments	90,686	-	-	-	90,686
Prepayments	1,608	-	-	-	1,608
Total assets	\$ 3,493,138	\$ 339,634	\$ 225,888	\$ 1,381,064	\$ 5,439,724
Liabilities:					
Accounts payable	\$ 10,074	\$ -	\$ -	\$ -	\$ 10,074
Accrued wages and benefits payable.	2,270	-	-	-	2,270
Insurance deposits payable	1,956	-	-	-	1,956
Matured bonds payable	-	33,128	-	-	33,128
Unearned revenue	-	-	-	-	-
Total liabilities	14,300	33,128	-	-	47,428
Deferred inflows of resources:					
Property taxes levied for the next fiscal year.	501,328	-	-	-	501,328
TIF revenue levied for next fiscal year	-	149,689	-	-	149,689
Special assessments revenue not available.	-	139,484	-	-	139,484
Intergovernmental revenue not available	80,231	-	-	-	80,231
Total deferred inflows of resources	581,559	289,173	-	-	870,732
Fund balance:					
Nonspendable	1,608	-	-	1,373,776	1,375,384
Restricted	2,895,671	767	225,888	7,288	3,129,614
Committed	-	16,566	-	-	16,566
Total fund balance.	2,897,279	17,333	225,888	1,381,064	4,521,564
Total liabilities, deferred inflows of resources and fund balances	\$ 3,493,138	\$ 339,634	\$ 225,888	\$ 1,381,064	\$ 5,439,724

CITY OF FINDLAY, 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	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Property and other local taxes	\$ 435,816	\$ -	\$ -	\$ -	\$ 435,816
Charges for services	335,160	-	-	35,024	370,184
Fines and forfeitures	137,192	-	165,008	-	302,200
Intergovernmental	405,111	17,192	-	-	422,303
Special assessments	-	22,304	-	-	22,304
Investment income	21,931	-	-	7,288	29,219
Contributions and donations	-	15,000	-	-	15,000
Reimbursements	506	-	-	-	506
Tax increment financing	-	71,783	-	-	71,783
Total revenues	1,335,716	126,279	165,008	42,312	1,669,315
Expenditures:					
Current:					
General government	328,979	-	-	-	328,979
Security of persons and property.	487,579	-	-	-	487,579
Public health and welfare.	-	-	-	6,653	6,653
Transportation	44,458	-	-	-	44,458
Capital outlay	-	-	5,609	-	5,609
Debt service:					
Principal retirement	-	559,739	-	-	559,739
Interest and fiscal charges.	-	319,030	-	-	319,030
Bond issuance costs.	-	159,640	-	-	159,640
Total expenditures.	861,016	1,038,409	5,609	6,653	1,911,687
Excess (deficiency) of revenues over (under) expenditures.	474,700	(912,130)	159,399	35,659	(242,372)
Other financing sources (uses):					
Issuance of refunding bonds	-	6,505,000	-	-	6,505,000
Premium on bond issuance	-	385,262	-	-	385,262
Payment to refunded bond escrow agent	-	(6,715,929)	-	-	(6,715,929)
Transfers in	-	987,622	-	-	987,622
Transfers out	(128,881)	(233,497)	(50,000)	-	(412,378)
Total other financing sources (uses)	(128,881)	928,458	(50,000)	-	749,577
Net change in fund balances	345,819	16,328	109,399	35,659	507,205
Fund balances, January 1	2,549,863	1,005	116,489	1,345,405	4,012,762
Increase in reserve for prepaids	1,597	-	-	-	1,597
Fund balances, December 31	\$ 2,897,279	\$ 17,333	\$ 225,888	\$ 1,381,064	\$ 4,521,564

CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)

	<u>County Permissive MVL Tax</u>	<u>State Highway</u>	<u>Law Enforcement Trust</u>	<u>Drug Law Enforcement</u>
Assets:				
Equity in pooled cash and investments	\$ -	\$ 249,910	\$ 590	\$ 37
Cash in segregated accounts	-	-	-	-
Cash with fiduciary agent	529,460	-	-	-
Receivables (net of allowances of uncollectibles) . .	-	228	-	-
Due from other governments	-	64,466	-	-
Prepayments	-	-	-	-
Total assets	<u>\$ 529,460</u>	<u>\$ 314,604</u>	<u>\$ 590</u>	<u>\$ 37</u>
Liabilities:				
Accounts payable	\$ -	\$ 6,431	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Insurance deposits payable	-	-	-	-
Total liabilities	<u>-</u>	<u>6,431</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	-	-
Intergovernmental revenue not available	-	54,011	-	-
Total deferred inflows of resources	<u>-</u>	<u>54,011</u>	<u>-</u>	<u>-</u>
Fund balance:				
Nonspendable	-	-	-	-
Restricted	<u>529,460</u>	<u>254,162</u>	<u>590</u>	<u>37</u>
Total fund balance	<u>529,460</u>	<u>254,162</u>	<u>590</u>	<u>37</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 529,460</u>	<u>\$ 314,604</u>	<u>\$ 590</u>	<u>\$ 37</u>

Indigent Drivers Alcohol Treatment	Enforcement and Education	Court Special Projects	Court Computerization	METRICH Drug Law Enforcement Trust	Alcohol Monitoring	Mediation Services	Electronic Imaging
\$ 237,695	\$ 55,591	\$ 246,649	\$ 118,769	\$ 3,610	\$ 110,274	\$ 83,090	\$ 130,710
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,119	-	-	-	-	489
<u>\$ 237,695</u>	<u>\$ 55,591</u>	<u>\$ 247,768</u>	<u>\$ 118,769</u>	<u>\$ 3,610</u>	<u>\$ 110,274</u>	<u>\$ 83,090</u>	<u>\$ 131,199</u>
\$ -	\$ -	\$ 875	\$ -	\$ -	\$ 2,341	\$ -	\$ 427
-	-	1,310	-	-	-	-	960
-	-	1,659	-	-	-	-	297
-	-	3,844	-	-	2,341	-	1,684
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,119	-	-	-	-	489
<u>237,695</u>	<u>55,591</u>	<u>242,805</u>	<u>118,769</u>	<u>3,610</u>	<u>107,933</u>	<u>83,090</u>	<u>129,026</u>
<u>237,695</u>	<u>55,591</u>	<u>243,924</u>	<u>118,769</u>	<u>3,610</u>	<u>107,933</u>	<u>83,090</u>	<u>129,515</u>
<u>\$ 237,695</u>	<u>\$ 55,591</u>	<u>\$ 247,768</u>	<u>\$ 118,769</u>	<u>\$ 3,610</u>	<u>\$ 110,274</u>	<u>\$ 83,090</u>	<u>\$ 131,199</u>

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CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)

	<u>Legal Research</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Revolving Loan</u>
Assets:				
Equity in pooled cash and investments	\$ 20,371	\$ -	\$ -	\$ -
Cash in segregated accounts	-	-	-	250,541
Cash with fiduciary agent.	-	-	-	-
Receivables (net of allowances of uncollectibles) . .	-	250,664	250,664	861,991
Due from other governments	-	13,110	13,110	-
Prepayments.	-	-	-	-
Total assets	<u>\$ 20,371</u>	<u>\$ 263,774</u>	<u>\$ 263,774</u>	<u>\$ 1,112,532</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Insurance deposits payable.	-	-	-	-
Total liabilities.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	250,664	250,664	-
Intergovernmental revenue not available	-	13,110	13,110	-
Total deferred inflows of resources	<u>-</u>	<u>263,774</u>	<u>263,774</u>	<u>-</u>
Fund balance:				
Nonspendable.	-	-	-	-
Restricted	<u>20,371</u>	<u>-</u>	<u>-</u>	<u>1,112,532</u>
Total fund balance	<u>20,371</u>	<u>-</u>	<u>-</u>	<u>1,112,532</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,371</u>	<u>\$ 263,774</u>	<u>\$ 263,774</u>	<u>\$ 1,112,532</u>

Totals

<u>2016</u>	<u>2015</u>
\$ 1,257,296	\$ 1,009,115
250,541	263,797
529,460	443,701
1,363,547	1,327,286
90,686	78,903
1,608	-
<u>\$ 3,493,138</u>	<u>\$ 3,122,802</u>
\$ 10,074	\$ 19,899
2,270	2,583
1,956	1,043
<u>14,300</u>	<u>23,525</u>
501,328	481,438
80,231	67,976
<u>581,559</u>	<u>549,414</u>
1,608	-
<u>2,895,671</u>	<u>2,549,863</u>
<u>2,897,279</u>	<u>2,549,863</u>
<u>\$ 3,493,138</u>	<u>\$ 3,122,802</u>

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015)

	County Permissive MVL Tax	State Highway	Law Enforcement Trust	Drug Law Enforcement
Revenues:				
Property and other local taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	214,640	139,781	-	-
Investment income	-	1,030	-	-
Reimbursements	-	-	-	-
Total revenues	214,640	140,811	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	284
Transportation	-	44,458	-	-
Capital outlay	-	-	-	-
Total expenditures	-	44,458	-	284
Excess (deficiency) of revenues over (under) expenditures	214,640	96,353	-	(284)
Other financing uses:				
Transfers out	(128,881)	-	-	-
Net change in fund balances	85,759	96,353	-	(284)
Fund balances, January 1	443,701	157,809	590	321
Increase in prepaids.	-	-	-	-
Fund balances, December 31.	\$ 529,460	\$ 254,162	\$ 590	\$ 37

Indigent Drivers Alcohol Treatment	Enforcement and Education	Court Special Projects	Court Computerization	METRICH Drug Law Enforcement Trust	Alcohol Monitoring	Mediation Services	Electronic Imaging
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	280,183	54,977	-	-	-	-
9,019	2,751	-	-	1,500	51,552	17,449	54,899
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	357	-	-	-	-	149
<u>9,019</u>	<u>2,751</u>	<u>280,540</u>	<u>54,977</u>	<u>1,500</u>	<u>51,552</u>	<u>17,449</u>	<u>55,048</u>
26,000	-	181,264	28,685	-	32,246	2,000	40,877
-	789	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>26,000</u>	<u>789</u>	<u>181,264</u>	<u>28,685</u>	<u>-</u>	<u>32,246</u>	<u>2,000</u>	<u>40,877</u>
<u>(16,981)</u>	<u>1,962</u>	<u>99,276</u>	<u>26,292</u>	<u>1,500</u>	<u>19,306</u>	<u>15,449</u>	<u>14,171</u>
-	-	-	-	-	-	-	-
<u>(16,981)</u>	<u>1,962</u>	<u>99,276</u>	<u>26,292</u>	<u>1,500</u>	<u>19,306</u>	<u>15,449</u>	<u>14,171</u>
254,676	53,629	143,534	92,477	2,110	88,627	67,641	114,861
-	-	1,114	-	-	-	-	483
<u>\$ 237,695</u>	<u>\$ 55,591</u>	<u>\$ 243,924</u>	<u>\$ 118,769</u>	<u>\$ 3,610</u>	<u>\$ 107,933</u>	<u>\$ 83,090</u>	<u>\$ 129,515</u>

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CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015)

	Legal Research	Police Pension	Fire Pension	Revolving Loan
Revenues:				
Property and other local taxes	\$ -	\$ 217,908	\$ 217,908	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	22	-	-	-
Intergovernmental	-	25,345	25,345	-
Investment income	-	-	-	20,901
Reimbursements	-	-	-	-
Total revenues	22	243,253	243,253	20,901
Expenditures:				
Current:				
General government	-	-	-	17,907
Security of persons and property	-	243,253	243,253	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	243,253	243,253	17,907
Excess (deficiency) of revenues over (under) expenditures.	22	-	-	2,994
Other financing uses:				
Transfers out	-	-	-	-
Net change in fund balances	22	-	-	2,994
Fund balances, January 1	20,349	-	-	1,109,538
Increase in prepaids.	-	-	-	-
Fund balances, December 31.	\$ 20,371	\$ -	\$ -	\$ 1,112,532

Totals

<u>2016</u>	<u>2015</u>
\$ 435,816	\$ 441,642
335,160	276,345
137,192	145,348
405,111	405,575
21,931	21,955
506	131
<u>1,335,716</u>	<u>1,290,996</u>
328,979	407,761
487,579	10,061
44,458	318,051
-	6,325
<u>861,016</u>	<u>742,198</u>
474,700	548,798
<u>(128,881)</u>	<u>(624,904)</u>
345,819	(76,106)
2,549,863	2,625,969
1,597	-
<u>\$ 2,897,279</u>	<u>\$ 2,549,863</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
COUNTY PERMISSIVE MVL TAX FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Intergovernmental	\$ -	\$ 128,881	\$ 214,640	\$ 85,759	\$ 212,861
Total revenues	-	128,881	214,640	85,759	212,861
Expenditures:					
Current:					
Transportation					
Other.	-	-	-	-	30,000
Total expenditures	-	-	-	-	30,000
Excess of revenues over expenditures	-	128,881	214,640	85,759	182,861
Other financing uses:					
Transfers out	-	(128,881)	(128,881)	-	(130,078)
Total other financing uses	-	(128,881)	(128,881)	-	(130,078)
Net change in fund balance.	-	-	85,759	85,759	52,783
Fund balance, January 1	443,701	443,701	443,701	-	390,918
Fund balance, December 31.	\$ 443,701	\$ 443,701	\$ 529,460	\$ 85,759	\$ 443,701

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
STATE HIGHWAY FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Intergovernmental	\$ 138,670	\$ 139,062	\$ 139,781	\$ 719	\$ 141,134
Investment income	320	650	1,030	380	595
Total revenues	<u>138,990</u>	<u>139,712</u>	<u>140,811</u>	<u>1,099</u>	<u>141,729</u>
Expenditures:					
Current:					
Transportation					
Other	<u>178,212</u>	<u>178,212</u>	<u>44,458</u>	<u>133,754</u>	<u>288,051</u>
Total expenditures	<u>178,212</u>	<u>178,212</u>	<u>44,458</u>	<u>133,754</u>	<u>288,051</u>
Net change in fund balance	<u>(39,222)</u>	<u>(38,500)</u>	<u>96,353</u>	<u>134,853</u>	<u>(146,322)</u>
Fund balance, January 1	<u>157,809</u>	<u>157,809</u>	<u>157,809</u>	<u>-</u>	<u>304,131</u>
Fund balance, December 31.	<u>\$ 118,587</u>	<u>\$ 119,309</u>	<u>\$ 254,162</u>	<u>\$ 134,853</u>	<u>\$ 157,809</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
 LAW ENFORCEMENT TRUST FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Expenditures:					
Current:					
Security of persons and property					
Other	\$ 590	\$ 590	\$ -	\$ 590	\$ -
Total expenditures	590	590	-	590	-
Net change in fund balance	(590)	(590)	-	590	-
Fund balance, January 1	<u>590</u>	<u>590</u>	<u>590</u>	<u>-</u>	<u>590</u>
Fund balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 590</u>	<u>\$ 590</u>	<u>\$ 590</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
DRUG LAW ENFORCEMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Expenditures:					
Current:					
Security of persons and property					
Other	\$ 321	\$ 321	\$ 284	\$ 37	\$ 260
Total expenditures	321	321	284	37	260
Net change in fund balance	(321)	(321)	(284)	37	(260)
Fund balance, January 1	<u>321</u>	<u>321</u>	<u>321</u>	<u>-</u>	<u>581</u>
Fund balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37</u>	<u>\$ 37</u>	<u>\$ 321</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
INDIGENT DRIVERS ALCOHOL TREATMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 24,000	\$ 16,655	\$ 9,019	\$ (7,636)	\$ 17,283
Total revenues	24,000	16,655	9,019	(7,636)	17,283
Expenditures:					
Current:					
General government					
Other	40,000	67,000	26,000	41,000	46,218
Total expenditures	40,000	67,000	26,000	41,000	46,218
Net change in fund balance	(16,000)	(50,345)	(16,981)	33,364	(28,935)
Fund balance, January 1	254,676	254,676	254,676	-	283,611
Fund balance, December 31	\$ 238,676	\$ 204,331	\$ 237,695	\$ 33,364	\$ 254,676

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
ENFORCEMENT AND EDUCATION FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 2,000	\$ 2,700	\$ 2,751	\$ 51	\$ 2,616
Total revenues	2,000	2,700	2,751	51	2,616
Expenditures:					
Current:					
Security of persons and property					
Other	53,843	53,843	789	53,054	639
Total expenditures	53,843	53,843	789	53,054	639
Net change in fund balance	(51,843)	(51,143)	1,962	53,105	1,977
Fund balance, January 1	<u>53,629</u>	<u>53,629</u>	<u>53,629</u>	<u>-</u>	<u>51,652</u>
Fund balance, December 31	<u>\$ 1,786</u>	<u>\$ 2,486</u>	<u>\$ 55,591</u>	<u>\$ 53,105</u>	<u>\$ 53,629</u>

CITY OF FINDLAY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
COURT SPECIAL PROJECTS FUND**

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Charges for services	\$ 185,000	\$ 275,000	\$ 280,183	\$ 5,183	\$ 220,241
Reimbursements.	-	450	357	(93)	102
Total revenues	<u>185,000</u>	<u>275,450</u>	<u>280,540</u>	<u>5,090</u>	<u>220,343</u>
Expenditures:					
Current:					
General government					
Personal services	55,036	56,690	50,459	6,231	94,286
Other	<u>150,500</u>	<u>154,500</u>	<u>130,805</u>	<u>23,695</u>	<u>138,873</u>
Total expenditures	<u>205,536</u>	<u>211,190</u>	<u>181,264</u>	<u>29,926</u>	<u>233,159</u>
Net change in fund balance	(20,536)	64,260	99,276	35,016	(12,816)
Fund balance, January 1	143,534	143,534	143,534	-	156,350
Increase in prepaids	<u>1,114</u>	<u>1,114</u>	<u>1,114</u>	<u>-</u>	<u>-</u>
Fund balance, December 31	<u>\$ 124,112</u>	<u>\$ 208,908</u>	<u>\$ 243,924</u>	<u>\$ 35,016</u>	<u>\$ 143,534</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
COURT COMPUTERIZATION FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Charges for services	\$ 50,000	\$ 52,000	\$ 54,977	\$ 2,977	\$ 56,104
Total revenues	50,000	52,000	54,977	2,977	56,104
Expenditures:					
Current:					
General government					
Other	89,000	91,500	28,685	62,815	36,183
Total expenditures	89,000	91,500	28,685	62,815	36,183
Net change in fund balance	(39,000)	(39,500)	26,292	65,792	19,921
Fund balance, January 1	<u>92,477</u>	<u>92,477</u>	<u>92,477</u>	<u>-</u>	<u>72,556</u>
Fund balance, December 31	<u>\$ 53,477</u>	<u>\$ 52,977</u>	<u>\$ 118,769</u>	<u>\$ 65,792</u>	<u>\$ 92,477</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
METRICH DRUG LAW ENFORCEMENT TRUST FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ -	\$ -	\$ 1,500	\$ 1,500	\$ -
Total revenues	-	-	1,500	1,500	-
Expenditures:					
Current:					
Security of persons and property					
Other	10	2,110	-	2,110	-
Total expenditures	10	2,110	-	2,110	-
Net change in fund balance	(10)	(2,110)	1,500	3,610	-
Fund balance, January 1	<u>2,110</u>	<u>2,110</u>	<u>2,110</u>	<u>-</u>	<u>2,110</u>
Fund balance, December 31	<u>\$ 2,100</u>	<u>\$ -</u>	<u>\$ 3,610</u>	<u>\$ 3,610</u>	<u>\$ 2,110</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
ALCOHOL MONITORING FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 45,000	\$ 53,361	\$ 51,552	\$ (1,809)	\$ 51,419
Total revenues	45,000	53,361	51,552	(1,809)	51,419
Expenditures:					
Current:					
General government					
Other	70,000	70,000	32,246	37,754	46,738
Total expenditures	70,000	70,000	32,246	37,754	46,738
Net change in fund balance	(25,000)	(16,639)	19,306	35,945	4,681
Fund balance, January 1	<u>88,627</u>	<u>88,627</u>	<u>88,627</u>	<u>-</u>	<u>83,946</u>
Fund balance, December 31	<u>\$ 63,627</u>	<u>\$ 71,988</u>	<u>\$ 107,933</u>	<u>\$ 35,945</u>	<u>\$ 88,627</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
MEDIATION SERVICES FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 17,000	\$ 15,800	\$ 17,449	\$ 1,649	\$ 17,991
Total revenues	17,000	15,800	17,449	1,649	17,991
Expenditures:					
Current:					
General government					
Other	10,000	10,000	2,000	8,000	2,995
Total expenditures	10,000	10,000	2,000	8,000	2,995
Net change in fund balance	7,000	5,800	15,449	9,649	14,996
Fund balance, January 1	<u>67,641</u>	<u>67,641</u>	<u>67,641</u>	<u>-</u>	<u>52,645</u>
Fund balance, December 31	<u>\$ 74,641</u>	<u>\$ 73,441</u>	<u>\$ 83,090</u>	<u>\$ 9,649</u>	<u>\$ 67,641</u>

CITY OF FINDLAY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
ELECTRONIC IMAGING FUND**

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 50,000	\$ 51,000	\$ 54,899	\$ 3,899	\$ 55,986
Reimbursements	-	149	149	-	29
Total revenues	<u>50,000</u>	<u>51,149</u>	<u>55,048</u>	<u>3,899</u>	<u>56,015</u>
Expenditures:					
Current:					
General government					
Personal services	44,671	44,671	39,870	4,801	35,012
Other	63,500	63,500	1,007	62,493	899
Capital outlay					
Other	-	-	-	-	6,325
Total expenditures	<u>108,171</u>	<u>108,171</u>	<u>40,877</u>	<u>67,294</u>	<u>42,236</u>
Net change in fund balance	(58,171)	(57,022)	14,171	71,193	13,779
Fund balance, January 1	114,861	114,861	114,861	-	101,082
Increase in prepaids	483	483	483	-	-
Fund balance, December 31	<u>\$ 57,173</u>	<u>\$ 58,322</u>	<u>\$ 129,515</u>	<u>\$ 71,193</u>	<u>\$ 114,861</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
LEGAL RESEARCH FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ -	\$ 21	\$ 22	\$ 1	\$ 53
Total revenues	-	21	22	1	53
Net change in fund balance	-	21	22	1	53
Fund balance, January 1	<u>20,349</u>	<u>20,349</u>	<u>20,349</u>	<u>-</u>	<u>20,296</u>
Fund balance, December 31	<u>\$ 20,349</u>	<u>\$ 20,370</u>	<u>\$ 20,371</u>	<u>\$ 1</u>	<u>\$ 20,349</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
POLICE PENSION FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
Property and other local taxes	\$ 215,638	\$ 217,908	\$ 217,908	\$ -	\$ 220,821
Intergovernmental	25,081	25,345	25,345	-	25,790
Total revenues	<u>240,719</u>	<u>243,253</u>	<u>243,253</u>	<u>-</u>	<u>246,611</u>
Expenditures:					
Current:					
Security of persons and property					
Personal services	235,500	243,253	243,253	-	4,581
Total expenditures	<u>235,500</u>	<u>243,253</u>	<u>243,253</u>	<u>-</u>	<u>4,581</u>
Excess of revenues over expenditures	<u>5,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,030</u>
Other financing uses:					
Transfers out	-	-	-	-	(247,413)
Net change in fund balance	5,219	-	-	-	(5,383)
Fund balance, January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,383</u>
Fund balance, December 31	<u>\$ 5,219</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
FIRE PENSION FUND

5^{FOR} FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
Property and other local taxes	\$ 215,638	\$ 217,908	\$ 217,908	\$ -	\$ 220,821
Intergovernmental	25,081	25,345	25,345	-	25,790
Total revenues	<u>240,719</u>	<u>243,253</u>	<u>243,253</u>	<u>-</u>	<u>246,611</u>
Expenditures:					
Current:					
Security of persons and property					
Personal services	235,500	243,253	243,253	-	4,581
Total expenditures	<u>235,500</u>	<u>243,253</u>	<u>243,253</u>	<u>-</u>	<u>4,581</u>
Excess of revenues over expenditures	<u>5,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,030</u>
Other financing uses:					
Transfers out	-	-	-	-	(247,413)
Net change in fund balance	5,219	-	-	-	(5,383)
Fund balance, January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,383</u>
Fund balance, December 31	<u>\$ 5,219</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
SEVERANCE PAYOUT RESERVE FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Expenditures:					
Current:					
General Government					
Personal services	\$ -	\$ 210,000	\$ 206,947	\$ 3,053	\$ 134,643
Total expenditures	-	210,000	206,947	3,053	134,643
Net change in fund balance	-	(210,000)	(206,947)	3,053	(134,643)
Fund balance, January 1	<u>861,429</u>	<u>861,429</u>	<u>861,429</u>	<u>-</u>	<u>996,072</u>
Fund balance, December 31	<u>\$ 861,429</u>	<u>\$ 651,429</u>	<u>\$ 654,482</u>	<u>\$ 3,053</u>	<u>\$ 861,429</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
CITY INCOME TAX ADMINISTRATION FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Municipal income taxes	\$ 24,545,000	\$ 25,300,000	\$ 24,732,412	\$ (567,588)	\$ 23,333,535
Charges for services	12,000	10,978	10,979	1	12,902
Reimbursements.	-	670	669	(1)	25,132
Other	-	10	10	-	-
Total revenues	<u>24,557,000</u>	<u>25,311,658</u>	<u>24,744,070</u>	<u>(567,588)</u>	<u>23,371,569</u>
Expenditures:					
Current:					
General government					
Personal services	323,739	189,140	154,385	34,755	129,836
Other	714,681	856,181	283,983	572,198	243,420
Total expenditures	<u>1,038,420</u>	<u>1,045,321</u>	<u>438,368</u>	<u>606,953</u>	<u>373,256</u>
Excess of revenues over expenditures	<u>23,518,580</u>	<u>24,266,337</u>	<u>24,305,702</u>	<u>39,365</u>	<u>22,998,313</u>
Other financing sources (uses):					
Transfers in	-	1,700,664	2,048,450	347,786	2,772,339
Transfers out	(19,048,770)	(25,995,170)	(25,995,170)	-	(27,448,761)
Total other financing sources (uses)	<u>(19,048,770)</u>	<u>(24,294,506)</u>	<u>(23,946,720)</u>	<u>347,786</u>	<u>(24,676,422)</u>
Net change in fund balance	4,469,810	(28,169)	358,982	387,151	(1,678,109)
Fund balance, January 1	6,672,075	6,672,075	6,672,075	-	8,350,371
Increase in prepaids	1,962	1,962	1,962	-	(187)
Fund balance, December 31	<u>\$ 11,143,847</u>	<u>\$ 6,645,868</u>	<u>\$ 7,033,019</u>	<u>\$ 387,151</u>	<u>\$ 6,672,075</u>

CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
NONMAJOR DEBT SERVICE FUND

DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Assets:		
Equity in pooled cash and investments.	\$ 18,610	\$ 2,491
Cash with escrow agent.	33,128	33,128
Receivables (net of allowances of uncollectibles). . .	<u>287,896</u>	<u>341,916</u>
Total assets.	<u>\$ 339,634</u>	<u>\$ 377,535</u>
Liabilities:		
Matured bonds payable	\$ 33,128	\$ 33,128
Unearned revenue.	<u>-</u>	<u>1,486</u>
Total liabilities.	<u>33,128</u>	<u>34,614</u>
Deferred inflows of resources:		
TIF revenue levied for next fiscal year	149,689	181,975
Special assessments revenue not available.	<u>139,484</u>	<u>159,941</u>
Total deferred inflows of resources	<u>289,173</u>	<u>341,916</u>
Total liabilities and deferred inflows of resources.	<u>322,301</u>	<u>376,530</u>
Fund balance:		
Restricted	767	1,005
Committed.	<u>16,566</u>	<u>-</u>
Total fund balance	<u>17,333</u>	<u>1,005</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 339,634</u>	<u>\$ 377,535</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Revenues:		
Intergovernmental	\$ 17,192	\$ 17,155
Special assessments	22,304	32,533
Contributions and donations	15,000	15,000
Tax increment financing	<u>71,783</u>	<u>71,985</u>
Total revenues	<u>126,279</u>	<u>136,673</u>
Expenditures:		
Debt service:		
Principal retirement	559,739	650,354
Interest and fiscal charges	319,030	335,193
Bond issuance costs	<u>159,640</u>	<u>-</u>
Total expenditures	<u>1,038,409</u>	<u>985,547</u>
Excess of expenditures over revenues	<u>(912,130)</u>	<u>(848,874)</u>
Other financing sources (uses):		
Issuance of refunding bonds	6,505,000	-
Premium on bond issuance	385,262	-
Payment to refunded bond escrow agent	(6,715,929)	-
Transfers in	987,622	1,093,243
Transfers out	<u>(233,497)</u>	<u>(247,353)</u>
Total other financing sources (uses)	<u>928,458</u>	<u>845,890</u>
Net change in fund balances	16,328	(2,984)
Fund balance, January 1	<u>1,005</u>	<u>3,989</u>
Fund balance, December 31	<u><u>\$ 17,333</u></u>	<u><u>\$ 1,005</u></u>

CITY OF FINDLAY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
DEBT SERVICE FUND**

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Intergovernmental	\$ -	\$ 17,187	\$ 17,192	\$ 5	\$ 17,155
Special assessments	-	22,298	22,304	6	32,533
Contributions and donations	15,000	14,996	15,000	4	15,000
Tax increment financing	-	71,763	71,783	20	71,985
Total revenues	15,000	126,244	126,279	35	136,673
Expenditures:					
Debt service:					
Principal retirement	541,738	559,739	559,739	-	650,354
Interest and fiscal charges	317,003	319,030	319,030	-	335,193
Bond issuance costs	-	159,640	159,640	-	-
Total debt service	858,741	1,038,409	1,038,409	-	985,547
Total expenditures	858,741	1,038,409	1,038,409	-	985,547
Excess of expenditures over revenues	(843,741)	(912,165)	(912,130)	35	(848,874)
Other financing sources (uses):					
Issuance of refunding bonds	-	6,505,000	6,505,000	-	-
Premium on bond issuance	-	385,262	385,262	-	-
Payment to refunded bond escrow agent	-	(6,715,929)	(6,715,929)	-	-
Transfers in	858,741	1,061,405	987,622	(73,783)	1,093,243
Transfers out	-	(305,275)	(233,497)	71,778	(247,353)
Total other financing sources (uses)	858,741	930,463	928,458	(2,005)	845,890
Net change in fund balance	15,000	18,298	16,328	(1,970)	(2,984)
Fund balance, January 1	1,005	1,005	1,005	-	3,989
Fund balance, December 31	\$ 16,005	\$ 19,303	\$ 17,333	\$ (1,970)	\$ 1,005

CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)

	Capital Improvement Projects	Municipal Court Improvements	Totals	
			2016	2015
Assets:				
Equity in pooled cash and investments	\$ 83	\$ 225,805	\$ 225,888	\$ 116,489
Total assets.	<u>\$ 83</u>	<u>\$ 225,805</u>	<u>\$ 225,888</u>	<u>\$ 116,489</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ -	\$ -
Total liabilities.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Restricted	83	225,805	225,888	116,489
Total fund balance.	<u>83</u>	<u>225,805</u>	<u>225,888</u>	<u>116,489</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 83</u>	<u>\$ 225,805</u>	<u>\$ 225,888</u>	<u>\$ 116,489</u>

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015)

	Capital Improvement Projects	Municipal Court Improvements	Totals	
			2016	2015
Revenues:				
Fines and forfeitures	\$ -	\$ 165,008	\$ 165,008	\$ 55,129
Total revenues	-	165,008	165,008	55,129
Expenditures:				
Capital outlay	-	5,609	5,609	5,283
Total expenditures	-	5,609	5,609	5,283
Excess of revenues over expenditures	-	159,399	159,399	49,846
Other financing uses:				
Transfers out	-	(50,000)	(50,000)	(430,000)
Total other financing uses.	-	(50,000)	(50,000)	(430,000)
Net change in fund balances	-	109,399	109,399	(380,154)
Fund balances, January 1	83	116,406	116,489	496,643
Fund balance, December 31	\$ 83	\$ 225,805	\$ 225,888	\$ 116,489

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
 CAPITAL IMPROVEMENT PROJECTS FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2015 Actual</u>
	<u>Original</u>	<u>Final</u>			
Fund balance, January 1	\$ 83	\$ 83	\$ 83	\$ -	\$ 83
Fund balance, December 31	<u>\$ 83</u>	<u>\$ 83</u>	<u>\$ 83</u>	<u>\$ -</u>	<u>\$ 83</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
MUNICIPAL COURT IMPROVEMENTS FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 49,000	\$ 149,200	\$ 165,008	\$ 15,808	\$ 55,129
Total revenues	49,000	149,200	165,008	15,808	55,129
Expenditures:					
Capital outlay					
Other	83,250	33,250	5,609	27,641	5,283
Total expenditures	83,250	33,250	5,609	27,641	5,283
Excess (deficiency) of revenues over (under) expenditures	(34,250)	115,950	159,399	43,449	49,846
Other financing uses:					
Transfers out	-	(50,000)	(50,000)	-	(430,000)
Total other financing uses	-	(50,000)	(50,000)	-	(430,000)
Net change in fund balance	(34,250)	65,950	109,399	43,449	(380,154)
Fund balance, January 1	<u>116,406</u>	<u>116,406</u>	<u>116,406</u>	<u>-</u>	<u>496,560</u>
Fund balance, December 31.	<u>\$ 82,156</u>	<u>\$ 182,356</u>	<u>\$ 225,805</u>	<u>\$ 43,449</u>	<u>\$ 116,406</u>

CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
NONMAJOR CEMETERY TRUST PERMANENT FUND

DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)

	2016	2015
Assets:		
Equity in pooled cash and investments	\$ 1,380,152	\$ 1,345,127
Receivables (net of allowances of uncollectibles).	912	278
Total assets	\$ 1,381,064	\$ 1,345,405
Fund balance:		
Nonspendable	\$ 1,373,776	\$ 1,344,168
Restricted	7,288	1,237
Total fund balance	1,381,064	1,345,405
Total liabilities and fund balance	\$ 1,381,064	\$ 1,345,405

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CEMETERY TRUST PERMANENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Revenues:		
Charges for services	\$ 35,024	\$ 36,301
Investment income	<u>7,288</u>	<u>1,237</u>
Total revenues	<u>42,312</u>	<u>37,538</u>
Expenditures:		
Current:		
Public health and welfare.	<u>6,653</u>	<u>997</u>
Total expenditures	<u>6,653</u>	<u>997</u>
Net change in fund balance	35,659	36,541
Fund balance, January 1	<u>1,345,405</u>	<u>1,308,864</u>
Fund balance, December 31.	<u>\$ 1,381,064</u>	<u>\$ 1,345,405</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
CEMETERY TRUST PERMANENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2015</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Charges for services	\$ 36,000	\$ 32,000	\$ 35,024	\$ 3,024	\$ 36,301
Investment income	1,000	6,700	7,288	588	1,237
Total revenues	<u>37,000</u>	<u>38,700</u>	<u>42,312</u>	<u>3,612</u>	<u>37,538</u>
Expenditures:					
Current:					
Public health and welfare					
Other	<u>1,000</u>	<u>6,653</u>	<u>6,653</u>	<u>-</u>	<u>997</u>
Total expenditures	<u>1,000</u>	<u>6,653</u>	<u>6,653</u>	<u>-</u>	<u>997</u>
Net change in fund balance	36,000	32,047	35,659	3,612	36,541
Fund balance, January 1	<u>1,345,405</u>	<u>1,345,405</u>	<u>1,345,405</u>	<u>-</u>	<u>1,308,864</u>
Fund balance, December 31.	<u>\$ 1,381,405</u>	<u>\$ 1,377,452</u>	<u>\$ 1,381,064</u>	<u>\$ 3,612</u>	<u>\$ 1,345,405</u>

CITY OF FINDLAY, OHIO

Enterprise Funds

The enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be recovered primarily through user charges.

The City has the following major enterprise funds:

Water Fund

Water Pollution Control Fund

Airport Fund

These major enterprise funds are described on page 66 of the financial statements.

The City has the following nonmajor enterprise funds:

Swimming Pool:

To account for the operation of the swimming pool complex at Riverside Park. Beginning in 2010, the City contracted with the local YMCA to run the pool operations.

Parking Facilities:

To account for the operation of the parking department, which includes maintenance and rental of lots, fine revenue, and the monitoring of all on-street and off-street parking zones.

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF NET POSITION
WATER FUND

DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 10,864,180	\$ 10,741,473
Cash with escrow agent	14,270	80,587
Receivables (net of allowances of uncollectibles) . . .	1,124,357	1,128,255
Prepayments	63,981	24,228
Materials and supplies inventory	721,935	784,980
Total current assets	<u>12,788,723</u>	<u>12,759,523</u>
Noncurrent assets:		
Net pension asset	7,947	6,534
Restricted assets:		
Equity in pooled cash and investments	800,746	775,720
Capital assets:		
Nondepreciable capital assets	1,153,630	3,631,673
Depreciable capital assets, net	55,570,190	51,134,544
Total noncurrent assets	<u>57,532,513</u>	<u>55,548,471</u>
Total assets	<u>70,321,236</u>	<u>68,307,994</u>
Deferred outflows of resources:		
Unamortized deferred charges on debt refunding . . .	24,255	44,107
Pension	893,138	290,945
Total deferred outflows of resources	<u>917,393</u>	<u>335,052</u>
Liabilities:		
Current liabilities:		
Accounts payable	134,923	139,586
Contracts payable	4,646	119,671
Accrued wages and benefits payable	72,232	60,735
Insurance deposits payable	31,042	44,328
Retainage payable	14,270	80,587
Due to other funds	-	-
Deposits held and due to others	389,050	365,250
Accrued interest payable	44,648	55,296
Compensated absences payable - current	150,056	161,534
Bonds payable - current	950,000	1,106,000
Loans payable - current	256,596	250,212
Total current liabilities	<u>2,047,463</u>	<u>2,383,199</u>
Long-term liabilities:		
Compensated absences payable	222,652	148,513
Bonds payable	1,370,000	2,320,000
Loans payable	2,531,748	2,788,347
Net pension liability	2,296,187	1,575,622
Total long-term liabilities	<u>6,420,587</u>	<u>6,832,482</u>
Total liabilities	<u>8,468,050</u>	<u>9,215,681</u>
Deferred inflows of resources:		
Pension	47,974	29,674
Net position:		
Net investment in capital assets	51,620,815	48,145,507
Restricted for:		
Capital projects	800,746	775,720
Unrestricted	10,301,044	10,476,464
Total net position	<u>\$ 62,722,605</u>	<u>\$ 59,397,691</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WATER FUND

FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Operating revenues:		
Charges for services	\$ 8,314,598	\$ 8,130,180
Other	104,150	84,103
Total operating revenues	<u>8,418,748</u>	<u>8,214,283</u>
Operating expenses:		
Personal services	2,837,116	2,572,367
Contract services	387,232	389,947
Materials and supplies.	841,112	799,952
Utilities	436,597	382,232
Depreciation.	1,558,532	1,392,839
Total operating expenses	<u>6,060,589</u>	<u>5,537,337</u>
Operating income.	<u>2,358,159</u>	<u>2,676,946</u>
Nonoperating revenues (expenses):		
Intergovernmental.	52,272	74,886
Interest revenue.	53,620	32,736
Loss on disposal of capital assets.	(12,148)	(44,456)
Interest expense and fiscal charges	(123,719)	(162,847)
Total nonoperating revenues (expenses)	<u>(29,975)</u>	<u>(99,681)</u>
Income before contributions	2,328,184	2,577,265
Capital contributions.	996,730	228,996
Change in net position	3,324,914	2,806,261
Net position, January 1	<u>59,397,691</u>	<u>56,591,430</u>
Net position, December 31	<u>\$ 62,722,605</u>	<u>\$ 59,397,691</u>

CITY OF FINDLAY, OHIO

**COMPARATIVE STATEMENT OF CASH FLOWS
WATER FUND**

FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Cash received from customers	\$ 8,322,888	\$ 8,157,386
Cash received from other operations	104,150	84,103
Cash payments for personal services	(2,678,975)	(2,573,654)
Cash payments for contract services.	(365,195)	(373,445)
Cash payments for materials and supplies.	(782,730)	(1,012,380)
Cash payments for utilities.	<u>(436,597)</u>	<u>(382,232)</u>
Net cash provided by operating activities.	<u>4,163,541</u>	<u>3,899,778</u>
Cash flows from noncapital financing activities:		
Grants and contributions	<u>52,272</u>	<u>74,866</u>
Net cash provided by noncapital financing activities	<u>52,272</u>	<u>74,866</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(2,712,895)	(2,563,305)
Principal paid on bonds	(1,106,000)	(1,093,000)
Interest paid on bonds.	(40,015)	(52,787)
Principal paid on loans	(250,215)	(244,031)
Interest paid on loans	<u>(74,500)</u>	<u>(86,890)</u>
Net cash used in capital and related financing activities	<u>(4,183,625)</u>	<u>(4,040,013)</u>
Cash flows from investing activities:		
Interest received.	<u>49,228</u>	<u>30,307</u>
Net cash provided by investing activities	<u>49,228</u>	<u>30,307</u>
Net increase (decrease) in cash and cash equivalents . .	81,416	(35,062)
Cash and cash equivalents at beginning of year . .	<u>11,597,780</u>	<u>11,632,842</u>
Cash and cash equivalents at end of year.	<u>\$ 11,679,196</u>	<u>\$ 11,597,780</u>

- - continued

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF CASH FLOWS
WATER FUND (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 2,358,159	\$ 2,676,946
Adjustments:		
Depreciation	1,558,532	1,392,839
Changes in assets and liabilities:		
Decrease in accounts receivable.	8,290	27,206
(Increase) decrease in materials and supplies inventory	63,045	(200,825)
(Increase) in prepayments.	(39,753)	(172)
(Decrease) in accounts payable	(4,663)	(11,603)
Increase in accrued wages and benefits.	11,497	7,086
Increase in compensated absences payable.	62,661	32,068
(Decrease) in insurance deposits payable	(13,286)	(10,200)
Increase in deposits held and due to others	23,800	14,300
Increase in retainage payable	-	2,374
(Increase) in net pension asset	(1,413)	(4,753)
(Increase) in deferred outflows - pension.	(602,193)	(90,750)
Increase in deferred inflows - pension	18,300	29,674
Increase in net pension liability	720,565	35,588
Net cash provided by operating activities	<u>\$ 4,163,541</u>	<u>\$ 3,899,778</u>

Non-cash Transactions:

During 2016, the Water fund received \$996,730 in capital contributions of donated water lines from private developers.

At December 31, 2016 and 2015, the Water fund purchased \$18,916 and \$119,671, respectively, in capital assets on account.

During 2015, the Water fund received \$228,996 in capital contributions of donated water lines from private developers.

At December 31, 2015 and 2014, the Water fund purchased \$119,671 and \$690,843, respectively, in capital assets on account.

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF NET POSITION
WATER POLLUTION CONTROL FUND

DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 6,880,969	\$ 7,030,845
Cash with escrow agent	3,002	98,108
Receivables (net of allowances of uncollectibles) . .	1,559,929	1,588,259
Prepayments	48,374	15,674
Materials and supplies inventory	59,421	56,590
Total current assets	<u>8,551,695</u>	<u>8,789,476</u>
Noncurrent assets:		
Net pension asset	6,771	5,567
Restricted assets:		
Equity in pooled cash and investments	5,189,091	4,295,580
Capital assets:		
Nondepreciable capital assets	633,736	3,378,257
Depreciable capital assets, net	80,644,100	78,988,737
Total noncurrent assets	<u>86,473,698</u>	<u>86,668,141</u>
Total assets	<u>95,025,393</u>	<u>95,457,617</u>
Deferred outflows of resources:		
Unamortized deferred charges on debt refunding . .	24,828	74,484
Pension	760,953	247,885
Total deferred outflows of resources	<u>785,781</u>	<u>322,369</u>
Liabilities:		
Current liabilities:		
Accounts payable	224,496	280,197
Retainage payable	3,002	98,108
Accrued wages and benefits payable	55,211	50,653
Insurance deposits payable	25,016	36,704
Deposits held and due to others	389,050	365,250
Accrued interest payable	182,133	304,262
Compensated absences payable - current	125,564	118,409
Bonds payable - current	980,000	982,500
Loans payable - current	2,187,611	2,100,082
Total current liabilities	<u>4,172,083</u>	<u>4,336,165</u>
Long term liabilities:		
Compensated absences payable	356,543	322,349
Bonds payable	550,000	1,530,000
Loans payable	10,018,525	12,206,136
Net pension liability	1,956,351	1,342,429
Total long-term liabilities	<u>12,881,419</u>	<u>15,400,914</u>
Total liabilities	<u>17,053,502</u>	<u>19,737,079</u>
Deferred inflows of resources:		
Pension	40,874	25,282
Net position:		
Net investment in capital assets	67,563,526	65,524,652
Restricted for:		
Capital projects	5,189,091	4,295,580
Unrestricted	5,964,181	6,197,393
Total net position	<u>\$ 78,716,798</u>	<u>\$ 76,017,625</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WATER POLLUTION CONTROL FUND

FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Operating revenues:		
Charges for services	\$ 9,604,120	\$ 10,146,272
Other	57,986	17,243
Total operating revenues	<u>9,662,106</u>	<u>10,163,515</u>
Operating expenses:		
Personal services	2,152,172	2,100,588
Contract services	1,901,368	1,169,682
Materials and supplies.	306,827	388,320
Utilities	576,251	520,599
Depreciation.	2,511,740	2,205,431
Total operating expenses	<u>7,448,358</u>	<u>6,384,620</u>
Operating income	<u>2,213,748</u>	<u>3,778,895</u>
Nonoperating revenues (expenses):		
Intergovernmental	74,041	183,982
Interest revenue.	50,953	30,963
Interest expense and fiscal charges	(346,839)	(683,829)
Loss on disposall of capital assets	(206,523)	-
Total nonoperating revenues (expenses).	<u>(428,368)</u>	<u>(468,884)</u>
Income before contributions and transfers.	1,785,380	3,310,011
Capital contributions.	913,793	227,268
Transfers out	-	(623,934)
Change in net position	2,699,173	2,913,345
Net position, January 1	<u>76,017,625</u>	<u>73,104,280</u>
Net position, December 31	<u>\$ 78,716,798</u>	<u>\$ 76,017,625</u>

CITY OF FINDLAY, OHIO

**COMPARATIVE STATEMENT OF CASH FLOWS
WATER POLLUTION CONTROL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Cash flows from operating activities:		
Cash received from customers	\$ 9,637,436	\$ 9,400,638
Cash received from other operations	57,986	17,243
Cash payments for personal services	(2,033,868)	(2,067,785)
Cash payments for contract services.	(1,879,111)	(1,150,785)
Cash payments for materials and supplies.	(365,359)	(286,044)
Cash payments for utilities.	(576,251)	(520,599)
Net cash provided by operating activities.	4,840,833	5,392,668
Cash flows from noncapital financing activities:		
Grants and contributions	74,041	183,982
Net cash provided by noncapital financing activities	74,041	183,982
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(810,418)	(2,969,157)
Principal paid on bonds.	(982,500)	(973,000)
Interest paid on bonds.	(24,120)	(33,461)
Principal paid on loans	(2,100,082)	(2,016,165)
Interest paid on loans	(395,192)	(646,898)
Net cash used in capital and related financing activities	(4,312,312)	(6,638,681)
Cash flows from investing activities:		
Interest received.	45,967	29,108
Net cash provided by investing activities	45,967	29,108
Net increase (decrease) in cash and cash equivalents . .	648,529	(1,032,923)
Cash and cash equivalents at beginning of year . .	11,424,533	12,457,456
Cash and cash equivalents at end of year.	\$ 12,073,062	\$ 11,424,533

- - continued

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF CASH FLOWS
WATER POLLUTION CONTROL FUND (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 2,213,748	\$ 3,778,895
Adjustments:		
Depreciation	2,511,740	2,205,431
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	33,316	(745,634)
(Increase) in materials and supplies inventory	(2,831)	(4,155)
(Increase) in prepayments	(32,700)	(431)
Increase (decrease) in accounts payable	(55,701)	106,431
Increase in accrued wages and benefits	4,558	6,295
Increase in compensated absences payable	41,349	60,850
(Decrease) in insurance deposits payable.	(11,688)	(8,576)
Increase in retainage payable	-	5,028
Increase in deposits held and due to others	23,800	14,300
(Increase) in net pension asset	(1,204)	(4,050)
(Increase) in deferred outflows - pension.	(513,068)	(77,319)
Increase in deferred inflows - pension	15,592	25,282
Increase in net pension liability	613,922	30,321
Net cash provided by operating activities	<u>\$ 4,840,833</u>	<u>\$ 5,392,668</u>

Non-cash Transactions:

During 2016, the Water Pollution Control fund received \$913,793 in capital contributions of donated sewer lines from private developers.

At December 31, 2016 and 2015, the Water Pollution Control fund purchased \$3,002 and \$98,108, respectively, in capital assets on account.

During 2015, the Water Pollution Control fund constructed and contributed \$623,934 in storm sewer infrastructure to the governmental activities.

During 2015, the Water Pollution Control fund received \$227,268 in capital contributions of donated sewer lines from private developers.

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF NET POSITION
AIRPORT FUND

DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 459,217	\$ 478,167
Receivables (net of allowances of uncollectibles) . . .	41,205	42,769
Prepayments	13,286	9,258
Materials and supplies inventory	53,539	64,149
Total current assets	<u>567,247</u>	<u>594,343</u>
Noncurrent assets:		
Net pension asset	952	783
Capital assets:		
Nondepreciable capital assets	3,586,559	3,500,903
Depreciable capital assets, net	8,190,393	9,011,122
Total noncurrent assets	<u>11,777,904</u>	<u>12,512,808</u>
Total assets	<u>12,345,151</u>	<u>13,107,151</u>
Deferred outflows of resources:		
Pension	<u>106,972</u>	<u>34,846</u>
Liabilities:		
Current liabilities:		
Accounts payable.	21,671	80,639
Accrued wages and benefits payable	8,213	7,035
Insurance deposits payable.	87	5,944
Compensated absences payable - current.	35,978	37,354
Total current liabilities	<u>65,949</u>	<u>130,972</u>
Long term liabilities:		
Compensated absences payable.	48,803	41,266
Net pension liability	275,014	188,712
Total long-term liabilities	<u>323,817</u>	<u>229,978</u>
Total liabilities.	<u>389,766</u>	<u>360,950</u>
Deferred inflows of resources:		
Pension	<u>5,746</u>	<u>3,554</u>
Net position:		
Net investment in capital assets	11,776,952	12,512,025
Unrestricted	279,659	265,468
Total net position	<u>\$ 12,056,611</u>	<u>\$ 12,777,493</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
AIRPORT FUND

FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Operating revenues:		
Charges for services	\$ 826,536	\$ 878,020
Total operating revenues	<u>826,536</u>	<u>878,020</u>
Operating expenses:		
Personal services	352,029	309,345
Contract services	111,724	94,223
Materials and supplies.	460,024	524,319
Utilities	19,746	20,861
Depreciation.	<u>838,829</u>	<u>857,820</u>
Total operating expenses	<u>1,782,352</u>	<u>1,806,568</u>
Operating loss.	<u>(955,816)</u>	<u>(928,548)</u>
Nonoperating revenues:		
Intergovernmental	<u>20,049</u>	<u>23,598</u>
Total nonoperating revenues	<u>20,049</u>	<u>23,598</u>
Loss before contributions and transfers.	(935,767)	(904,950)
Capital contributions.	76,576	72,938
Transfers in	<u>138,309</u>	<u>41,613</u>
Change in net position	(720,882)	(790,399)
Net position, January 1	<u>12,777,493</u>	<u>13,567,892</u>
Net position, December 31	<u>\$ 12,056,611</u>	<u>\$ 12,777,493</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF CASH FLOWS
AIRPORT FUND

FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Cash received from customers	\$ 828,100	\$ 915,823
Cash payments for personal services	(334,348)	(304,394)
Cash payments for contract services.	(115,752)	(94,685)
Cash payments for materials and supplies.	(508,382)	(500,589)
Cash payments for utilities.	(19,746)	(20,861)
Net cash used in operating activities	<u>(150,128)</u>	<u>(4,706)</u>
Cash flows from noncapital financing activities:		
Grants and contributions	20,049	23,598
Transfers in	<u>138,309</u>	<u>41,613</u>
Net cash provided by noncapital financing activities	<u>158,358</u>	<u>65,211</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(103,756)	(93,176)
Capital contributions	<u>76,576</u>	<u>72,938</u>
Net cash used in capital and related financing activities	<u>(27,180)</u>	<u>(20,238)</u>
Net increase (decrease) in cash and cash equivalents	(18,950)	40,267
Cash and cash equivalents at beginning of year	<u>478,167</u>	<u>437,900</u>
Cash and cash equivalents at end of year.	<u><u>\$ 459,217</u></u>	<u><u>\$ 478,167</u></u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss.	\$ (955,816)	\$ (928,548)
Adjustments:		
Depreciation	838,829	857,820
Changes in assets and liabilities:		
Decrease in accounts receivable	1,564	37,803
(Increase) decrease in materials and supplies inventory	10,610	(10,533)
(Increase) in prepayments	(4,028)	(462)
Increase (decrease) in accounts payable	(58,968)	34,263
Increase in accrued wages and benefits	1,178	970
Increase in compensated absences payable	6,161	8,997
(Decrease) in insurance deposits payable.	(5,857)	(1,393)
(Increase) in net pension asset	(169)	(570)
(Increase) in deferred outflows - pension.	(72,126)	(10,869)
Increase in deferred inflows - pension	2,192	3,554
Increase in net pension liability	<u>86,302</u>	<u>4,262</u>
Net cash used in operating activities	<u><u>\$ (150,128)</u></u>	<u><u>\$ (4,706)</u></u>

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2016

	<u>Swimming Pool</u>	<u>Parking Facilities</u>	<u>Total</u>
Assets:			
Current assets:			
Equity in pooled cash and investments	\$ 13,352	\$ 31,965	\$ 45,317
Prepayments	223	1,264	1,487
Total current assets	<u>13,575</u>	<u>33,229</u>	<u>46,804</u>
Noncurrent assets:			
Net pension asset	-	259	259
Capital assets:			
Nondepreciable capital assets	1,631	94,331	95,962
Depreciable capital assets, net	385,685	74,190	459,875
Total noncurrent assets	<u>387,316</u>	<u>168,780</u>	<u>556,096</u>
Total assets.	<u>400,891</u>	<u>202,009</u>	<u>602,900</u>
Deferred outflows of resources:			
Pension	-	29,106	29,106
Liabilities:			
Current liabilities:			
Accounts payable.	485	1,258	1,743
Accrued wages and benefits	-	2,267	2,267
Insurance deposits payable	-	304	304
Compensated absences payable - current	-	3,354	3,354
Total current liabilities	<u>485</u>	<u>7,183</u>	<u>7,668</u>
Long term liabilities:			
Compensated absences payable.	-	11,302	11,302
Net pension liability	-	74,832	74,832
Total long-term liabilities	<u>-</u>	<u>86,134</u>	<u>86,134</u>
Total liabilities.	<u>485</u>	<u>93,317</u>	<u>93,802</u>
Deferred inflows of resources:			
Pension	-	1,563	1,563
Net position:			
Net investment in capital assets	387,316	168,521	555,837
Unrestricted (deficit)	13,090	(32,286)	(19,196)
Total net position	<u>\$ 400,406</u>	<u>\$ 136,235</u>	<u>\$ 536,641</u>

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Swimming Pool	Parking Facilities	Total
Operating revenues:			
Charges for services	\$ -	\$ 71,550	\$ 71,550
Other	20	368	388
Total operating revenues	20	71,918	71,938
Operating expenses:			
Personal services	-	88,257	88,257
Contract services	45,795	2,782	48,577
Materials and supplies.	24,737	8,105	32,842
Utilities	5,739	533	6,272
Depreciation.	30,837	6,451	37,288
Total operating expenses	107,108	106,128	213,236
Operating loss	(107,088)	(34,210)	(141,298)
Transfers in	75,000	-	75,000
Change in net position.	(32,088)	(34,210)	(66,298)
Net position, January 1	432,494	170,445	602,939
Net position, December 31	\$ 400,406	\$ 136,235	\$ 536,641

CITY OF FINDLAY, OHIO

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Swimming Pool</u>	<u>Parking Facilities</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers	\$ -	\$ 71,550	\$ 71,550
Cash received from other operations	20	368	388
Cash payments for personal services	-	(82,307)	(82,307)
Cash payments for contract services.	(45,820)	(3,939)	(49,759)
Cash payments for materials and supplies.	(24,379)	(9,434)	(33,813)
Cash payments for utilities.	<u>(5,739)</u>	<u>(533)</u>	<u>(6,272)</u>
 Net cash used in operating activities.	<u>(75,918)</u>	<u>(24,295)</u>	<u>(100,213)</u>
Cash flows from noncapital financing activities:			
Transfers in	<u>75,000</u>		<u>75,000</u>
 Net cash provided by noncapital financing activities	<u>75,000</u>	<u>-</u>	<u>75,000</u>
 Net decrease in cash and cash equivalents	(918)	(24,295)	(25,213)
Cash and cash equivalents at beginning of year . . .	<u>14,270</u>	<u>56,260</u>	<u>70,530</u>
Cash and cash equivalents at end of year.	<u><u>\$ 13,352</u></u>	<u><u>\$ 31,965</u></u>	<u><u>\$ 45,317</u></u>
 Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (107,088)	\$ (34,210)	\$ (141,298)
Adjustments:			
Depreciation	30,837	6,451	37,288
Changes in assets and liabilities:			
(Increase) in prepayments	(25)	(1,157)	(1,182)
Increase (decrease) in accounts payable.	358	(1,329)	(971)
Increase in accrued wages and benefits	-	292	292
Increase in compensated absences payable	-	2,313	2,313
(Decrease) in insurance deposits payable	-	(1,064)	(1,064)
(Increase) in net pension asset	-	(46)	(46)
(Increase) in deferred outflows - pension.	-	(19,624)	(19,624)
Increase in deferred inflows - pension	-	596	596
Increase in net pension liability	<u>-</u>	<u>23,483</u>	<u>23,483</u>
 Net cash used in operating activities	<u><u>\$ (75,918)</u></u>	<u><u>\$ (24,295)</u></u>	<u><u>\$ (100,213)</u></u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF NET POSITION
SWIMMING POOL FUND

DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 13,352	\$ 14,270
Prepayments	223	198
Total current assets	<u>13,575</u>	<u>14,468</u>
Noncurrent assets:		
Capital assets:		
Nondepreciable capital assets	1,631	1,631
Depreciable capital assets, net	385,685	416,522
Total noncurrent assets	<u>387,316</u>	<u>418,153</u>
Total assets	<u>400,891</u>	<u>432,621</u>
Liabilities:		
Current liabilities:		
Accounts payable	485	127
Total current liabilities	<u>485</u>	<u>127</u>
Total liabilities	<u>485</u>	<u>127</u>
Net position:		
Net investment in capital assets	387,316	418,153
Unrestricted	13,090	14,341
Total net position	<u>\$ 400,406</u>	<u>\$ 432,494</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
SWIMMING POOL FUND

FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Operating revenues:		
Other	\$ 20	\$ -
Total operating revenues	<u>20</u>	<u>-</u>
Operating expenses:		
Contract services	45,795	56,869
Materials and supplies.	24,737	18,939
Utilities	5,739	359
Depreciation.	<u>30,837</u>	<u>30,838</u>
Total operating expenses	<u>107,108</u>	<u>107,005</u>
Operating loss.	(107,088)	(107,005)
Transfers in	<u>75,000</u>	<u>79,000</u>
Change in net position.	(32,088)	(28,005)
Net position, January 1	<u>432,494</u>	<u>460,499</u>
Net position, December 31	<u>\$ 400,406</u>	<u>\$ 432,494</u>

CITY OF FINDLAY, OHIO

**COMPARATIVE STATEMENT OF CASH FLOWS
SWIMMING POOL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Cash flows from operating activities:		
Cash received from other operations	\$ 20	\$ -
Cash payments for contract services.	(45,820)	(56,863)
Cash payments for materials and supplies.	(24,379)	(18,826)
Cash payments for utilities.	(5,739)	(359)
	<u>(75,918)</u>	<u>(76,048)</u>
Cash flows from noncapital financing activities:		
Transfers in	75,000	79,000
Net cash provided by noncapital financing activities	<u>75,000</u>	<u>79,000</u>
Net increase (decrease) in cash and cash equivalents	(918)	2,952
Cash and cash equivalents at beginning of year . . .	<u>14,270</u>	<u>11,318</u>
Cash and cash equivalents at end of year.	<u>\$ 13,352</u>	<u>\$ 14,270</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (107,088)	\$ (107,005)
Adjustments:		
Depreciation	30,837	30,838
Changes in assets and liabilities:		
(Increase) decrease in prepayments	(25)	6
Increase in accounts payable	358	113
	<u>358</u>	<u>113</u>
Net cash used in operating activities	<u>\$ (75,918)</u>	<u>\$ (76,048)</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF NET POSITION
PARKING FACILITIES FUND

DECEMBER 31, 2016 AND 2015

	2016	2015
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 31,965	\$ 56,260
Prepayments	1,264	107
Total current assets	33,229	56,367
Noncurrent assets:		
Net pension asset	259	213
Capital assets:		
Nondepreciable capital assets	94,331	94,331
Depreciable capital assets, net	74,190	80,641
Total noncurrent assets	168,780	175,185
Total assets	202,009	231,552
Deferred outflows of resources:		
Pension	29,106	9,482
Liabilities:		
Current liabilities:		
Accounts payable.	1,258	2,587
Accrued wages and benefits	2,267	1,975
Insurance deposits payable.	304	1,368
Compensated absences payable - current.	3,354	2,334
Total current liabilities	7,183	8,264
Long term liabilities:		
Compensated absences payable.	11,302	10,009
Net pension liability	74,832	51,349
Total long-term liabilities	86,134	61,358
Total liabilities.	93,317	69,622
Deferred inflows of resources:		
Pension	1,563	967
Net position:		
Net investment in capital assets	168,521	174,972
Unrestricted (deficit)	(32,286)	(4,527)
Total net position.	\$ 136,235	\$ 170,445

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PARKING FACILITIES FUND

FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Operating revenues:		
Charges for services	\$ 71,550	\$ 100,371
Other	368	244
Total operating revenues	<u>71,918</u>	<u>100,615</u>
Operating expenses:		
Personal services	88,257	81,986
Contract services	2,782	3,128
Materials and supplies.	8,105	10,456
Utilities	533	458
Depreciation.	6,451	6,451
Total operating expenses	<u>106,128</u>	<u>102,479</u>
Operating loss	(34,210)	(1,864)
Transfers in	<u>-</u>	<u>23,400</u>
Change in net position.	(34,210)	21,536
Net position, January 1	<u>170,445</u>	<u>148,909</u>
Net position, December 31	<u>\$ 136,235</u>	<u>\$ 170,445</u>

CITY OF FINDLAY, OHIO

**COMPARATIVE STATEMENT OF CASH FLOWS
PARKING FACILITIES FUND**

FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Cash flows from operating activities:		
Cash received from customers	\$ 71,550	\$ 100,371
Cash received from other operations	368	244
Cash payments for personal services	(82,307)	(80,033)
Cash payments for contract services.	(3,939)	(3,105)
Cash payments for materials and supplies.	(9,434)	(10,190)
Cash payments for utilities.	(533)	(458)
Net cash provided by (used in) operating activities.	(24,295)	6,829
Cash flows from noncapital financing activities:		
Transfers in	-	23,400
Net cash provided by noncapital financing activities	-	23,400
Net increase (decrease) in cash and cash equivalents . .	(24,295)	30,229
Cash and cash equivalents at beginning of year . . .	56,260	26,031
Cash and cash equivalents at end of year.	\$ 31,965	\$ 56,260
Reconciliation of operating loss to net cash provided by (used in) operating activities:		
Operating loss	\$ (34,210)	\$ (1,864)
Adjustments:		
Depreciation	6,451	6,451
Changes in assets and liabilities:		
(Increase) decrease in prepayments	(1,157)	23
Increase (decrease) in accounts payable.	(1,329)	266
Increase in accrued wages and benefits.	292	272
Increase in compensated absences payable	2,313	2,923
(Decrease) in insurance deposits payable	(1,064)	(256)
(Increase) in net pension asset	(46)	(155)
(Increase) in deferred outflows - pension.	(19,624)	(2,958)
Increase in deferred inflows - pension	596	967
Increase in net pension liability	23,483	1,160
Net cash provided by (used in) operating activities . . .	\$ (24,295)	\$ 6,829

CITY OF FINDLAY, OHIO

The internal service funds account for the financing of goods or services provided by one department to other departments of the City of Findlay on a cost-reimbursement basis. Accounting for these funds is designed to accumulate all of the costs incurred by the internal service funds in providing goods and services to other departments. However, charges to the other departments are not intended to produce a significant profit in the long run, but to recover the total costs of providing goods or services.

Central Stores:

To account for the central purchase of various office supplies in large quantities at a lesser price with the subsequent charge to the various user departments.

Self Insurance:

To account for processing and paying general municipal liability insurance claims in lieu of purchasing general municipal liability insurance.

Workers' Compensation:

To account for the collection of premiums and payments of claims related to a workers' compensation individual retrospective rating plan.

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)

	Central Stores	Self-Insurance	Workers' Compensation	Totals	
				2016	2015
Assets:					
Current assets:					
Equity in pooled cash and investments	\$ 28,994	\$ 1,081,286	\$ 787,401	\$ 1,897,681	\$ 1,810,327
Receivables (net of allowances of uncollectibles) .	-	577	-	577	208
Prepayments.	-	56,842	-	56,842	55,138
Materials and supplies inventory	6,398	-	-	6,398	6,513
Total assets.	35,392	1,138,705	787,401	1,961,498	1,872,186
Liabilities:					
Current liabilities:					
Accounts payable.	80	-	-	80	8,996
Workers' compensation payable.	-	-	29,673	29,673	57,130
Total liabilities.	80	-	29,673	29,753	66,126
Net position:					
Unrestricted	35,312	1,138,705	757,728	1,931,745	1,806,060
Total net position	\$ 35,312	\$ 1,138,705	\$ 757,728	\$ 1,931,745	\$ 1,806,060

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015)

	Central Stores	Self-Insurance	Workers' Compensation	Totals	
				2016	2015
Operating revenues:					
Charges for services	\$ 13,783	\$ -	\$ -	\$ 13,783	\$ 14,741
Other	-	-	39,483	39,483	-
Total operating revenues	13,783	-	39,483	53,266	14,741
Operating expenses:					
Contract services	456	123,215	-	123,671	134,914
Materials and supplies.	9,043	-	-	9,043	14,181
Claims	-	-	-	-	41,120
Total operating expenses	9,499	123,215	-	132,714	190,215
Operating income (loss)	4,284	(123,215)	39,483	(79,448)	(175,474)
Nonoperating revenues:					
Interest revenue	-	5,133	-	5,133	971
Total nonoperating revenues	-	5,133	-	5,133	971
Income (loss) before transfers	4,284	(118,082)	39,483	(74,315)	(174,503)
Transfers in	-	200,000	-	200,000	95,000
Change in net position	4,284	81,918	39,483	125,685	(79,503)
Net position, January 1	<u>31,028</u>	<u>1,056,787</u>	<u>718,245</u>	<u>1,806,060</u>	<u>1,885,563</u>
Net position, December 31	<u>\$ 35,312</u>	<u>\$ 1,138,705</u>	<u>\$ 757,728</u>	<u>\$ 1,931,745</u>	<u>\$ 1,806,060</u>

CITY OF FINDLAY, OHIO

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015)

	Central Stores	Self-Insurance	Workers' Compensation	Totals	
				2016	2015
Cash flows from operating activities:					
Cash received from customers	\$ 13,783	\$ -	\$ -	\$ 13,783	\$ 14,741
Cash received from other operating revenues		-	12,627	12,627	-
Cash payments for contract services.	(456)	(133,219)	-	(133,675)	(137,738)
Cash payments for materials and supplies.	(9,544)	-	-	(9,544)	(16,822)
Cash payments for claims	-	-	(601)	(601)	(20,808)
Net cash provided by (used in) operating activities.	<u>3,783</u>	<u>(133,219)</u>	<u>12,026</u>	<u>(117,410)</u>	<u>(160,627)</u>
Cash flows from noncapital financing activities:					
Transfers in.	-	200,000	-	200,000	95,000
Net cash provided by noncapital financing activities	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>95,000</u>
Cash flows from investing activities:					
Interest received.	-	4,764	-	4,764	798
Net cash provided by investing activities	<u>-</u>	<u>4,764</u>	<u>-</u>	<u>4,764</u>	<u>798</u>
Net increase (decrease) in cash and cash equivalents	3,783	71,545	12,026	87,354	(64,829)
Cash and cash equivalents at beginning of year	<u>25,211</u>	<u>1,009,741</u>	<u>775,375</u>	<u>1,810,327</u>	<u>1,875,156</u>
Cash and cash equivalents at end of year.	<u>\$ 28,994</u>	<u>\$ 1,081,286</u>	<u>\$ 787,401</u>	<u>\$ 1,897,681</u>	<u>\$ 1,810,327</u>
Reconciliation of operating income (loss) to net provided by (used in) operating activities:					
Operating income (loss)	\$ 4,284	\$ (123,215)	\$ 39,483	\$ (79,448)	\$ (175,474)
Changes in assets and liabilities:					
Increase (decrease) in materials and supplies inventory	115	-	-	115	(3,038)
(Increase) in prepayments	-	(1,704)	-	(1,704)	(3,124)
Increase (decrease) in accounts payable	(616)	(8,300)	-	(8,916)	697
Increase (decrease) in workers' compensation payable	-	-	(27,457)	(27,457)	20,312
Net cash provided by (used in) operating activities.	<u>\$ 3,783</u>	<u>\$ (133,219)</u>	<u>\$ 12,026</u>	<u>\$ (117,410)</u>	<u>\$ (160,627)</u>

CITY OF FINDLAY, OHIO

Fiduciary funds are used to account for assets held by the City in a trustee capacity, or as an agent for individuals, private organizations, other governmental units, and/or funds. The following are the City's fiduciary fund types:

Private-Purpose Trust Fund

Private Trust:

This fund accounts for the monies held in trust from contributions, gifts or by bequests that are invested by the City. The interest earnings from these investments are used to care for certain cemetery lots in a manner specified by the contributor.

Agency Funds

Agency funds are custodial in nature, and thus, do not recognize revenues or expenditures, only changes in assets and liabilities. These funds are used to record the collection and payment of refundable deposits, taxes collected for other governments, and municipal court.

Guaranteed Deposits:

This fund accounts for the monies held as deposits, that are required to guarantee the satisfactory completion of a job or project. These monies are returned to the depositor or used to pay any charges after the job or project has been accepted by the City Engineering Department or Fire Department.

Municipal Court:

This fund reports fines and forfeitures collected by the Court for distribution to various State and local governments.

Tax Collection:

This fund accounts for the income taxes and tax increment financing payments collected on-behalf of the Village of Arlington, the Village of Mount Cory, the Village of Vanlue, and for assessments collected and due to the Downtown Special Improvement District.

Unclaimed Monies:

This fund accounts for unclaimed monies originally issued by accounts payable or payroll check but never cashed. Monies are deposited into this fund after multiple attempts have been made to locate the owner. Those persons with unclaimed monies are listed by year of issuance on the City's website. Per ORC, these monies will remain in the fund for five years or until claimed (whichever comes first). At the end of five years, the remaining monies will be deposited into the City's general fund.

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUND
DECEMBER 31, 2016 AND 2015

	2016	2015
Assets:		
Equity in pooled cash and investments	\$ 156,995	\$ 157,815
Receivables:		
Accrued interest.	80	25
Total assets.	157,075	157,840
 Net Position:		
Held in trust for private cemetery care	157,075	157,840
Total net position	\$ 157,075	\$ 157,840

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Additions:		
Interest	\$ 650	\$ 111
Other	200	200
	<hr/>	<hr/>
Total additions.	850	311
	<hr/>	<hr/>
Deductions:		
Cemetery care	1,615	1,852
	<hr/>	<hr/>
Changes in net position	(765)	(1,541)
	<hr/>	<hr/>
Net position, January 1.	157,840	159,381
	<hr/>	<hr/>
Net position, December 31	<u>\$ 157,075</u>	<u>\$ 157,840</u>

CITY OF FINDLAY, 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
<u>Guaranteed Deposits</u>				
Assets:				
Equity in pooled cash and investments	\$ 58,821	\$ 286,530	\$ (58,821)	\$ 286,530
Total assets	\$ 58,821	\$ 286,530	\$ (58,821)	\$ 286,530
Liabilities:				
Deposits held and due to others.	\$ 58,821	\$ 286,530	\$ (58,821)	\$ 286,530
Total liabilities.	\$ 58,821	\$ 286,530	\$ (58,821)	\$ 286,530
<u>Municipal Court</u>				
Assets:				
Cash in segregated accounts	\$ 6,055	\$ 67,185	\$ (6,055)	\$ 67,185
Total assets	\$ 6,055	\$ 67,185	\$ (6,055)	\$ 67,185
Liabilities:				
Deposits held and due to others.	\$ 6,055	\$ 67,185	\$ (6,055)	\$ 67,185
Total liabilities.	\$ 6,055	\$ 67,185	\$ (6,055)	\$ 67,185
<u>Tax Collection</u>				
Assets:				
Equity in pooled cash and investments	\$ 3,912	\$ 22,116	\$ (3,912)	\$ 22,116
Total assets	\$ 3,912	\$ 22,116	\$ (3,912)	\$ 22,116
Liabilities:				
Accounts payable.	\$ 3,912	\$ 22,116	\$ (3,912)	\$ 22,116
Total liabilities.	\$ 3,912	\$ 22,116	\$ (3,912)	\$ 22,116
<u>Unclaimed Monies</u>				
Assets:				
Equity in pooled cash and cash equivalents.	\$ -	\$ 2,208	\$ -	\$ 2,208
Total assets	\$ -	\$ 2,208	\$ -	\$ 2,208
Liabilities:				
Deposits held and due to others.	\$ -	\$ 2,208	\$ -	\$ 2,208
Total liabilities.	\$ -	\$ 2,208	\$ -	\$ 2,208
<u>Total Agency Funds</u>				
Assets:				
Equity in pooled cash and investments	\$ 62,733	\$ 310,854	\$ (62,733)	\$ 310,854
Cash in segregated accounts	6,055	67,185	(6,055)	67,185
Total assets	\$ 68,788	\$ 378,039	\$ (68,788)	\$ 378,039
Liabilities:				
Accounts payable.	\$ 3,912	\$ 22,116	\$ (3,912)	\$ 22,116
Deposits held and due to others.	64,876	355,923	(64,876)	355,923
Total liabilities.	\$ 68,788	\$ 378,039	\$ (68,788)	\$ 378,039

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CITY OF FINDLAY, OHIO
STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	208-217
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes and income taxes.	218-227
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	228-232
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	233-234
Operating Information 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.	236-245

Sources: Sources are noted on the individual schedules.

CITY OF FINDLAY, OHIO

NET POSITION BY COMPONENT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental Activities				
Net investment in capital assets	\$ 81,341,015	\$ 78,187,482	\$ 73,978,571	\$ 72,492,146
Restricted for:				
Capital projects	225,888	116,489	496,643	524,102
Debt service	140,251	160,946	195,205	226,052
Security of persons and property programs	86,048	81,772	91,115	86,003
General government operations	882,802	727,908	768,178	677,630
Transportation improvement projects	1,769,929	1,911,201	2,981,776	1,778,564
Economic development programs	1,112,532	1,109,538	1,094,735	1,084,996
Perpetual care:				
Expendable	7,288	1,237	449	1,068
Nonexpendable	1,373,776	1,344,168	1,308,415	1,269,186
Other purposes	1,610,100	3,100,624	947,848	1,158,767
Unrestricted	4,365,424	3,537,657	25,834,186	25,723,428
Total governmental activities net position	<u>\$ 92,915,053</u>	<u>\$ 90,279,022</u>	<u>\$ 107,697,121</u>	<u>\$ 105,021,942</u>
Business-type Activities				
Net investment in capital assets	\$ 131,517,130	\$ 126,775,309	\$ 121,616,774	\$ 122,106,355
Restricted for:				
Capital projects	5,989,837	5,071,300	5,535,446	6,392,630
Unrestricted	16,694,097	17,109,592	19,571,591	14,210,390
Total business-type activities net position	<u>\$ 154,201,064</u>	<u>\$ 148,956,201</u>	<u>\$ 146,723,811</u>	<u>\$ 142,709,375</u>
Total Primary Government				
Net investment in capital assets	\$ 212,858,145	\$ 204,962,791	\$ 195,595,345	\$ 194,598,501
Restricted for:				
Capital projects	6,215,725	5,187,789	6,032,089	6,916,732
Debt service	140,251	160,946	195,205	226,052
Security of persons and property programs	86,048	81,772	91,115	86,003
General government operations	882,802	727,908	768,178	677,630
Transportation projects	1,769,929	1,911,201	2,981,776	1,778,564
Economic development programs	1,112,532	1,109,538	1,094,735	1,084,996
Perpetual care:				
Expendable	7,288	1,237	449	1,068
Nonexpendable	1,373,776	1,344,168	1,308,415	1,269,186
Other projects	1,610,100	3,100,624	947,848	1,158,767
Unrestricted	21,059,521	20,647,249	45,405,777	39,933,818
Total primary government net position	<u>\$ 247,116,117</u>	<u>\$ 239,235,223</u>	<u>\$ 254,420,932</u>	<u>\$ 247,731,317</u>

TABLE 1

2012	2011	2010	2009	2008	2007
\$ 72,190,698	\$ 72,312,433	\$ 72,061,766	\$ 72,632,017	\$ 67,497,148	\$ 60,888,257
516,709	614,526	675,260	796,169	807,513	833,059
265,528	30,175	131,860	-	-	198,994
87,584	87,446	108,402	120,155	46,058	-
682,029	557,094	488,391	377,200	371,730	-
1,827,410	1,926,637	1,761,398	1,356,482	2,556,627	382,853
841,400	841,656	949,173	949,428	957,002	995,811
1,477	2,101	121	99	1,343	10,642
1,231,975	1,204,779	1,176,477	1,153,077	1,106,527	1,082,017
884,604	1,059,400	142,986	243,317	106,955	1,102,364
15,856,895	12,372,527	10,841,644	5,123,470	7,209,975	16,062,711
<u>\$ 94,386,309</u>	<u>\$ 91,008,774</u>	<u>\$ 88,337,478</u>	<u>\$ 82,751,414</u>	<u>\$ 80,660,878</u>	<u>\$ 81,556,708</u>
\$ 122,183,651	\$ 121,019,885	\$ 118,932,110	\$ 117,699,129	\$ 107,016,529	\$ 100,827,108
5,985,364	5,211,113	4,843,032	5,149,454	5,144,813	5,291,559
10,830,020	8,056,846	7,963,331	7,286,739	8,609,810	9,690,895
<u>\$ 138,999,035</u>	<u>\$ 134,287,844</u>	<u>\$ 131,738,473</u>	<u>\$ 130,135,322</u>	<u>\$ 120,771,152</u>	<u>\$ 115,809,562</u>
\$ 194,374,349	\$ 193,332,318	\$ 190,993,876	\$ 190,331,146	\$ 174,513,677	\$ 161,715,365
6,502,073	5,825,639	5,518,292	5,945,623	5,952,326	6,124,618
265,528	30,175	131,860	-	-	198,994
87,584	87,446	108,402	120,155	46,058	-
682,029	557,094	488,391	377,200	371,730	-
1,827,410	1,926,637	1,761,398	1,356,482	2,556,627	382,853
841,400	841,656	949,173	949,428	957,002	995,811
1,477	2,101	121	99	1,343	10,642
1,231,975	1,204,779	1,176,477	1,153,077	1,106,527	1,082,017
884,604	1,059,400	142,986	243,317	106,955	1,102,364
26,686,915	20,429,373	18,804,975	12,410,209	15,819,785	25,753,606
<u>\$ 233,385,344</u>	<u>\$ 225,296,618</u>	<u>\$ 220,075,951</u>	<u>\$ 212,886,736</u>	<u>\$ 201,432,030</u>	<u>\$ 197,366,270</u>

CITY OF FINDLAY, OHIO
CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Program Revenues:				
Governmental activities				
Charges for services:				
General government	\$ 2,944,742	\$ 2,445,802	\$ 2,322,091	\$ 2,594,246
Security of persons and property	260,556	288,871	267,809	247,124
Public health services	221,838	1,125,144	1,110,657	841,091
Transportation	137,836	151,614	141,853	126,056
Leisure time activities	513,325	590,292	628,480	592,621
Interest and fiscal charges	1,847	1,258	13,839	417
Operating grants & contributions	3,056,083	2,560,912	2,708,225	3,325,208
Capital grants & contributions	924,763	2,358,020	1,454,779	1,106,922
Total governmental activities program revenues	<u>8,060,990</u>	<u>9,521,913</u>	<u>8,647,733</u>	<u>8,833,685</u>
Business-type activities:				
Charges for services:				
Water	8,314,598	8,130,180	8,094,877	8,158,604
Water pollution control	9,604,120	10,146,272	9,397,038	9,245,878
Airport	826,536	878,020	1,113,979	1,022,799
Parking facilities	71,550	100,371	77,191	64,671
Swimming pool	-	-	-	-
Operating grants & contributions	146,362	282,466	169,302	176,207
Capital grants & contributions	1,987,099	529,202	282,249	175,331
Total business-type activities program revenues	<u>20,950,265</u>	<u>20,066,511</u>	<u>19,134,636</u>	<u>18,843,490</u>
Total primary government	<u>\$ 29,011,255</u>	<u>\$ 29,588,424</u>	<u>\$ 27,782,369</u>	<u>\$ 27,677,175</u>
Expenses:				
Governmental Activities				
General government	\$ 9,570,553	\$ 7,685,516	\$ 7,469,907	\$ 7,502,393
Security of persons and property	16,061,874	15,342,739	14,443,733	13,434,775
Public health services	1,715,431	2,198,660	2,160,622	2,034,618
Transportation	6,130,358	6,507,689	5,422,042	5,528,850
Leisure time activities	1,789,883	1,524,053	1,499,577	1,252,231
Other	-	-	-	-
Interest and fiscal charges	426,009	340,235	356,731	393,632
Total governmental activities expenses	<u>35,694,108</u>	<u>33,598,892</u>	<u>31,352,612</u>	<u>30,146,499</u>
Business-type activities:				
Water	6,192,080	5,749,014	6,051,531	5,866,274
Water pollution control	7,998,804	7,071,836	7,187,450	7,309,005
Airport	1,781,823	1,807,053	2,059,034	2,190,509
Parking facilities	105,993	102,631	104,917	96,404
Swimming pool	107,108	107,005	116,867	55,462
Total business-type activities expenses	<u>16,185,808</u>	<u>14,837,539</u>	<u>15,519,799</u>	<u>15,517,654</u>
Total primary government	<u>\$ 51,879,916</u>	<u>\$ 48,436,431</u>	<u>\$ 46,872,411</u>	<u>\$ 45,664,153</u>

TABLE 2

2012	2011	2010	2009	2008	2007
\$ 2,359,760	\$ 2,433,357	\$ 2,921,732	\$ 2,496,854	\$ 2,658,578	\$ 2,642,592
269,644	141,823	257,994	162,514	93,886	27,093
910,714	636,349	578,972	663,426	422,006	375,142
158,250	95,613	138,556	7,499	26,547	177,677
590,059	566,439	604,244	832,625	537,876	536,362
244,530	210	61,849	46,252	57,481	31,753
2,932,081	3,784,840	4,782,062	2,593,576	2,607,745	2,607,559
987,606	2,299,329	854,821	2,519,999	583,891	1,540,453
<u>8,452,644</u>	<u>9,957,960</u>	<u>10,200,230</u>	<u>9,322,745</u>	<u>6,988,010</u>	<u>7,938,631</u>
8,414,617	7,343,601	7,330,609	7,234,830	7,395,768	7,656,030
9,410,093	9,088,500	9,068,861	8,889,619	8,472,743	8,678,711
1,128,095	882,752	836,474	659,547	870,610	955,248
63,249	66,087	56,875	61,431	57,214	66,606
-	-	149	45,211	64,484	76,738
174,907	157,785	169,814	3,300	12,469	-
602,142	200,787	1,903,706	6,490,318	2,342,423	3,497,107
<u>19,793,103</u>	<u>17,739,512</u>	<u>19,366,488</u>	<u>23,384,256</u>	<u>19,215,711</u>	<u>20,930,440</u>
<u>\$ 28,245,747</u>	<u>\$ 27,697,472</u>	<u>\$ 29,566,718</u>	<u>\$ 32,707,001</u>	<u>\$ 26,203,721</u>	<u>\$ 28,869,071</u>
\$ 9,257,857	\$ 8,344,438	\$ 6,459,067	\$ 7,077,400	\$ 7,704,101	\$ 8,023,535
15,560,367	15,827,515	15,696,261	14,753,558	14,678,503	14,680,286
1,978,226	2,181,429	1,790,894	1,761,611	1,702,053	1,640,736
5,095,585	5,487,799	4,963,539	4,072,078	5,437,592	5,196,310
1,229,723	1,415,161	1,357,651	1,728,505	1,931,170	1,557,008
-	-	-	-	587	-
421,280	419,946	427,068	466,040	505,675	567,264
<u>33,543,038</u>	<u>33,676,288</u>	<u>30,694,480</u>	<u>29,859,192</u>	<u>31,959,681</u>	<u>31,665,139</u>
6,198,978	6,278,612	7,379,254	5,934,589	6,349,090	6,844,630
6,988,964	7,155,791	8,209,683	6,834,280	7,382,633	7,418,266
2,321,322	2,123,837	1,889,699	1,577,566	1,782,535	1,718,628
88,675	86,691	87,485	109,874	112,539	126,429
57,654	51,519	63,792	140,867	204,675	159,333
<u>15,655,593</u>	<u>15,696,450</u>	<u>17,629,913</u>	<u>14,597,176</u>	<u>15,831,472</u>	<u>16,267,286</u>
<u>\$ 49,198,631</u>	<u>\$ 49,372,738</u>	<u>\$ 48,324,393</u>	<u>\$ 44,456,368</u>	<u>\$ 47,791,153</u>	<u>\$ 47,932,425</u>

CITY OF FINDLAY, OHIO
CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net (Expense) Revenue				
Governmental activities	\$ (27,633,118)	\$ (24,076,979)	\$ (22,704,879)	\$ (21,312,814)
Business-type activities	4,764,457	5,228,972	3,614,837	3,325,836
Total primary government net expense	<u>\$ (22,868,661)</u>	<u>\$ (18,848,007)</u>	<u>\$ (19,090,042)</u>	<u>\$ (17,986,978)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes:				
Property and other local taxes levied for:				
General purposes	\$ 2,520,008	\$ 2,453,252	\$ 2,397,716	\$ 2,337,745
Police and fire pensions	435,816	441,642	441,310	426,568
Municipal income taxes levied for:				
General purposes	25,505,967	23,365,523	20,625,080	26,754,570
Tax increment financing revenues	71,783	71,985	72,159	72,941
Grants and entitlements				
not restricted to specific programs	833,401	1,026,477	895,700	1,585,007
Gain on sale of capital assets	-	-	-	-
Investment earnings	143,048	82,858	43,623	47,736
Increase (decrease) in fair market value				
of investments	54,343	(54,665)	(7,943)	(9,945)
Miscellaneous	918,092	1,033,630	1,130,406	995,168
Transfers	(213,309)	479,921	(217,993)	(261,343)
Extraordinary item	-	-	-	-
Total governmental activities	<u>30,269,149</u>	<u>28,900,623</u>	<u>25,380,058</u>	<u>31,948,447</u>
Business-type activities				
Investment earnings	104,573	63,699	43,381	34,375
Miscellaneous	162,524	101,590	138,225	88,786
Transfers	213,309	(479,921)	217,993	261,343
Extraordinary item	-	-	-	-
Total business-type activities	<u>480,406</u>	<u>(314,632)</u>	<u>399,599</u>	<u>384,504</u>
Total primary government	<u>\$ 30,749,555</u>	<u>\$ 28,585,991</u>	<u>\$ 25,779,657</u>	<u>\$ 32,332,951</u>
Change in Net Position				
Governmental activities	\$ 2,636,031	\$ 4,823,644	\$ 2,675,179	\$ 10,635,633
Business-type activities	5,244,863	4,914,340	4,014,436	3,710,340
Total primary government	<u>\$ 7,880,894</u>	<u>\$ 9,737,984</u>	<u>\$ 6,689,615</u>	<u>\$ 14,345,973</u>

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ (25,090,394)	\$ (23,718,328)	\$ (20,494,250)	\$ (20,536,447)	\$ (24,971,671)	\$ (23,726,508)
4,137,510	2,043,062	1,736,575	8,787,080	3,384,239	4,663,154
<u>\$ (20,952,884)</u>	<u>\$ (21,675,266)</u>	<u>\$ (18,757,675)</u>	<u>\$ (11,749,367)</u>	<u>\$ (21,587,432)</u>	<u>\$ (19,063,354)</u>
\$ 2,341,451	\$ 2,349,758	\$ 2,705,027	\$ 2,621,017	\$ 2,666,772	\$ 2,645,547
431,342	441,702	534,026	525,756	526,916	524,798
21,596,551	20,703,206	19,619,390	14,707,682	15,550,207	21,067,032
71,284	70,551	-	-	-	-
2,983,700	2,793,218	2,431,879	4,506,472	4,327,630	2,711,937
-	-	11,689	-	-	-
24,262	70,011	49,253	107,613	586,151	1,275,323
20,690	(28,750)	(27)	(102,525)	74,364	34,478
1,481,603	479,571	500,982	537,215	1,180,285	1,164,610
(482,954)	(317,416)	228,095	(276,247)	(836,484)	(410,194)
-	-	-	-	-	(312,238)
<u>28,467,929</u>	<u>26,561,851</u>	<u>26,080,314</u>	<u>22,626,983</u>	<u>24,075,841</u>	<u>28,701,293</u>
29,900	43,424	42,681	131,594	475,668	710,300
60,827	244,443	51,990	169,249	265,199	324,139
482,954	317,416	(228,095)	276,247	836,484	410,194
-	-	-	-	-	(580,000)
<u>573,681</u>	<u>605,283</u>	<u>(133,424)</u>	<u>577,090</u>	<u>1,577,351</u>	<u>864,633</u>
<u>\$ 29,041,610</u>	<u>\$ 27,167,134</u>	<u>\$ 25,946,890</u>	<u>\$ 23,204,073</u>	<u>\$ 25,653,192</u>	<u>\$ 29,565,926</u>
\$ 3,377,535	\$ 2,843,523	\$ 5,586,064	\$ 2,090,536	\$ (895,830)	\$ 4,974,785
4,711,191	2,648,345	1,603,151	9,364,170	4,961,590	5,527,787
<u>\$ 8,088,726</u>	<u>\$ 5,491,868</u>	<u>\$ 7,189,215</u>	<u>\$ 11,454,706</u>	<u>\$ 4,065,760</u>	<u>\$ 10,502,572</u>

CITY OF FINDLAY, OHIO

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund				
Nonspendable	\$ 318,444	\$ 51,907	\$ 45,471	\$ 47,040
Restricted	1,026,629	2,614,069	556,930	799,077
Committed	8,966,662	9,502,866	11,518,860	12,345,286
Assigned	1,182,289	428,538	437,476	100,584
Unassigned	13,410,382	12,507,222	11,102,421	10,037,368
Reserved	-	-	-	-
Designated	-	-	-	-
Unreserved, undesignated	-	-	-	-
Total general fund	<u>\$ 24,904,406</u>	<u>\$ 25,104,602</u>	<u>\$ 23,661,158</u>	<u>\$ 23,329,355</u>
All Other Governmental Funds				
Nonspendable	\$ 2,147,596	\$ 2,011,943	\$ 1,984,890	\$ 1,823,884
Restricted	4,666,002	4,400,957	4,892,233	3,730,189
Committed	16,566	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Reserved	-	-	-	-
Unreserved, undesignated reported in:				
Special revenue funds	-	-	-	-
Permanent fund	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>\$ 6,830,164</u>	<u>\$ 6,412,900</u>	<u>\$ 6,877,123</u>	<u>\$ 5,554,073</u>
Total governmental funds	<u>\$ 31,734,570</u>	<u>\$ 31,517,502</u>	<u>\$ 30,538,281</u>	<u>\$ 28,883,428</u>

(1) The City implemented GASB Statement No. 54 in 2011. Fund balance classifications prior to 2010 have not been restated to conform to GASB Statement No. 54.

TABLE 3

2012	2011	2010	2009 (1)	2008 (1)	2007 (1)
\$ 48,152	\$ 46,848	\$ 45,131	\$ -	\$ -	\$ -
576,264	752,667	613,308	-	-	-
1,767,446	1,084,266	1,309,907	-	-	-
1,827,722	1,237,557	566,767	-	-	-
8,250,881	6,121,828	5,059,364	-	-	-
-	-	-	1,113,476	720,530	1,195,477
-	-	-	-	1,000,000	-
-	-	-	3,122,306	4,143,164	4,839,070
<u>\$ 12,470,465</u>	<u>\$ 9,243,166</u>	<u>\$ 7,594,477</u>	<u>\$ 4,235,782</u>	<u>\$ 5,863,694</u>	<u>\$ 6,034,547</u>
\$ 1,701,268	\$ 1,717,902	\$ 1,627,403	\$ -	\$ -	\$ -
3,532,230	3,596,540	3,526,938	-	-	-
4,623,943	4,680,635	3,553,070	-	-	-
-	-	-	-	-	-
-	(332,718)	(40,714)	-	-	-
-	-	-	3,718,638	4,658,477	4,259,447
-	-	-	2,408,755	2,818,273	236,907
-	-	-	99	1,343	10,642
-	-	-	791,579	807,513	826,099
<u>\$ 9,857,441</u>	<u>\$ 9,662,359</u>	<u>\$ 8,666,697</u>	<u>\$ 6,919,071</u>	<u>\$ 8,285,606</u>	<u>\$ 5,333,095</u>
<u>\$ 22,327,906</u>	<u>\$ 18,905,525</u>	<u>\$ 16,261,174</u>	<u>\$ 11,154,853</u>	<u>\$ 14,149,300</u>	<u>\$ 11,367,642</u>

CITY OF FINDLAY, OHIO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues				
Municipal income taxes	\$ 24,732,412	\$ 23,333,535	\$ 20,938,843	\$ 24,149,733
Property and other taxes	2,956,479	2,895,582	2,839,762	2,765,164
Charges for services	1,888,774	2,773,731	2,762,250	2,768,092
Licenses and permits	410,927	309,477	314,881	347,094
Fines and forfeitures	1,492,305	1,449,164	1,293,710	1,229,609
Intergovernmental	4,494,475	5,349,728	4,770,643	5,990,277
Special assessments	22,304	32,533	1,466	32,578
Investment income	172,977	109,484	67,714	71,632
Increase (decrease) in fair market value of investments	54,343	(54,665)	(7,943)	(9,945)
Rental income	71,098	71,025	77,890	84,701
Contributions and donations	25,872	412,699	33,239	20,765
Reimbursements	916,825	1,027,991	1,133,883	995,058
Tax increment financing	71,783	71,985	72,159	72,941
Other	45,830	20,315	11,777	34,167
Total revenues	<u>37,356,404</u>	<u>37,802,584</u>	<u>34,310,274</u>	<u>38,551,866</u>
Expenditures				
Current:				
General government	8,573,882	7,167,165	6,929,984	7,028,408
Security of persons and property	14,882,457	14,342,234	13,945,852	13,819,356
Public health and welfare	1,624,100	2,195,546	2,128,398	2,051,992
Transportation	2,673,661	2,993,311	2,366,790	2,317,126
Leisure time activity	1,339,667	1,168,765	1,178,546	955,716
Other	-	-	-	-
Capital outlay	7,140,492	7,729,518	5,031,019	4,239,024
Debt service:				
Principal retirement	559,739	650,354	617,524	609,401
Interest and fiscal charges	319,030	335,193	364,146	398,390
Bond/note issuance costs	159,640	-	3,205	-
Total expenditures	<u>37,272,668</u>	<u>36,582,086</u>	<u>32,565,464</u>	<u>31,419,413</u>
Excess (deficiency) of revenues over (under) expenditures	<u>83,736</u>	<u>1,220,498</u>	<u>1,744,810</u>	<u>7,132,453</u>
Other Financing Sources (Uses)				
Transfers in	5,352,052	8,646,748	6,521,041	6,098,734
Transfers (out)	(5,765,361)	(8,885,761)	(6,739,034)	(6,760,077)
Issuance of refunding bonds	6,505,000	-	584,500	-
Payment to refunding bond escrow agent	(6,715,929)	-	(576,672)	-
Premium on notes/bonds	385,262	-	-	-
Sale of capital assets	300	-	-	119
Discount on bonds sold	-	-	-	-
Premium on notes sold	-	-	-	-
Bonds issued	-	-	-	-
OPWC loans issued	-	-	-	-
Total other financing sources (uses)	<u>(238,676)</u>	<u>(239,013)</u>	<u>(210,165)</u>	<u>(661,224)</u>
Extraordinary item				
Loss due to flood damage	-	-	-	-
Total extraordinary items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(154,940)	981,485	1,534,645	6,471,229
Increase (decrease) in reserve for inventory	77,480	(10,831)	126,454	88,289
Increase (decrease) in prepaids	294,528	8,567	(6,246)	(3,996)
Total change in fund balances	<u>\$ 217,068</u>	<u>\$ 979,221</u>	<u>\$ 1,654,853</u>	<u>\$ 6,555,522</u>
Capital expenditures	7,972,560	7,446,965	4,999,631	3,971,501
Debt service as a percentage of noncapital expenditures	3.00%	3.38%	3.56%	3.67%

TABLE 4

	2012	2011	2010	2009	2008	2007
\$	21,563,110	\$ 20,456,073	\$ 18,562,751	\$ 14,623,811	\$ 15,646,020	\$ 21,043,910
	2,773,713	2,792,147	3,239,792	3,146,983	3,193,744	3,170,345
	2,891,751	2,385,372	2,374,123	2,632,388	2,011,057	2,053,334
	319,236	326,626	321,919	394,060	335,820	348,671
	1,321,720	1,189,206	1,369,185	1,132,362	1,178,490	1,239,933
	6,654,320	8,918,043	7,701,147	9,424,101	6,768,810	5,363,039
	208,357	9,023	24,223	36,385	47,171	103,550
	43,370	92,454	75,987	126,352	637,025	1,216,152
	20,690	(28,750)	(27)	(102,525)	74,364	34,478
	67,130	59,092	70,314	65,948	58,677	57,231
	93,503	189,262	148,089	157,531	157,036	160,000
	959,217	478,830	618,016	469,885	1,085,310	943,393
	71,284	70,551	61,735	45,943	40,383	-
	56,187	64,621	61,142	71,631	94,919	82,381
	<u>37,043,588</u>	<u>37,002,550</u>	<u>34,628,396</u>	<u>32,224,855</u>	<u>31,328,826</u>	<u>35,816,417</u>
	8,985,945	7,563,146	6,147,014	6,800,513	7,383,581	7,267,755
	14,918,793	15,311,232	14,743,482	14,430,340	14,470,422	13,812,880
	1,947,627	2,085,575	1,727,315	1,674,041	1,674,062	1,636,529
	2,281,244	2,555,879	2,190,517	2,298,037	2,791,562	2,693,686
	1,221,237	1,359,519	1,258,449	1,635,959	1,871,879	1,408,200
	-	-	-	-	587	-
	2,961,849	5,132,329	2,587,380	7,126,312	6,909,430	11,368,519
	565,989	667,203	662,703	648,703	428,703	483,353
	424,971	411,064	416,260	417,799	363,261	616,955
	-	54,920	-	-	134,231	10,284
	<u>33,307,655</u>	<u>35,140,867</u>	<u>29,733,120</u>	<u>35,031,704</u>	<u>36,027,718</u>	<u>39,298,161</u>
	<u>3,735,933</u>	<u>1,861,683</u>	<u>4,895,276</u>	<u>(2,806,849)</u>	<u>(4,698,892)</u>	<u>(3,481,744)</u>
	26,243,826	21,241,205	20,478,411	15,713,810	18,127,688	22,021,990
	(26,726,780)	(21,558,621)	(20,250,316)	(15,990,057)	(18,964,172)	(22,432,184)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	69,206
	928	159	11,787	11,394	35,096	-
	-	-	-	-	(46,937)	-
	-	-	-	-	12,848	-
	211,000	1,036,011	-	-	8,200,000	-
	-	-	-	-	-	-
	<u>(271,026)</u>	<u>718,754</u>	<u>239,882</u>	<u>(264,853)</u>	<u>7,364,523</u>	<u>(340,988)</u>
	-	-	-	-	-	(192,824)
	-	-	-	-	-	(192,824)
	3,464,907	2,580,437	5,135,158	(3,071,702)	2,665,631	(4,015,556)
	(45,186)	61,931	3,250	71,985	114,983	-
	2,660	1,983	(32,087)	5,270	1,044	1,515
\$	<u>3,422,381</u>	<u>2,644,351</u>	<u>5,106,321</u>	<u>(2,994,447)</u>	<u>2,781,658</u>	<u>(4,014,041)</u>
	3,763,032	4,695,569	2,624,629	7,178,277	7,158,020	10,877,755
	3.35%	3.54%	3.98%	3.83%	2.74%	3.87%

CITY OF FINDLAY, OHIO

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Calendar Year (1)	Real Property (a)		Real and Personal Public Utility (b)		Tangible Personal Property (c)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2017 (2)	\$ 800,255,330	\$ 2,286,443,800	\$ 35,291,770	\$ 40,104,284	\$ -	\$ -
2016	768,406,470	2,195,447,057	33,991,260	38,626,432	-	-
2015	761,952,790	2,177,007,971	32,382,770	36,798,602	-	-
2014	758,838,100	2,168,108,857	31,369,100	35,646,705	-	-
2013	774,395,440	2,212,558,400	23,750,220	26,988,886	-	-
2012	775,349,320	2,215,283,771	22,262,350	25,298,125	-	-
2011 (2)	780,537,240	2,230,106,400	21,482,850	24,412,330	684,753	6,847,530
2010	808,518,430	2,310,052,657	20,949,860	23,806,659	1,332,890	13,328,900
2009	803,603,760	2,296,010,743	19,047,990	21,645,443	1,271,567	12,715,670
2008	793,505,110	2,267,157,457	17,749,490	20,169,875	39,237,296	234,252,513

Source: Hancock County Auditor's Office.

(1) Valuations are amounts for collection year.

(2) Sexennial update for property values, effective in tax collection years 2011 and 2017.

(a) Real property is assessed at 35% of actual value. Real property taxes collected in a calendar year are levied as of January 1 of that year based on assessed values as of January 1 of the preceding year.

(b) Public utility is assessed at 88% of actual value. Public utility real and tangible property taxes collected in a calendar year are levied in the preceding calendar year based on assessed values determined as of December 31 of the second preceding year.

(c) For 2007, tangible personal personal property tax is assessed at 12.50% of property value, including inventory.

For 2008, tangible personal personal property tax is assessed at 6.25% of property value, including inventory.

For 2009, tangible personal personal property tax is assessed at 0.00% of property value, including inventory, except for telephone

tangible personal property which is assessed at 10% of property value, including inventory. In 2009, telephone tangible is the only taxable tangible personal property. The assessed value for telephone tangible personal property is provided by the Ohio Department of Taxation.

Beginning in 2012, tangible personal property, including telephone tangible, is no longer assessed.

TABLE 5

Total			
Assessed Value	Estimated Actual Value	%	Total Direct Tax Rate
\$ 835,547,100	\$ 2,326,548,084	35.91%	3.20
802,397,730	2,234,073,489	35.92%	3.20
794,335,560	2,213,806,574	35.88%	3.20
790,207,200	2,203,755,562	35.86%	3.20
798,145,660	2,239,547,286	35.64%	3.20
797,611,670	2,240,581,896	35.60%	3.20
802,704,843	2,261,366,260	35.50%	3.20
830,801,180	2,347,188,216	35.40%	3.20
823,923,317	2,330,371,856	35.36%	3.20
850,491,896	2,521,579,846	33.73%	3.20

CITY OF FINDLAY, OHIO

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS

		City Direct Rates (1)				
Collection Year (1)		General Rate	Total Direct Rate			
2017		3.20	3.20			
2016		3.20	3.20			
2015		3.20	3.20			
2014		3.20	3.20			
2013		3.20	3.20			
2012		3.20	3.20			
2011		3.20	3.20			
2010		3.20	3.20			
2009		3.20	3.20			
2008		3.20	3.20			

		Overlapping Rates (1)				
Collection Year (1)	Hancock County	Hancock County Park District	Findlay City School District	Findlay Hancock Public Library	Total	
2017	7.80	0.80	64.95	0.50	77.25	
2016	7.80	0.80	64.95	0.50	77.25	
2015	7.80	0.80	64.95	0.50	77.25	
2014	7.80	0.80	64.95	0.50	77.25	
2013	7.80	0.80	64.95	0.50	77.25	
2012	7.80	0.80	64.95	0.50	77.25	
2011	7.80	0.80	64.99	0.50	77.29	
2010	7.80	0.80	64.18	-	75.98	
2009	7.80	0.80	60.75	-	72.55	
2008	7.80	0.80	60.75	-	72.55	

Source: Hancock County Auditor's Office

(1) Property tax rates are the rates for the respective years of collection.

CITY OF FINDLAY, OHIO
PRINCIPAL TAXPAYERS
REAL PROPERTY TAX
CURRENT YEAR AND NINE YEARS AGO

December 31, 2016			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Real Property Assessed Value
BB Findlay Limited Partnership	\$ 10,236,440	1	1.28%
Marathon Petroleum	9,594,810	2	1.20%
Blanchard Valley Port Authority	7,357,760	3	0.92%
Findlay Shopping Center Inc	4,722,360	4	0.59%
Nissan Brake	4,497,040	5	0.56%
Kohl's Department Stores Inc	4,447,270	6	0.56%
Flag City Station, LLC	4,204,240	7	0.53%
LP Investment Compnay	3,550,400	8	0.44%
Ohio Logistics II, LLC	2,612,820	9	0.33%
DDC Hotels Inc	2,294,980	10	0.29%
Total, Top Ten Principal Real Property Taxpayers	<u>\$ 53,518,120</u>		<u>6.70%</u>
December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Real Property Assessed Value
Marathon Oil Co.	\$ 10,605,130	1	1.34%
Cooper Tire & Rubber Company	8,972,530	2	1.13%
Findlay Shopping Center, Inc.	6,460,380	3	0.81%
Kohl's Department Stores, Inc.	5,250,000	4	0.66%
Logistics Solutions of Ohio	3,837,860	5	0.48%
RG Findlay LTD	3,051,060	6	0.38%
Meijer Stores	3,050,660	7	0.38%
BB Findlay Limited Partnership	2,969,670	8	0.37%
Lowe's Home Center Inc.	2,348,110	9	0.30%
LP Investment Compnay	2,285,420	10	0.29%
Total, Top Ten Principal Real Property Taxpayers	<u>\$ 48,830,820</u>		<u>6.14%</u>

Source: Hancock County Auditor's Office.

CITY OF FINDLAY, OHIO

PRINCIPAL TAXPAYERS
PUBLIC UTILITY PROPERTY TAX
CURRENT YEAR AND NINE YEARS AGO

December 31, 2016			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Public Utility Assessed Value
Ohio Power Company	\$ 22,560,910	1	63.93%
Marathon Pipeline LLC	7,373,080	2	20.89%
Columbia Gas of Ohio, Inc.	4,258,710	3	12.07%
Hancock Wood Electric Co-op Inc.	673,950	4	1.91%
Total, Top Four Principal Public Utility Taxpayers	<u>\$ 34,866,650</u>		<u>98.80%</u>

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Public Utility Assessed Value
Ohio Power Company	\$ 5,312,440	1	29.93%
Columbia Gas of Ohio, Inc.	717,240	2	4.04%
Norfolk-Southern Combined	75,970	3	0.43%
CSX Transportation Inc.	48,780	4	0.27%
Hancock-Wood Electric Co-Op Inc.	30,900	5	0.17%
Total, Top Five Principal Public Utility Taxpayers	<u>\$ 6,185,330</u>		<u>34.84%</u>

Source: Hancock County Auditor

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CITY OF FINDLAY, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Collection Year	Current Levy (1)	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected
2016	\$ 2,567,465	\$ 98,315	\$ 2,665,780	\$ 2,502,497	97.47%
2015	2,541,203	133,860	2,675,063	2,467,388	97.10%
2014	2,526,694	156,523	2,683,217	2,454,840	97.16%
2013	2,559,842	137,593	2,697,435	2,456,129	95.95%
2012	2,549,913	130,417	2,680,330	2,450,275	96.09%
2011	2,563,396	140,192	2,703,588	2,480,803	96.78%
2010	2,664,729	153,142	2,817,871	2,568,129	96.37%
2009	2,643,718	135,937	2,779,655	2,528,591	95.65%
2008	2,609,348	118,447	2,727,795	2,504,861	96.00%
2007	2,467,139	111,912	2,579,051	2,177,218	88.25%
2006	2,398,800	107,212	2,506,012	2,329,710	97.12%

Source: Hancock County Auditor's Office.

(1) includes rollbacks reimbursed by the State.

TABLE 9

Delinquent Collection	Total Collection	Total Collection as a Percent of Total Levy
\$ 68,909	\$ 2,571,406	96.46%
80,482	2,547,870	95.25%
93,158	2,547,998	94.96%
59,558	2,515,687	93.26%
71,494	2,521,769	94.08%
65,222	2,546,025	94.17%
91,616	2,659,745	94.39%
81,704	2,610,295	93.91%
81,704	2,586,565	94.82%
82,611	2,259,829	87.62%
64,333	2,394,043	95.53%

CITY OF FINDLAY, OHIO

**INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS**

Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits
2016	1.00%	\$ 25,077,744	\$ 17,321,266	69.07%	\$ 5,356,863
2015	1.00%	23,271,157	16,831,585	72.33%	4,341,479
2014	1.00%	21,456,998	15,710,494	73.22%	3,679,406
2013	1.00%	24,982,165	15,811,122	63.29%	6,684,682
2012	1.25%	22,044,345	17,850,224	80.97%	1,688,434
2011	1.25%	21,031,544	17,136,493	81.48%	1,429,072
2010	1.25%	18,577,553	15,385,539	82.82%	1,218,868
2009	1.00%	14,580,651	11,990,526	82.24%	949,912
2008	1.00%	15,685,704	12,988,959	82.81%	1,114,157
2007	1.00%	21,185,963	12,926,239	61.01%	6,748,538

Source: City income tax department.

TABLE 10

Percentage of Taxes from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
21.36%	\$ 2,399,615	9.57%
18.66%	2,098,093	9.02%
17.15%	2,067,098	9.63%
26.76%	2,486,361	9.95%
7.66%	2,505,687	11.37%
6.79%	2,465,978	11.73%
6.56%	1,973,146	10.62%
6.51%	1,640,213	11.25%
7.10%	1,582,588	10.09%
31.85%	1,511,186	7.13%

CITY OF FINDLAY, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Governmental Activities						
Year	General Obligation Bonds	Special Assessment Bonds	Notes Payable	OPWC Loans	Police and Fire Past Service	
2016	\$ 7,609,179	\$ 122,000	\$ -	\$ 125,089	\$ 950,946	
2015	7,490,589	140,000	-	139,773	984,333	
2014	8,106,382	158,000	-	154,456	1,016,345	
2013	8,680,127	185,000	-	169,140	1,047,038	
2012	9,251,923	214,655	-	183,823	1,076,468	
2011	9,801,992	11,625	-	198,506	1,104,686	
2010	9,403,864	34,145	-	213,189	1,131,741	
2009	10,027,895	67,165	-	227,872	1,157,682	
2008	10,631,924	106,185	-	242,555	1,182,555	
2007	2,843,989	165,205	10,530,000	257,238	1,206,404	

Sources:

(a) See notes to the financial statements regarding the City's outstanding debt information. Includes unamortized bond premiums and discounts.

(b) See Schedule " Demographic and Economic Statistics - Last Ten Years" for personal income and population.

Business-Type Activities							
General Obligation Bonds	OWDA Loans	OPWC Loans	(a) Total Primary Government	(b) Total Personal Income	Percentage of Personal Income	(b) Population	Per Capita
\$ 3,850,000	\$ 14,542,918	\$ 451,562	\$ 27,651,694	\$1,234,254,362	2.24%	41,542	\$ 666
5,938,500	16,837,874	506,903	32,037,972	1,146,094,588	2.80%	41,596	770
8,004,500	19,042,731	562,242	37,044,656	1,135,120,820	3.26%	41,780	887
5,977,041	21,171,682	617,580	37,847,608	1,075,394,376	3.52%	41,724	907
7,247,820	23,217,697	672,918	41,865,304	1,083,004,065	3.87%	41,385	1,012
8,528,965	25,184,140	728,256	45,558,170	1,012,291,938	4.50%	41,202	1,106
10,445,718	27,219,328	783,594	49,231,579	1,012,291,938	4.86%	41,202	1,195
12,307,711	29,174,539	838,933	53,801,797	989,940,520	5.43%	40,745	1,320
15,289,740	30,979,789	880,450	59,313,198	1,031,539,839	5.75%	40,623	1,460
18,209,777	32,781,584	727,397	66,721,594	1,058,697,465	6.30%	40,515	1,647

CITY OF FINDLAY, OHIO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

Year	General Obligation Bonds (1)	Special Assessment Bonds	Total	Percentage of Actual Taxable Value of Property	Per Capita
2016	\$ 11,459,179	\$ 122,000	\$ 11,581,179	0.50%	\$ 279
2015	13,429,089	140,000	13,569,089	0.61%	326
2014	16,110,882	158,000	16,268,882	0.73%	389
2013	14,657,168	185,000	14,842,168	0.67%	356
2012	16,499,743	214,655	16,714,398	0.75%	404
2011	18,330,957	11,625	18,342,582	0.82%	445
2010	19,849,582	34,145	19,883,727	0.88%	483
2009	22,335,606	67,165	22,402,771	0.95%	550
2008	25,921,664	106,185	26,027,849	1.12%	641
2007	21,053,766	165,205	21,218,971	0.84%	524

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Includes both governmental activities and business-type activities general obligation bonds. Amounts include unamortized bond premiums and discounts.

CITY OF FINDLAY, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016

<u>Governmental Unit</u>	<u>Debt Outstanding (2)</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Findlay	\$ 8,807,214	100.00%	\$ 8,807,214
Total direct debt	<u>8,807,214</u>		<u>8,807,214</u>
Overlapping debt:			
Findlay City School District	46,247,135	88.67%	41,007,335
Liberty-Benton Local School District	1,570,000	9.86%	154,802
Van Buren Local School District	3,200,000	34.10%	1,091,200
Hancock County	9,651,578	43.78%	4,225,461
Total overlapping debt	<u>60,668,713</u>		<u>46,478,797</u>
Total direct and overlapping debt	<u>\$ 69,475,927</u>		<u>\$ 55,286,011</u>

Source: Ohio Municipal Advisory Council. Excludes special assessment and self-supporting debt.

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations used were for calendar year 2013.

(2) Includes all governmental activities long-term debt obligations including general obligation bonds, special assessment bonds, notes payable, capital leases payable, OPWC loans payable and the City's police and fire past service liability obligation.

CITY OF FINDLAY, OHIO

LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

Fiscal Year	Debt Limit (1)	Total Net Debt Applicable to Limit (2)	Debt Service Available Balance	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2016	\$ 87,732,446	\$ 11,081,546	\$ 17,333	\$ 76,668,233	12.63%
2015	84,251,762	13,462,101	1,005	70,790,666	15.98%
2014	83,405,234	16,145,772	3,989	67,263,451	19.36%
2013	82,971,756	14,567,612	47,209	68,451,353	17.56%
2012	83,805,294	16,372,675	54,524	67,487,143	19.54%
2011	83,749,225	18,166,011	25,904	65,609,118	21.69%
2010	84,284,009	19,630,000	118,776	64,772,785	23.29%
2009	87,234,124	22,045,000	69,337	65,258,461	25.27%
2008	86,511,948	25,545,000	78,008	61,044,956	29.53%
2007	85,144,308	20,540,000	160,697	64,765,005	24.12%

Source: City financial records.

Note: Ohio Bond Law sets a limit of 10.5% for voted debt and 5.5% for unvoted debt.

(1) Beginning in 2007, the debt limit excludes the assessed valuation of tangible personal property tax, as well as railroad and telephone public utility personal property in accordance with Ohio House Bill 530.

(2) **Excludes** unamortized bond premiums and discounts.

CITY OF FINDLAY, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Unemployment Rates (3)			Square Miles of City
				Hancock County	Ohio	United States	
2016	41,542	\$ 1,234,254,362	\$ 29,711	3.6%	4.9%	4.9%	20.0686
2015	41,596	1,146,094,588	27,553	3.6%	4.6%	5.0%	20.0686
2014	41,780	1,135,120,820	27,169	3.9%	5.1%	5.6%	20.0686
2013	41,724	1,075,394,376	25,774	5.2%	7.1%	6.7%	20.0686
2012	41,385	1,083,004,065	26,169	6.1%	7.2%	8.1%	20.0686
2011	41,202	1,012,291,938	24,569	7.6%	8.6%	8.9%	20.0536
2010	41,202	1,012,291,938	24,569	8.9%	10.1%	9.6%	20.0536
2009	40,745	989,940,520	24,296	10.3%	10.9%	10.0%	19.6153
2008	40,623	1,031,539,839	25,393	5.8%	6.6%	5.8%	19.5021
2007	40,515	1,058,697,465	26,131	4.6%	5.6%	4.6%	19.4789

Sources:

- (1) Information obtained through U.S. Census Bureau.
- (2) Information obtained through Bureau of Economic Analysis.
- (3) Information obtained through Ohio Job & Family Services, Office of Workforce Development
Unemployment rates are the annual average rate for the year (not seasonally adjusted).

CITY OF FINDLAY, OHIO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

December 31, 2016			
Employer	Employees	Rank	Percentage of Total
Whirlpool	2,400	1	18.89%
Marathon/Ashland Petroleum	2,200	2	17.31%
Blanchard Valley Regional Health Center	2,025	3	15.94%
Cooper Tire & Rubber Company	2,000	4	15.74%
Nissan Brake	936	5	7.37%
Findlay City Schools	872	6	6.86%
Lowe's Distribution Center	697	7	5.49%
The University of Findlay	650	8	5.12%
Hancock County	469	9	3.69%
Roki America	458	10	3.60%
Total	12,707		100.00%

December 31, 2007			
Employer	Employees	Rank	Percentage of Total
Whirlpool Corporation	2,000	1	17.15%
Blanchard Valley Hospital	1,956	2	16.77%
Cooper Tire & Rubber Company	1,913	3	16.40%
Marathon Oil Company	1,528	4	13.10%
Nissan Brake	831	5	7.12%
Findlay City Schools	804	6	6.89%
Lowes Distribution Center	785	7	6.73%
Wal-Mart Stores	633	8	5.43%
Hancock County	625	9	5.36%
Sanoh America, Inc.	589	10	5.05%
Total	11,664		100.00%

Source: City Auditor's Office Contacted Businesses

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CITY OF FINDLAY, OHIO

**FULL-TIME-EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS**

Function/Program	2016					2015				
	Full Time	Part Time	Seasonal	Total	Annual FTE's (1)	Full Time	Part Time	Seasonal	Total	Annual FTE's (1)
Electeds	5.00	12.00	-	17.00	17.00	5.00	12.00	-	17.00	17.00
Airport	4.50	-	-	4.50	4.50	4.50	-	-	4.50	4.50
Auditor	4.00	-	1.00	5.00	4.75	4.00	-	3.00	7.00	4.25
Building Maintenance	1.00	-	-	1.00	1.25	1.00	1.00	-	2.00	1.75
City Income Tax	4.00	-	1.00	5.00	2.25	2.00	-	1.00	3.00	1.75
Civil Service	1.00	3.00	-	4.00	2.50	1.00	3.00	-	4.00	2.50
Computer Services	2.00	1.00	-	3.00	2.75	2.00	-	1.00	3.00	2.25
Council	0.50	-	-	0.50	0.50	0.50	-	-	0.50	0.50
Dispatch Center	11.00	-	-	11.00	11.00	11.00	-	-	11.00	10.50
Engineering	7.00	-	-	7.00	7.00	7.00	-	-	7.00	6.50
Health	-	-	-	-	-	12.00	4.00	-	16.00	14.50
Human Resources	1.00	-	-	1.00	1.00	1.00	-	-	1.00	1.00
Law Director	4.50	-	-	4.50	4.50	4.50	-	-	4.50	4.50
Mayor	1.00	1.00	-	2.00	1.25	1.00	-	-	1.00	1.00
Municipal Court	20.00	4.00	-	24.00	20.00	18.00	5.00	-	23.00	21.50
NEAT	1.00	-	-	1.00	1.00	1.00	-	-	1.00	1.00
Parking	1.50	-	-	1.50	1.50	1.50	-	-	1.50	1.50
Pool	-	-	-	-	-	-	-	-	-	-
Recreation	3.00	1.00	24.00	28.00	7.25	4.00	-	26.00	30.00	7.75
Safety/Administrative Services	-	-	-	-	-	-	-	-	-	-
Service Director	1.00	-	-	1.00	1.00	1.00	-	-	1.00	1.00
WORC	1.00	-	-	1.00	1.00	1.00	-	-	1.00	1.00
Zoning	2.00	-	-	2.00	1.00	1.00	-	-	1.00	1.00
Fire Clerks	1.00	-	-	1.00	1.00	1.00	-	-	1.00	1.00
Fire Department Admin	1.00	1.00	-	2.00	1.00	1.00	-	-	1.00	1.00
Fire Department	61.00	-	-	61.00	60.25	59.00	-	-	59.00	58.75
Fire Department Total	63.00	1.00	-	64.00	62.25	61.00	-	-	61.00	60.75
Parks Maintenance	5.00	-	-	5.00	7.50	4.00	-	1.00	5.00	4.25
Cemetery	2.50	-	-	2.50	3.50	2.50	-	-	2.50	3.50
Streets	24.00	-	1.00	25.00	25.25	23.00	-	-	23.00	23.75
Traffic Lights	2.00	-	-	2.00	2.00	2.00	-	-	2.00	2.00
Public Works Total	33.50	-	1.00	34.50	38.25	31.50	-	1.00	32.50	33.50
Police Clerks	5.50	-	-	5.50	5.50	7.00	-	-	7.00	5.50
Police Administration	2.00	-	-	2.00	2.00	2.00	-	-	2.00	2.00
School Police	-	-	-	-	-	-	-	-	-	-
Police	60.00	-	-	60.00	61.25	60.00	-	-	60.00	58.00
Police Department Total	67.50	-	-	67.50	68.75	69.00	-	-	69.00	65.50
Sewer Maintenance	11.00	-	-	11.00	9.25	10.00	-	-	10.00	11.00
Stormwater Maintenance	2.00	-	-	2.00	2.00	2.00	-	-	2.00	2.00
Water Pollution Control	16.00	-	-	16.00	15.50	16.00	-	-	16.00	16.00
WPC Total	29.00	-	-	29.00	26.75	28.00	-	-	28.00	29.00
Supply Reservoir	1.00	-	-	1.00	1.25	1.00	-	-	1.00	1.25
Utility Billing	9.00	-	-	9.00	9.00	9.00	-	-	9.00	9.00
Water Distribution	14.00	-	-	14.00	13.25	13.00	-	-	13.00	13.00
Water Treatment	14.00	-	-	14.00	13.75	13.00	-	-	13.00	12.25
WPC Total	38.00	-	-	38.00	37.25	36.00	-	-	36.00	35.50
Total	307.00	23.00	27.00	357.00	326.25	309.50	25.00	32.00	366.50	331.50

Source: City of Findlay records

(1) Calculated using total base hours worked by each employee divided by full-time employment equivalent.

(2) Calculated using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee.

2014					2013				
Full Time	Part Time	Seasonal	Total	Annual FTE's (1)	Full Time	Part Time	Seasonal	Total	Annual FTE's (1)
5.00	12.00	-	17.00	17.00	5.00	11.00	-	16.00	16.00
5.00	-	-	5.00	4.50	5.00	-	-	5.00	4.50
4.00	-	-	4.00	4.00	4.00	-	1.00	5.00	4.00
1.00	1.00	-	2.00	1.75	1.00	1.00	-	2.00	1.75
2.00	1.00	-	3.00	1.75	2.00	-	-	2.00	2.25
1.00	3.00	-	4.00	2.50	1.00	3.00	-	4.00	2.50
3.00	-	-	3.00	2.75	2.00	-	-	2.00	2.50
-	-	-	-	0.50	-	-	-	-	0.50
11.00	-	-	11.00	10.75	10.00	-	-	10.00	10.00
6.00	-	-	6.00	6.25	6.00	1.00	-	7.00	6.75
13.00	4.00	-	17.00	14.25	13.00	4.00	-	17.00	13.50
1.00	-	-	1.00	0.75	-	-	-	-	-
4.00	-	-	4.00	4.25	5.00	-	-	5.00	4.50
1.00	-	-	1.00	1.00	1.00	-	-	1.00	1.00
18.00	6.00	-	24.00	18.25	17.00	4.00	-	21.00	17.25
1.00	-	-	1.00	1.00	1.00	-	-	1.00	1.00
1.00	-	-	1.00	1.50	1.00	-	-	1.00	1.50
-	-	-	-	-	-	-	-	-	-
3.00	-	27.00	30.00	7.50	4.00	-	24.00	28.00	8.25
-	-	-	-	-	-	-	-	-	-
1.00	-	-	1.00	1.00	1.00	-	-	1.00	1.25
1.00	-	-	1.00	1.00	1.00	-	-	1.00	1.00
1.00	-	-	1.00	1.00	1.00	-	-	1.00	1.00
1.00	-	-	1.00	1.00	1.00	-	-	1.00	1.00
1.00	-	-	1.00	1.00	1.00	-	-	1.00	1.00
61.00	-	-	61.00	60.50	57.00	-	-	57.00	61.50
63.00	-	-	63.00	62.50	59.00	-	-	59.00	63.50
4.00	-	-	4.00	4.75	2.00	-	-	2.00	2.75
2.00	-	-	2.00	3.00	2.00	-	-	2.00	3.50
22.00	-	-	22.00	23.00	21.00	-	-	21.00	22.50
2.00	-	-	2.00	2.00	2.00	-	-	2.00	2.00
30.00	-	-	30.00	32.75	27.00	-	-	27.00	30.75
6.00	-	-	6.00	5.50	6.00	-	-	6.00	5.50
2.00	-	-	2.00	2.00	2.00	-	-	2.00	2.00
-	-	-	-	-	-	-	-	-	-
59.00	-	-	59.00	55.75	55.00	-	-	55.00	53.75
67.00	-	-	67.00	63.25	63.00	-	-	63.00	61.25
10.00	-	-	10.00	10.25	10.00	-	-	10.00	10.25
2.00	-	-	2.00	2.00	2.00	-	-	2.00	2.00
16.00	-	-	16.00	15.75	15.00	-	-	15.00	14.50
28.00	-	-	28.00	28.00	27.00	-	-	27.00	26.75
1.00	-	-	1.00	1.00	1.00	-	-	1.00	1.00
10.00	-	-	10.00	10.00	10.00	-	-	10.00	10.00
13.00	-	-	13.00	12.25	12.00	-	-	12.00	11.75
13.00	-	-	13.00	13.00	14.00	-	-	14.00	13.50
37.00	-	-	37.00	36.25	37.00	-	-	37.00	36.25
308.00	27.00	27.00	362.00	326.00	294.00	24.00	25.00	343.00	319.50

CITY OF FINDLAY, OHIO

FULL-TIME-EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS

(2)

Function/Program	2012 Annual Average	2011 Annual Average	2010 Annual Average	2009 Annual Average	2008 Annual Average	2007 Annual Average
Electeds	16.00	16.00	16.00	16.00	16.00	16.00
Airport	4.50	5.00	5.00	5.00	5.00	5.00
Auditor	3.75	4.00	4.00	4.00	4.00	4.00
Building Maintenance	1.75	1.00	1.00	1.00	3.00	3.00
City Income Tax	2.75	3.50	3.50	3.50	4.00	5.00
Civil Service	2.00	2.50	2.50	4.00	4.00	4.00
Computer Services	3.00	4.00	4.00	3.00	4.00	3.00
Council	0.50	-	-	1.00	1.00	1.00
Dispatch Center	11.00	11.00	11.00	10.00	11.00	11.00
Engineering	9.00	9.00	9.00	10.00	14.00	12.00
Health	13.00	13.00	13.00	12.50	14.00	14.00
Human Resources	0.50	-	-	-	-	-
Law Director	4.50	5.00	5.00	5.00	5.00	5.00
Mayor	2.00	1.00	1.00	1.00	1.00	1.00
Municipal Court	17.75	25.00	25.00	20.00	19.00	15.00
NEAT	1.00	1.00	1.00	1.00	1.00	1.00
Parking	1.50	1.00	1.00	1.00	1.00	1.00
Pool	-	10.00	10.00	10.00	12.00	9.00
Recreation	9.75	6.50	6.50	16.50	15.00	12.50
Safety/Administrative Services	-	2.00	2.00	2.00	2.00	2.00
Service Director	1.00	1.00	1.00	1.00	1.00	1.00
WORC	1.00	1.00	1.00	1.00	-	-
Zoning	1.00	2.00	2.00	2.00	2.00	2.00
Fire Clerks	1.00	1.00	1.00	1.00	2.00	2.00
Fire Department Admin	1.00	1.00	1.00	1.00	1.00	1.00
Fire Department	64.75	63.00	63.00	67.00	74.00	74.00
Fire Department Total	66.75	65.00	65.00	69.00	77.00	77.00
Parks Maintenance	5.75	7.00	7.00	2.00	9.00	9.00
Cemetery	3.00	1.00	1.00	1.00	5.00	4.00
Streets	20.25	19.00	19.00	27.00	29.00	27.00
Traffic Lights	2.00	2.00	2.00	2.00	4.00	5.00
Public Works Total	31.00	29.00	29.00	32.00	47.00	45.00
Police Clerks	4.50	6.00	6.00	6.00	7.00	7.00
Police Administration	2.00	2.00	2.00	2.00	2.00	2.00
School Police	-	-	-	-	3.00	3.00
Police	61.50	60.00	60.00	65.00	70.00	70.00
Police Department Total	68.00	68.00	68.00	73.00	82.00	82.00
Sewer Maintenance	10.50	11.00	11.00	11.00	14.00	14.00
Stormwater Maintenance	2.00	3.00	3.00	2.00	2.00	-
Water Pollution Control	16.00	18.00	18.00	18.00	18.00	18.00
WPC Total	28.50	32.00	32.00	31.00	34.00	32.00
Supply Reservoir	1.00	1.00	1.00	1.00	1.00	1.00
Utility Billing	10.00	10.00	10.00	10.00	10.00	9.00
Water Distribution	13.00	13.00	13.00	13.00	14.00	14.00
Water Treatment	14.75	16.00	16.00	16.00	17.00	18.00
WPC Total	38.75	40.00	40.00	40.00	42.00	42.00
Total	340.25	358.50	358.50	375.50	421.00	405.50

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CITY OF FINDLAY, OHIO

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

Function/Program	2016	2015	2014	2013
General Government				
Auditor's Office				
Purchase orders issued	4,581	4,278	4,283	3,961
Checks issued	7,566	7,679	8,893	7,049
Computer Services				
Computers maintained	230	242	274	359
City website hits	465,364	567,473	462,078	451,498
Cemetery				
Number of internments	187	195	202	186
Graves sold	91	101	100	96
Municipal Court				
Cases filed	15,548	19,007	17,471	17,594
Arraignments	15,998	15,209	13,816	13,693
Jury trials	1	2	0	1
Security of Persons and Property				
Police				
Charges from arrests	2,019	3,162	2,835	2,121
Parking violations	3,363	4,638	4,411	4,610
Traffic violations	4,205	3,176	2,831	3,295
Fire				
Emergency responses/calls answered	2,164	2,173	2,016	1,959
Fires extinguished	91	106	107	88
Inspections conducted	832	463	438	1,209
WORC (1)				
Time completed - Successful	122	179	221	176
Early Release - Successful	5	4	6	11
Failed - Unsuccessful	17	14	11	15
Total Days Served (All Courts)	2,470	3,720	3,992	3,878
Public Health and Welfare				
Health Department (2)				
Food service licenses issued	n/a	475	458	455
Vaccinations given - Clinic	n/a	7,509	4,646	5,895
Births	n/a	1,396	1,437	1,423
Deaths	n/a	734	662	630
Plumbing inspection permits issued	n/a	357	347	375
Zoning				
New commercial permits issued	8	16	9	9
New residential permits issued	30	23	25	24
New industrial permits issued	5	0	0	0
Inspections conducted	500	n/a	700	403

TABLE 18

2012	2011	2010	2009	2008	2007
4,104	3,919	3,799	3,908	4,295	4,517
7,251	7,002	7,041	6,949	8,062	7,847
311	305	298	293	284	265
429,456	464,078	428,718	433,619	363,185	313,518
190	181	181	189	157	159
67	77	66	131	69	113
18,067	16,313	15,534	14,783	15,213	16,112
13,187	11,562	10,804	10,322	10,902	11,782
2	0	1	1	2	1
2,131	1,979	1,855	1,887	2,186	2,687
3,980	3,714	3,483	4,242	4,235	6,914
3,529	3,044	2,924	2,174	3,743	6,838
2,043	2,049	1,843	1,556	1,759	2,003
120	112	125	133	226	200
356	353	446	562	536	472
229	181	220	105	n/a	n/a
20	16	52	17	n/a	n/a
14	15	27	25	n/a	n/a
5,725	4,800	6,808	2,404	n/a	n/a
403	383	409	393	419	434
5,639	7,038	7,792	11,332	8,384	8,848
1,248	1,088	1,074	1,162	1,117	1,145
632	615	593	575	589	447
363	356	433	263	338	480
4	13	9	7	8	9
23	25	26	36	47	68
0	0	0	0	0	0
1,440	1,172	518	587	635	250

(Continued)

CITY OF FINDLAY, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM (CONTINUED)
LAST TEN YEARS

Function/Program	2016	2015	2014	2013
Public Health and Welfare (Continued)				
NEAT (Neighborhood Enhancement)				
Cases Reported	1,064	1,372	1,055	1,085
Cases Remaining Open at Year End	579	209	272	167
Backyard Mission Trip Projects	252	220	166	20
Transportation				
Street				
Miles of street maintained	195.98	195.68	195.68	194.59
Pot holes repaired	73	117	209	192
Limbs removed	19	193	325	35
Visibility complaints received	73	4	47	200
Repairs to concrete	29	23	25	17
Leisure Time Activities				
Shade Tree				
Trees planted	49	361	30	100
Trees removed	154	150	105	150
Recreation				
Summer Softball League teams	64	73	73	78
Fall Softball League team (started 2008)	31	41	40	45
Cube Birthday Party Packages	25	50	48	29
Meeting Room Rentals	113	116	102	87
Shelterhouses Reserved	235	416	399	295
Utility Services				
Water				
Number of Customers	17,884	17,803	17,650	17,584
New connections	130	99	127	86
Water main breaks	94	73	84	79
Avg. daily consumption (MGD)	5.9920	5.8350	5.8140	5.6190
Water Pollution Control				
Number of Customers	17,318	17,229	17,062	16,999
Sewer calls	72	100	109	130
Feet of sanitary sewer cleaned	222	202,004	206,385	225,279
Catch basin repair	0	11	13	4
Airport				
Fuel sales - Jet A (in gallons)	206,363	180,126	179,363	164,749
Fuel sales - Octane (in gallons)	27,480	27,671	27,284	26,356
Landing fees charged	150	167	167	176

Source: City of Findlay Department Directors

(1) Work Release Facility opened in Fall 2009.

(2) The Health Department separated from the City in 2016.

n/a - Information not available.

2012	2011	2010	2009	2008	2007
1,611	n/a	n/a	n/a	n/a	n/a
121	n/a	n/a	n/a	n/a	n/a
7	n/a	n/a	n/a	n/a	n/a
194.59	193.80	193.60	193.60	193.60	193.07
115	253	128	168	135	160
5	26	27	8	118	141
5	10	19	8	20	22
13	38	47	37	38	26
240	100	60	160	240	125
155	708	250	128	230	200
86	82	76	78	92	103
45	48	38	22	14	0
47	32	45	52	56	0
184	187	133	182	29	27
282	299	232	232	281	220
17,474	17,399	18,974	17,273	17,486	17,377
82	80	79	66	107	145
80	66	79	78	73	77
6.0460	6.0760	6.0929	5.9905	6.2500	6.5920
16,926	16,830	16,809	16,734	15,557	14,545
76	115	83	92	103	132
301,222	194,685	191,278	250,800	155,699	83,433
14	78	61	109	112	79
154,439	127,054	165,981	126,453	146,335	210,151
27,139	24,505	21,959	25,179	23,943	24,619
183	133	182	85	124	127

CITY OF FINDLAY, OHIO

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2016	2015	2014	2013	2012	2011
Security of Persons and Property						
Police						
Stations	1	1	1	1	1	1
Patrol units	22	22	18	18	20	31
Fire						
Fire stations	4	4	4	4	4	4
Fire trucks	16	16	16	16	15	18
Transportation						
Street						
Miles of street maintained	195.68	195.68	195.68	194.59	194.59	193.80
Traffic signals maintained	82	82	82	95	94	94
Leisure Time Activities						
Parks and Recreation						
Number of parks	21	21	19	19	19	19
Number of ballfields	41	40	40	40	40	40
Number of soccer fields	24	25	25	25	25	25
Swimming pool	1	1	1	1	1	1
Ice Rink	1	1	1	1	1	1
Utility Services						
Water						
Water mains (miles)	320.09	316.67	315.49	307.65	307.25	307
Number of hydrants	2,471	2,447	2,415	2,389	2,383	2,379
Storage capacity (BG)	6.4	6.4	6.4	6.4	6.4	6.4
Water treatment plants	1	1	1	1	1	1
Sewer Maintenance						
Sanitary sewers (miles)	298.56	296.80	295.78	295.28	295.00	295.05
Sewage treatment plants	1	1	1	1	1	1
Airport						
Number of runways	2	2	2	2	2	2

Source: City of Findlay Department Directors

TABLE 19

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
1	1	1	1	1
39	39	44	45	44
4	4	4	4	4
18	19	19	18	17
193.60	193.60	193.60	193.07	192.85
94	95	96	95	94
19	19	19	19	19
40	40	40	37	37
25	25	25	25	25
1	1	1	1	1
1	1	1	1	1
306.2	306.2	306.12	302.19	289.2
2,363	2,357	2,354	2,333	2,279
6.4	6.4	6.4	6.4	6.4
1	1	1	1	1
295.00	293.64	290.64	301.41	299.64
1	1	1	1	1
2	2	2	2	2

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**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

SUPPLEMENTAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2016

JIM STASCHIAK, CITY AUDITOR

**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

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CITY OF FINDLAY
HANCOCK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(A),(D) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through N/A:</i>			
Community Development Block Grants/Entitlement Grants:			
(C) Community Development Block Grant- Revolving Loan Fund	14.228	N/A	27,997
(C) Community Development Block Grant- Revolving Loan Fund	14.228	N/A	17,907
Total Community Development Block Grants/Entitlement Grants			<u>45,904</u>
Total U.S. Department of Housing and Urban Development			<u>45,904</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Passed Through N/A:</i>			
(C) Bulletproof Vest Program	16.607	N/A	4,733
Total U.S. Department of Justice			<u>4,733</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Ohio Department of Transportation:</i>			
Airport Improvement Program- Rehabilitate Runway 18/36 design	20.106	3-39-0034-025-2014	76,576
Highway Planning and Construction	20.205	97385	502,401
Total U.S. Department of Transportation			<u>578,977</u>
U.S. DEPARTMENT OF HOME SECURITY			
<i>Passed Through Ohio Department of Public Safety</i>			
(C)(F) Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	213,697
Total Federal Financial Assistance			<u>\$ 843,311</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

(A) This schedule includes the federal award activity of the City of Findlay under programs of the federal government for the fiscal year ended December 31, 2016 and is prepared in accordance with the cash basis of accounting. The information on this schedule is fiscal year ended December 31, 2016 and is prepared in accordance with the cash basis of accounting. The information on this schedule is Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City of Findlay, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Findlay.

(B) The City has a revolving loan program to provide low-interest loans to businesses to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City. This schedule reports loans made and administrative costs as disbursements. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

These loans are collateralized by mortgages on the property or asset acquired.

Activity in the Community Development Block Grant revolving loan fund during 2016 is as follows:

Beginning loans receivable balance as of January 1, 2015	\$ 845,741
Loans Disbursed	134,900
Loans Repaid	<u>(118,650)</u>
Ending loans receivable balance as of December 31, 2016	<u>\$ 861,991</u>

Cash balance on hand in the revolving loan fund as of December 31, 2016 \$ 250,541

The table above reports gross loans receivable. Of the loans receivable as of December 31, 2016, the City is reporting \$0 as past due.

(C) Pass-through grant numbers were unable to be obtained for these grants.

(D) Certain federal programs require the City contribute non-federal funds (matching funds) to support the federally funded programs. The City has complied with the matching requirements. The expenditure of non-federal matching funds are not included on this schedule.

(E) CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimus rate of 10% of modified total direct costs to indirect costs. The City has not elected to use the 10% de minimus indirect cost rate.

(F) This grant amount is cash-basis expenditures from 2012 that was inadvertently omitted from previous Schedule of Expenditures of Federal Awards.



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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

City of Findlay
Hancock County
318 Dorney Plaza, Room 114
Findlay, Ohio 45840

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Findlay, Hancock County, Ohio, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Findlay's basic financial statements and have issued our report thereon dated June 15, 2017. Our report includes a reference to other auditors who audited the financial statements of the City of Findlay, as of and for the year ended December 31, 2015, and summarized comparative information was included, as described in our report on the City of Findlay's financial statements.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City of Findlay's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City of Findlay's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City of Findlay's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Members of Council and Mayor
City of Findlay

Compliance and Other Matters

As part of reasonably assuring whether the City of Findlay's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City of Findlay's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City of Findlay's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
June 15, 2017



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**Independent Auditor's Report On Compliance With Requirements Applicable to
The Major Federal Program and on Internal Control Over Compliance and the
Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance***

City of Findlay
Hancock County
318 Dorney Plaza, Room 114
Findlay, Ohio 45840

To the Members of Council and Mayor:

Report on Compliance for the Major Federal Program

We have audited the City of Findlay's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Findlay's major federal program for the year ended December 31, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City of Findlay's major federal program.

Management's Responsibility

The City of Findlay's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the City of Findlay's compliance for the City of Findlay's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Findlay's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Members of Council and Mayor
City of Findlay

Opinion on the Major Federal Program

In our opinion, the City of Findlay complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2016.

Report on Internal Control Over Compliance

The City of Findlay's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City of Findlay's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City of Findlay's internal control over compliance.

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

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Members of Council and Mayor
City of Findlay

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Findlay as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Findlay's basic financial statements. We issued our unmodified report thereon dated June 15, 2017. We conducted our audit to opine on the City of Findlay's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.
June 15, 2017

**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2016**

1. SUMMARY OF AUDITORS' RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR § 200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program:</i>	Highway Planning and Construction- CFDA# 20.205
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None

3. FINDINGS FOR FEDERAL AWARDS AND QUESTIONED COSTS
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None

**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS
2 CFR § 200.515
DECEMBER 31, 2016**

Finding Number	Year Initially Occurred	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2015-001	2015	<u>Significant Deficiency- Clerk of Courts Cash Reconciliations</u> – The Municipal Court was not able to reconciled bank accounts to the Court Maser System.	Yes	N/A
2015-002	2015	<u>Material Weakness- Monitoring of Financial Statements</u> – The lack of monitoring by City Council contributed to the inaccurate posting of transactions to the financial statements.	Yes	N/A
2015-003	2015	<u>Non-Compliance and Significant Deficiency</u> – Ohio Revised Code requires that revenue derived or paid into any fund must be used only for the purposes for which such fund is established.	Yes	N/A
2015-004	2015	<u>Non-Compliance and Material Weakness</u> – The City did not follow the Ohio Revised Code sections pertaining to transfers, which resulted in illegal transfers being made and subsequent audit adjustments.	Partially Corrected	Moved to Management Letter
2015-005	2015	<u>Non-Compliance and Material Weakness</u> – The City entered into a contract with a non-federal entity, however a verification with the System of Award Management (SAM Exclusions) was not performed.	Yes	N/A



Dave Yost • Auditor of State

CITY OF FINDLAY

HANCOCK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 12, 2017