



**CITY OF GRANDVIEW HEIGHTS
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2017



Dave Yost • Auditor of State

CITY OF GRANDVIEW HEIGHTS
FRANKLIN COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

City of Grandview Heights
Franklin County
1016 Grandview Avenue
Grandview Heights, Ohio 43212

To the Members of City Council:

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, each major fund, and the aggregate remaining fund information of the City of Grandview Heights, Franklin County, (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 13, 2018.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City'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'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'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.

Compliance and Other Matters

As part of reasonably assuring whether the City'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's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

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

Dave Yost
Auditor of State
Columbus, Ohio

June 13, 2018



Comprehensive Annual Financial Report

CITY OF GRANDVIEW HEIGHTS, OHIO

For the Fiscal Year Ended December 31, 2017

Cover Picture

This year's City of Grandview Heights' Comprehensive Annual Financial Report cover features the Grandview Heights Community Pool on opening day. The reconstruction of the Grandview Heights Community Pool began at the end of the 2016 pool season and was completed in time to open on its traditional date of Memorial Day Weekend. The Community celebrated with a "Big Splash" led by Mayor DeGraw. The design of the pool influenced by residents who provided their ideas and preferences for pool facilities. The existing pool had reached the end of its life cycle and could not be rehabilitated with any kind of cost effectiveness.



The CITY of
GRANDVIEW HEIGHTS

Comprehensive Annual Financial Report

For the Year Ended December 31, 2017

Issued by:

Finance Department

Robert Dvoraczky, CPA - Director of Finance

Megan Miller, CPA - Assistant Director of Finance

James Barone – Accountant

Scott Gill, CPA – Tax Accountant

Joe Curtin, CPA – Tax Accountant

**CITY OF GRANDVIEW HEIGHTS, OHIO
FRANKLIN COUNTY**

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FRANKLIN COUNTY**

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The CITY of
GRANDVIEW HEIGHTS

INTRODUCTORY SECTION



The CITY of
GRANDVIEW HEIGHTS

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The CITY of
GRANDVIEW HEIGHTS

June 13, 2018

Honorable Mayor, Members of City Council
and Citizens of Grandview Heights, Ohio

We are pleased to issue the Comprehensive Annual Financial Report (CAFR) of the City of Grandview Heights, Ohio (City) for the year ended December 31, 2017. This report is prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). It is intended to provide all pertinent and necessary information that may be required by citizens and elected officials of Grandview Heights, investment banks and underwriters, and all other interested parties on the fiscal condition of the City.

City management assumes full responsibility for the completeness and reliability of the information contained in this report. To the best of our knowledge and belief, the financial and other data contained in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. The accounting system encompasses appropriations, encumbrances, expenditures, revenues, payroll and capital assets, and ensures the financial information generated is both accurate and reliable. All disclosures necessary to enable the citizens and other readers to gain an understanding of the City's financial activities are included in this report.

Internal Controls

City managers have established an internal control framework designed with a system of checks and balances to compile sufficient reliable information for preparation of the City financial statements. Internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets. The concept of reasonable assurance is based on the assumption that the cost of controls should not outweigh their benefits.

Independent Audit

The City is required by state law to have an annual audit performed by either the Auditor of State's Office or by an independent auditing firm. The City has engaged the services of the Auditor of State's Office, to audit the City's financial records. The Auditor of State's Office concluded that the City's financial statements ending December 31, 2017 are presented fairly in conformity with generally accepted accounting principles. The Independent Auditor's Report on the City's financial statements is included in the Financial Section of this report.

Management's Discussion and Analysis

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A as they are designed to complement each other. The City's MD&A can be found immediately following the independent auditor's report.

Profile of the Government

The City of Grandview Heights is located in central Ohio, adjacent to the City of Columbus. Incorporated in 1906, the City operates under a charter form of government, which was originally adopted on July 28, 1931. The voters adopted the current charter in March 2000. An elected Mayor and a seven-member City Council govern the City, each elected to four-year terms. The City covers an area of approximately 1.24 square miles, with a population estimated at 7,628 residents.

The City provides a full range of municipal services mandated by statute or charter, including police and fire protection, parks, recreation, street maintenance, refuse removal, planning, zoning and other general government services. Health services are contracted with, and provided by, the Franklin County Board of Health.

The Council is required to adopt a final budget no later than the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function and department for all funds except for the agency funds.

Long-Term Financial Planning

The City follows a conservative financial approach, limiting debt and utilizing a prioritized capital improvement plan, whereby capital purchases are thoroughly reviewed for necessity and available funding alternatives are evaluated before investments are made. Five percent (5%) of income tax receipts are designated as an ongoing funding source for capital improvements. The City's plan for the future is to continue economic development activities to bring more businesses to the City providing additional income tax dollars. The hiring of new employees and filling of vacancies is also aligned with our strategic vision on the service level that best meet the needs of our citizens.

Relevant Financial Policies

The City has a responsibility to its citizens to carefully account for public funds, manage municipal finances wisely, and to plan for the provision of services desired by the public. Sound financial policies are necessary to carry out that responsibility. To that end, City Council adopted updated Debt, Cash Reserve, Investment and Depository and Budgeting and Financial Planning policies in the Spring of 2016. These policies provide a summary of significant financial and budgetary policies required by state law, the City Charter, City ordinances, accounting principles generally accepted in the United States and administrative practices.

The policies are designed to: (1) provide conceptual standards for financial decision making; (2) enhance consistency in financial decisions; and (3) establish parameters for the Administration and Finance Department to use in directing day-to-day financial affairs of the City. The scope of the policies includes budgeting, financial reporting, auditing, internal controls, asset management, risk management, capital improvement program, debt management and financial performance targets.

Economic Condition and Outlook

The City's primary revenue source is a local income tax on residents and on Grandview-based businesses and their employees working in the City. In May 2010, taxpayers approved a permanent increase in the income tax rate to 2.5% effective July 1, 2010. This rate change in conjunction with ongoing economic development effort is a strong step forward for the City.

Overall, the economy of Grandview Heights continued to grow throughout 2017 as the city and surrounding area within the city of Columbus remains a very strong market for commercial and residential development. As it has been over the last few years, the city's economic development efforts center on the 100-acre redevelopment site now called GRANDVIEW YARD. A development agreement with the developer, Nationwide Realty Investors (NRI), was approved at the end of 2009. The agreement established a tax increment financing district and put in place other incentives that NRI needs to construct what was then planned to be two (2) million sq. ft. of retail, office, residential and entertainment space. City Officials welcomed the project as the development as planned was very consistent with the City's planning efforts that expressed a

City of Grandview Heights, Ohio

preference for higher density mixed use development in a neighborhood setting. In 2014, the City and NRI amended the agreement and the development plan so as to have Nationwide Insurance build a campus to accommodate 4,000 of its associates.

By the end of 2017, nearly all of the public improvements to be funded by the TIF have been completed ahead of the 10-year time frame established in the development agreement. The widening of the Third Avenue railroad bridge is the largest ongoing public improvement. Construction of a 1,550 car parking garage began in 2016 will be completed in the spring of 2018. Streets and utilities for a residential project will be the last planned public project.

On the private development side, all the 194,000-sq. ft. of first class office space in Grandview Yard is leased. There are over 1,000 people working within this office space. The tenants include the Columbus offices of the Ernst & Young CPA firm and Northwestern Mutual Insurance Company, Willis of Ohio, Trinity Healthcare Architects, Ohio State Internal Medicine, FKP Architects and C. H. Robinson. Nationwide Insurance Company has moved into the first two of four buildings it is constructing in Grandview Yard. The two buildings total 500,000 sq. ft. and have approximately 2,500 Nationwide associates at that location. It is expected that an additional 1,500 Nationwide associates will begin moving into two additional new buildings in the spring of 2018.

The 135 room Courtyard by Marriott hotel and the 12,000-sq. ft. conference center called the Grand Event Center is in full operation. Both facilities are meeting fiscal expectations. The “bed tax” revenue generated by the Courtyard by Marriott along with the 126 room Hyatt Place hotels are the source of funds that was spent to revitalize Pierce Park, Wyman Woods Park and a portion of the community pool reconstruction.

Businesses along Goodale Boulevard and Grandview Avenue are also major contributors to the city’s economic development progress. There is over \$34M in payroll spread among the businesses that are located in renovated buildings along the Boulevard and another \$20M in payroll within the building around the corner at 855 Grandview Avenue.

Major Initiatives

In 2016, City Council acted on its desire to use the City’s available bonding capacity and the current low interest rates to undertake major capital projects. The City confirmed its AAA bond rating with Standard & Poor’s rating agency and in June 2016 issued \$6,630,000 in Various Purpose Bonds for street and sewer work. In addition, in November the City sold \$5,500,000 in Pool Construction Bonds that closed in January 2017.

Grandview Heights utilized a \$1M low interest loan from the Franklin County Infrastructure Bank Fund to complete a \$1.7M improvement project that rehabbed W. Goodale Boulevard from Grandview Avenue to Northwest Boulevard.

The reconstruction of the Grandview Heights Community Pool was completed in time to open on its traditional date of Memorial Day Weekend. The Community celebrated with a “Big Splash” led by Mayor DeGraw. The design of the pool was influenced by residents who provided their ideas and preferences for pool facilities. The existing pool had reached the end of its life cycle and could not be rehabilitated with any kind of cost effectiveness.

Destination Grandview, the city’s convention and visitor’s bureau led by Director Brian Cheek had its contract with the City extended by City Council for three more years.

Mayor DeGraw along with members of City Council joined officials from Nationwide Realty Investors (NRI) to dedicate First Avenue Park in Grandview Yard. The nearly three-acre park is a key feature of the 100 acre Grandview Yard. The seventh annual DIGFEST was held on and around the park this year. The very popular event brings in local wine, spirits and craft beer producers who bring their wares for sampling by attendees.

The twenty-fourth TOUR DE GRANDVIEW bike race attracted its usual crowd on a nice evening this year. Visitors and residents enjoy the unique opportunity to watch a professional bike race through residential streets at night. Along with several house parties on the route, Destination Grandview, the City’s Parks and Recreation Department and many volunteers put together a great street party to entertain the crowds.

Awards

Certificate of Achievement for Excellence in Financial Reporting

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 Grandview Heights for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This was the thirteenth year that the City has achieved this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. To earn the Certificate of Achievement, the City publishes an easily readable and efficiently organized comprehensive annual financial report whose contents conformed to program standards and satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current 2017 report continues to meet the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

For the last six years the City was recognized by the Auditor of State and presented with the Award of Distinction for excellence in financial reporting and accountability. Less than 5% of the 5,600 state and local agencies audited, received this prestigious award.

Acknowledgment

The publication of this report demonstrates the professionalism of the City of Grandview Heights government as a whole. Preparation of this report was achieved through the cooperation of the Mayor, members of City Council, each department head and many of our other colleagues. We are grateful for their assistance. Finally, the preparation of this report would not have been possible without the dedicated efforts of the Finance Department staff.

Most importantly, we are grateful to the citizens of the City of Grandview Heights for the opportunity to serve them and provide valuable information on the financial operations of the City.

Respectfully submitted,



Director of Finance
Robert Dvoraczky



Government Finance Officers Association

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

Presented to

**City of Grandview Heights
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

**CITY OF GRANDVIEW HEIGHTS, OHIO
PRINCIPAL OFFICIALS
DECEMBER 31, 2017**

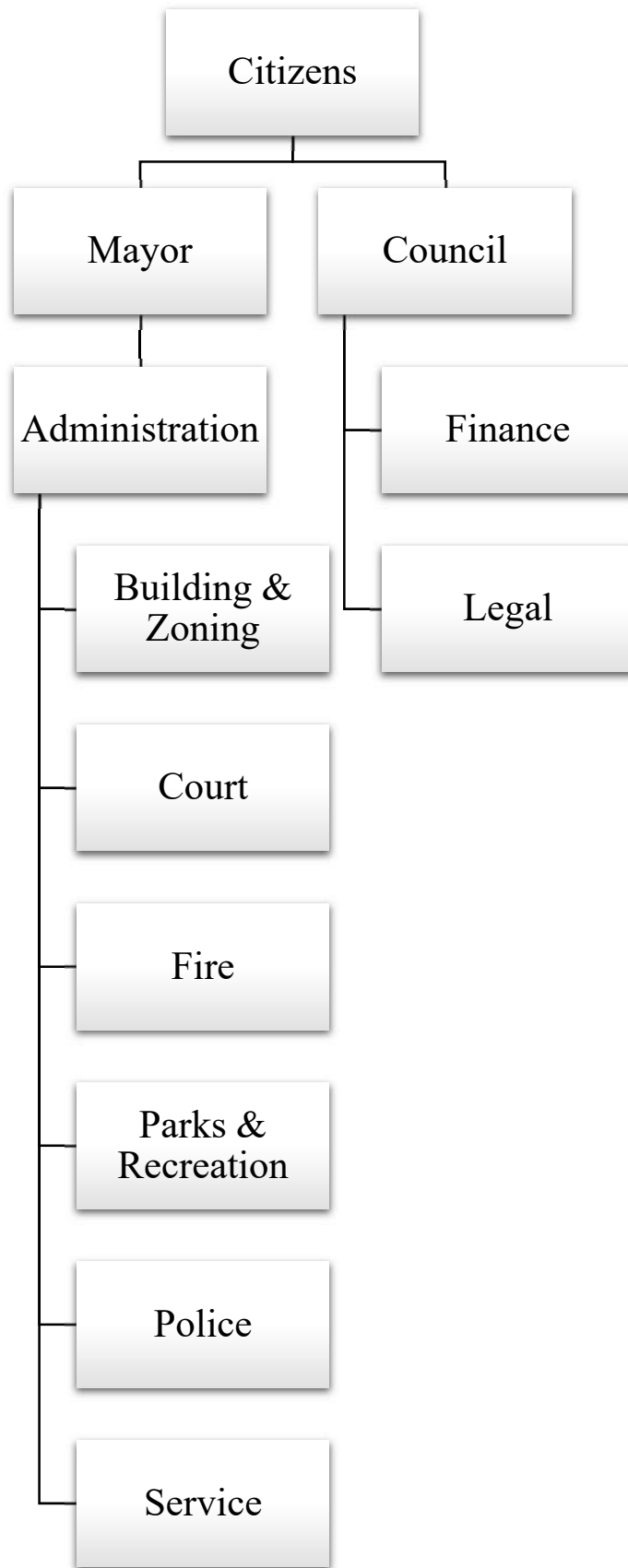
ELECTED OFFICIALS

Mayor	Ray E. DeGraw
President of Council	Greta Kearns
Vice President of Council	Chris Smith
Council Members	Steve Gladman
	Emily Keeler
	Anthony Panzera
	Stephen Papineau
	Steve Reynolds

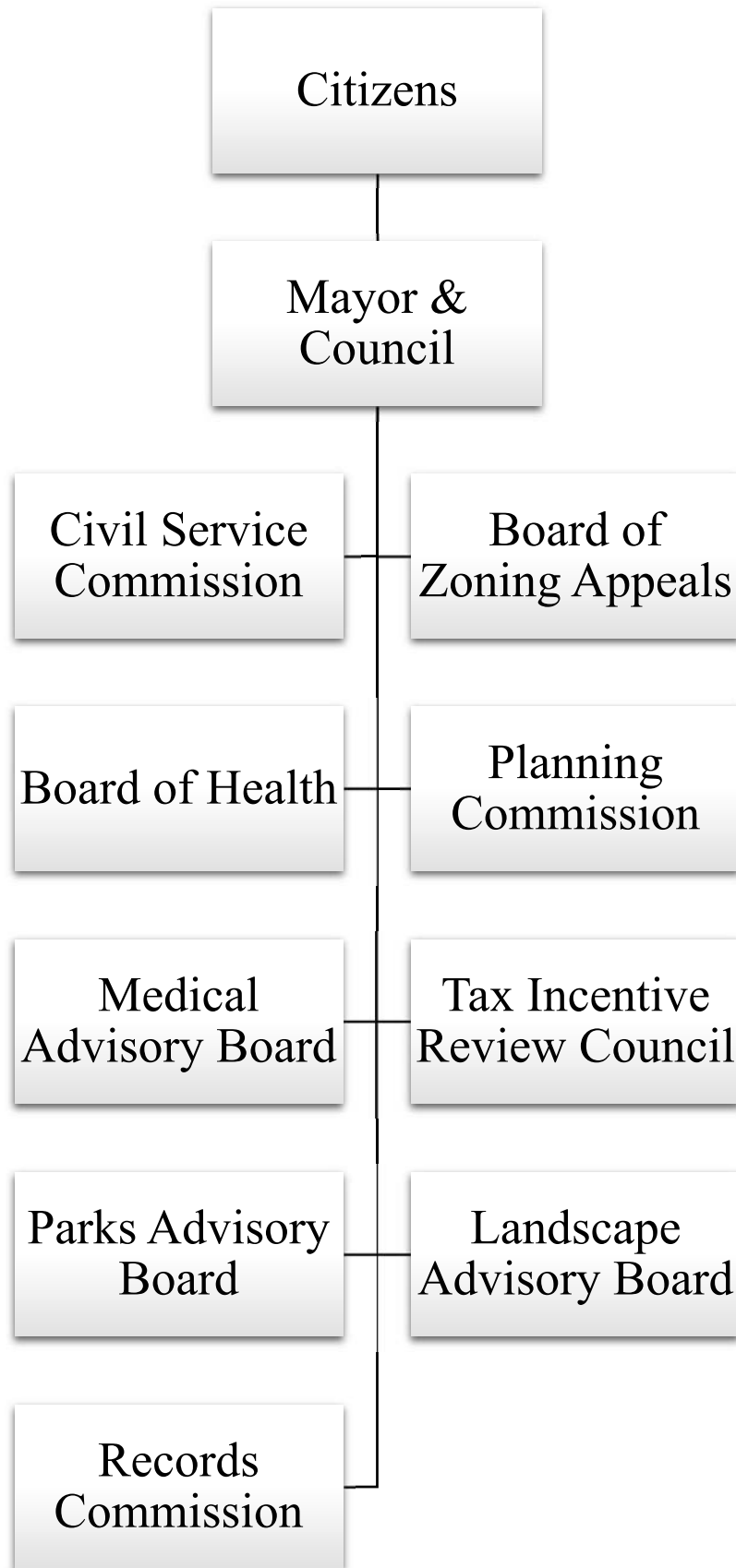
APPOINTED OFFICIALS

Director of Administration	Patrik G. Bowman
Director of Finance	Robert J. Dvoraczky, CPA
City Attorney	Joelle Khouzam
Chief of Police	Thomas McCann
Fire Chief	Steven J. Shaner
Director of Building & Zoning	Charles Boshane
Director of Parks & Recreation	Michael Patterson
Director of Service	Darryl Hughes

CITY OF GRANDVIEW HEIGHTS ORGANIZATIONAL CHART



CITY OF GRANDVIEW HEIGHTS BOARDS AND COMMISSIONS





The CITY of
GRANDVIEW HEIGHTS

FINANCIAL SECTION



The CITY of
GRANDVIEW HEIGHTS

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Grandview Heights
Franklin County
1016 Grandview Avenue
Grandview Heights, Ohio 43212

To the Members of City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Grandview Heights, Franklin County, Ohio (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Grandview Heights, Franklin County, Ohio, as of December 31, 2017, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2018, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

June 13, 2018

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CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

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

Financial Highlights

Key financial highlights for 2017 are as follows:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately \$63.2 million (net position), an increase of approximately \$3.4 million in comparison with the prior year.
- General revenues accounted for approximately \$23.1 million, or 71.8 percent of total governmental activities revenue. Program specific revenues accounted for the remaining 28.2 percent, or approximately \$9.1 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of approximately \$13.7 million, a \$65,008 decrease in comparison with the prior year. Of this amount, approximately \$8.9 million is available for spending at the City's discretion (unassigned fund balance). This represents 51.3 percent of general fund expenditures.

The Comprehensive Annual Financial Report

This annual report consists of a transmittal letter, series of financial statements, notes to these statements and statistical section. 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 GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(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 2017?" The statement of net position and the statement of activities answer this question. These statements include all assets, liabilities, deferred inflows/outflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net position and changes in that 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.

Governmental activities - All of the City's programs and services are reported here including police, fire and rescue, street maintenance, 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.

The City's statement of net position and statement of activities can be found on pages 24-25 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 two categories: governmental 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.

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 year. Such information may be useful in evaluating a government's near-term financing requirements.

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

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, Street Maintenance and Repair Fund, Grandview Yard TIF Fund, Parks and Recreation Improvement Fund, and Commerce District Grants 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 26-32 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. Both of the City's fiduciary funds are agency funds. The basic fiduciary fund financial statement can be found on page 33 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 start on page 35 of this report.

Government-Wide Financial Analysis

Statement of Net Position

Over time, net position can serve as a useful indicator of a government's financial position. At the end of the current fiscal year, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$63.2 million.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented approximately 74 percent of total assets. Capital assets include land, intangibles, land improvements, buildings and improvements, machinery, equipment and furniture, vehicles and infrastructure. Net investment in capital assets at December 31, 2017, was approximately \$61.7 million. 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 may not be used to liquidate these liabilities.

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

The table below provides a comparative summary of the City's net position at December 31, 2017 and December 31, 2016:

	<u>Net Position</u>	
	2017	Restated 2016
	<u>Governmental</u>	<u>Governmental</u>
	<u>Activities</u>	<u>Activities</u>
<u>Assets</u>		
Current and other assets	\$ 29,095,682	\$ 24,502,392
Capital assets, net	81,017,269	71,019,851
Total assets	<u>\$ 110,112,951</u>	<u>\$ 95,522,243</u>
<u>Deferred Outflows of Resources</u>		
Total deferred outflows of resources	<u>3,493,085</u>	<u>3,724,891</u>
<u>Liabilities</u>		
Current and other liabilities	5,749,049	4,654,089
Long-term liabilities:		
Net pension liability	13,779,668	12,991,179
Other amounts	22,300,962	16,333,705
Total liabilities	<u>41,829,679</u>	<u>33,978,973</u>
<u>Deferred Inflows of Resources</u>		
Total deferred inflows of resources	<u>8,609,049</u>	<u>5,285,733</u>
<u>Net Position</u>		
Net investment in capital assets	\$ 61,660,243	\$ 58,962,330
Restricted	491,675	888,184
Unrestricted	1,015,390	(132,535)
Total net position	<u>\$ 63,167,308</u>	<u>\$ 59,717,979</u>

Current and other assets increased significantly in comparison with the prior year. This increase is primarily the result of an increase in collections related to payments in lieu of taxes.

Capital assets also increased significantly in comparison with the prior year. This increase represents the amount in which capital asset additions, consisting mostly of development of the Grandview Yard and the purchase of land at 1241 McKinley Avenue, exceeded current year depreciation and current year disposals.

Other long-term liabilities increased significantly in comparison with the prior year. This increase is primarily the result of the issuance of a bank loan and pool construction bonds.

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

Deferred inflows of resources also increased significantly. This increase is primarily the result of an increase in payments in lieu of taxes related to the Grandview Yard.

Net investment in capital assets increased significantly in comparison with the prior year. This increase is primarily the result of an increase in capital assets related to Grandview Yard. \$491,675 of the City's net position, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

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CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

Statement of Activities

The table below provides a comparative analysis of changes in net position for 2017 and 2016:

<u>Revenues</u>	<u>Change in Net Position</u>	
	2017	2016
Program revenues:		
Charges for services	\$ 2,369,331	\$ 2,094,370
Operating grants and contributions	4,700,748	2,772,332
Capital grants and contributions	1,998,313	9,548,864
Total program revenues	9,068,392	14,415,566
General revenues:		
Property and other taxes	3,078,496	2,676,704
Payments in lieu of taxes	3,791,409	1,549,253
Income taxes	14,495,560	10,101,743
Unrestricted grants and entitlements	1,207,044	1,230,747
Investment earnings	132,437	144,369
Insurance Recoveries	17,949	18,972
Miscellaneous	377,413	192,325
Total general revenues	23,100,308	15,914,113
Total revenues	32,168,700	30,329,679
<u>Expenses</u>		
General government	4,436,675	3,590,566
Security of persons and property	6,677,344	6,196,665
Public health and welfare	59,232	56,243
Transportation	2,225,865	1,616,389
Leisure time activities	1,691,330	1,500,914
Utility services	976,432	805,335
Economic development	12,063,274	5,467,462
Interest and fiscal charges	417,419	186,192
Bond issuance costs	171,800	149,496
Total expenses	28,719,371	19,569,262
Change in net position	3,449,329	10,760,417
Net position at beginning of year, as restated	59,717,979	N/A
Net position at end of year	\$ 63,167,308	\$ 59,717,979

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

Capital grants and contributions decreased significantly in comparison with the prior fiscal year. This decrease is the result of a decrease in contributions made to the City by the developer of the Grandview Yard.

Income taxes and payments in lieu of taxes both increased significantly compared to the prior year. These increases are the result of continued development of the Grandview Yard and increases in tax increment payments.

Economic development expenditures also increased significantly in comparison with the prior fiscal year. This increase is primarily the result of an increase in grant related expenses for the improvement of roads not owned by the City.

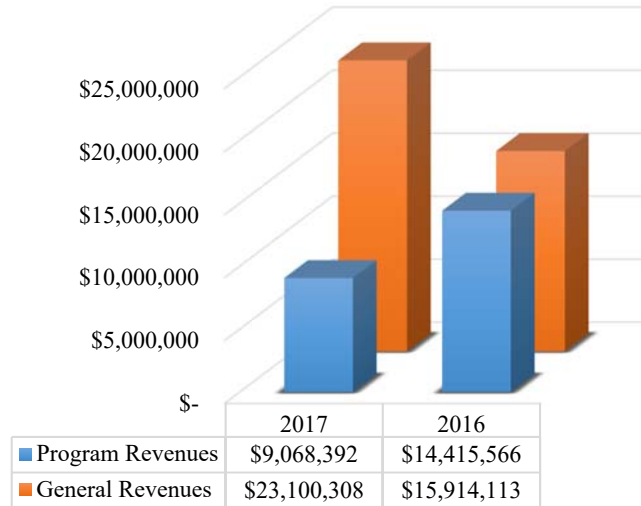
The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2017 and 2016. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As can be seen in the graph below, the City is highly dependent upon property and income taxes as well as unrestricted grants and entitlements to support its governmental activities.

<u>Program expenses</u>	<u>Total Cost of Services 2017</u>	<u>Net Cost of Services 2017</u>	<u>Total Cost of Services 2016</u>	<u>Net Cost of Services 2016</u>
General government	\$ 4,436,675	\$ 3,476,921	\$ 3,590,566	\$ 2,893,730
Security of persons and property	6,677,344	6,136,544	6,196,665	5,665,143
Public health and welfare	59,232	(114,419)	56,243	(111,031)
Transportation	2,225,865	169,467	1,616,389	(8,294,099)
Leisure time activity	1,691,330	947,568	1,500,914	1,215,338
Utility services	976,432	715,481	805,335	409,317
Economic development	12,063,274	7,730,198	5,467,462	3,039,610
Interest and fiscal charges	417,419	417,419	186,192	186,192
Bond issuance costs	171,800	171,800	149,496	149,496
Total program expenses	<u>\$ 28,719,371</u>	<u>\$ 19,650,979</u>	<u>\$ 19,569,262</u>	<u>\$ 5,153,696</u>

The total cost of services for public health and welfare was covered by program revenues. However, the program revenues related to security of person and property only covered 8.1 percent of the total costs. The expenses for security of persons and property account for 23.3 percent of total expense in 2017.

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

Governmental Activities - General and Program Revenues



General revenues accounted for approximately \$23.1 million, or 71.8 percent of total governmental activities revenue. Program specific revenues accounted for the remaining 28.2 percent, or approximately \$9.1 million.

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. In particular, unassigned fund balance may serve as a useful measure of the City’s net resources available for spending at year-end.

As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$13.7 million, a \$65,008 decrease in comparison with the prior year. Of this amount, approximately \$8.9 million is available for spending at the City’s discretion (unassigned fund balance).

The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2017 and December 31, 2016 for all major and nonmajor governmental funds.

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

	Fund Balance 12/31/2017	Fund Balance 12/31/2016	Increase (Decrease)
General	\$ 9,541,323	\$ 8,986,378	\$ 554,945
Street Maintenance and Repair	1,286,101	3,843,553	(2,557,452)
Grandview Yard TIF	-	16,735	(16,735)
Parks and Recreation Improvement	603,400	(1,017,489)	1,620,889
Commerce District Grants	-	-	-
Other Governmental	2,219,626	1,886,281	333,345
Total	<u>\$ 13,650,450</u>	<u>\$ 13,715,458</u>	<u>\$ (65,008)</u>

The General Fund is the chief operating fund of the City. At the close of the current fiscal year, unassigned fund balance for the general fund was approximately \$8.9 million, or 51.3 percent of general fund expenditures.

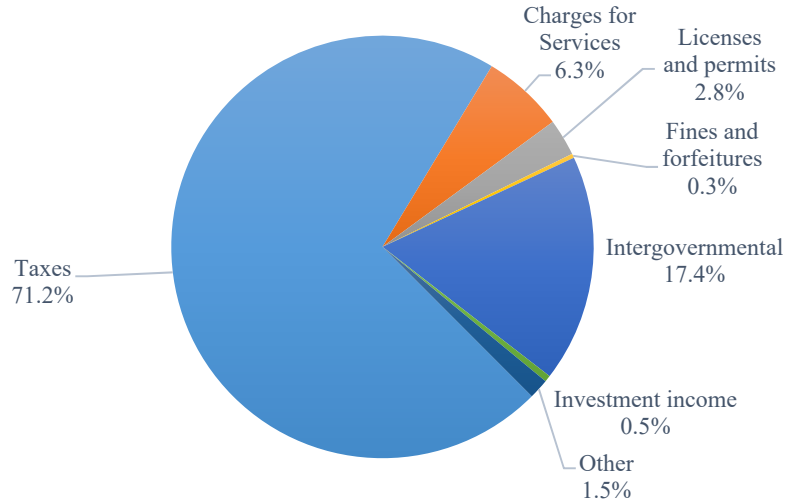
The table that follows assists in illustrating the revenues of the general fund:

<u>Revenues</u>	2017 Amount	2016 Amount
Taxes	\$ 14,780,058	\$ 12,204,892
Charges for services	1,300,872	1,281,139
Licenses and permits	586,131	323,628
Fines and forfeitures	65,924	80,375
Intergovernmental	3,616,384	3,648,128
Investment income	102,980	140,855
Contributions and donations	30,565	480
Other	318,493	172,766
Total revenues - general fund	<u>\$ 20,801,407</u>	<u>\$ 17,852,263</u>

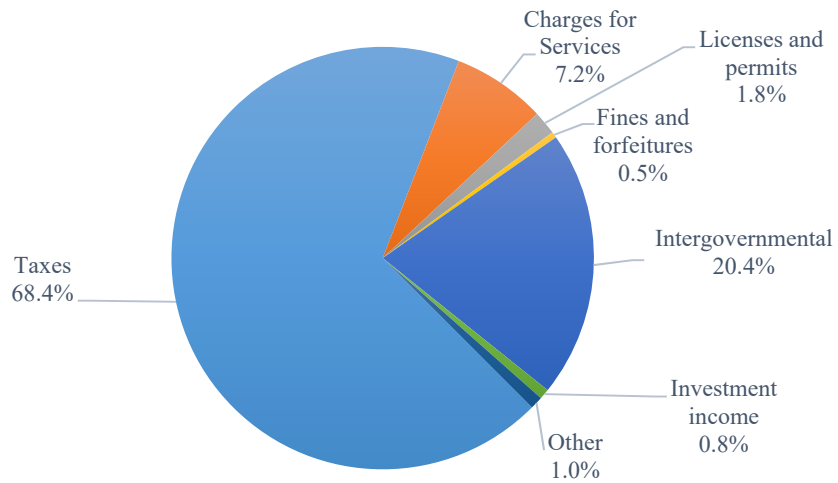
Tax revenue represents 71.1 percent of all general fund revenue. Taxes increased significantly due to an increase in income taxes received during the year. All other revenues remained relatively consistent with the prior year.

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

Revenues
December 31, 2017



Revenues
December 31, 2016



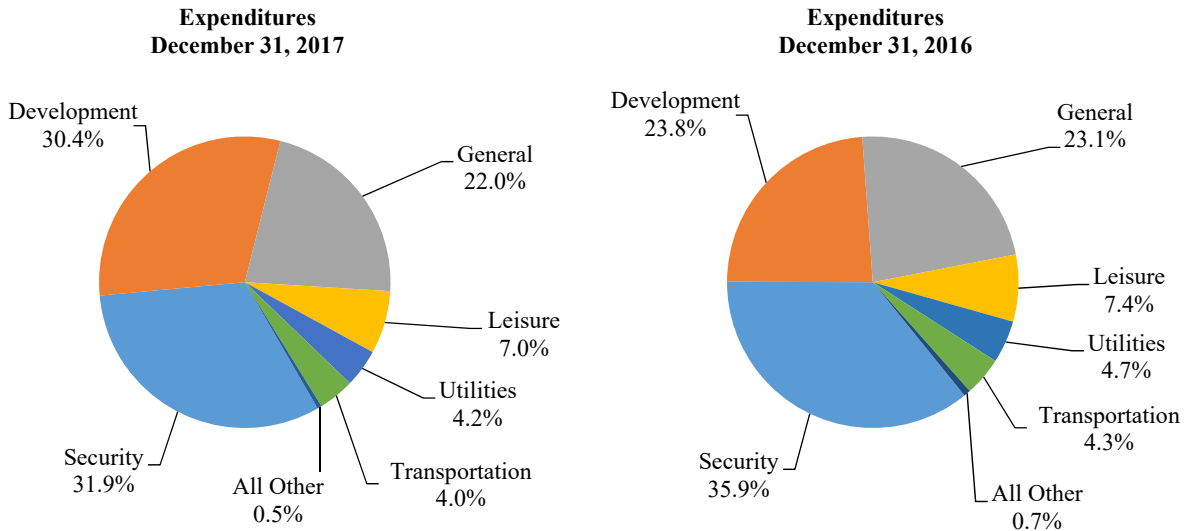
CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

The table that follows assists in illustrating the expenditures of the general fund:

<u>Expenditures</u>	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>
General government	\$ 3,835,747	\$ 3,309,205
Security of persons and property	5,548,748	5,146,048
Public health and welfare	59,232	56,243
Transportation	697,600	622,126
Leisure time activities	1,215,683	1,066,356
Economic development	5,294,419	3,411,539
Utility services	736,441	675,491
Capital outlay	23,620	50,601
Total expenditures - general fund	<u>\$ 17,411,490</u>	<u>\$ 14,337,609</u>

Economic development expenditures increased significantly in comparison with the prior fiscal year. This increase is primarily the result of an increase in income tax incentives during the fiscal year.

General government and security of persons and property expenditures account for approximately \$9.4 million, or 53.9 percent, of total expenditures.



The Street Maintenance and Repair Fund accounts for intergovernmental receipts and disbursements relating to maintenance and repair of the City's infrastructure. At year-end, fund balance in the Street Maintenance and Repair Fund was approximately \$1.3 million, a decrease of approximately \$2.6 million. This decrease primarily represents the amount in which capital outlays exceeded loan proceeds and transfers in.

The Grandview Yard TIF Fund was established in 2012 to account for all receipts and disbursements of assigned service and income tax payments in accordance with the Grandview Yard Development Agreement. At year-end, fund balance in the Grandview Yard TIF Fund was \$0, a decrease of \$16,735. This decrease represents the amount in which economic development expenditures exceeded payments in lieu of taxes and income taxes.

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

The Parks and Recreation Improvement Fund accounts for monies received for improvements to parks and recreational facilities. At year-end, fund balance in the Parks and Recreation Improvement Fund was \$603,400, an increase of approximately \$1.6 million in comparison with the prior year end. This increase represents the amount in which bond proceeds, property taxes and contributions and donations exceeded capital outlays and debt service expenditures.

The Commerce District Grants Fund accounts for grants awarded to the City related to the rehabilitation and development of the Grandview Yard, except for the Clean Ohio Remediation Funds. At year-end, fund balance in the Commerce District Grants Fund was \$0.

The fund balance of the City's Other Governmental Funds increased \$333,345 during the year. This increase is primarily the result of grant and loan proceeds and transfers in from the general fund.

Budgeting Highlights - General Fund

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.

The most significant fund which budgetary information is presented for is the general fund. The original and final budgetary revenues and other financing sources was \$14,185,750. Actual revenues and other financing sources of \$19,504,641 were \$5,318,891 more than final budgeted revenues and other financing sources. This increase is primarily the result of advance returns from other funds.

Actual expenditures and other financing uses of \$15,284,718 came in \$1,047,069 lower than the final budgeted amounts of \$16,331,787. The total variance is fairly evenly divided between budget categories and reflects the effects of the administration's expense control measures. The final budgeted expenditures and other financing uses increased \$1,974,200 from the original budgeted expenditures and other financing uses during the year. This increase is the result of higher than expected transfers out to other funds.

Capital Assets

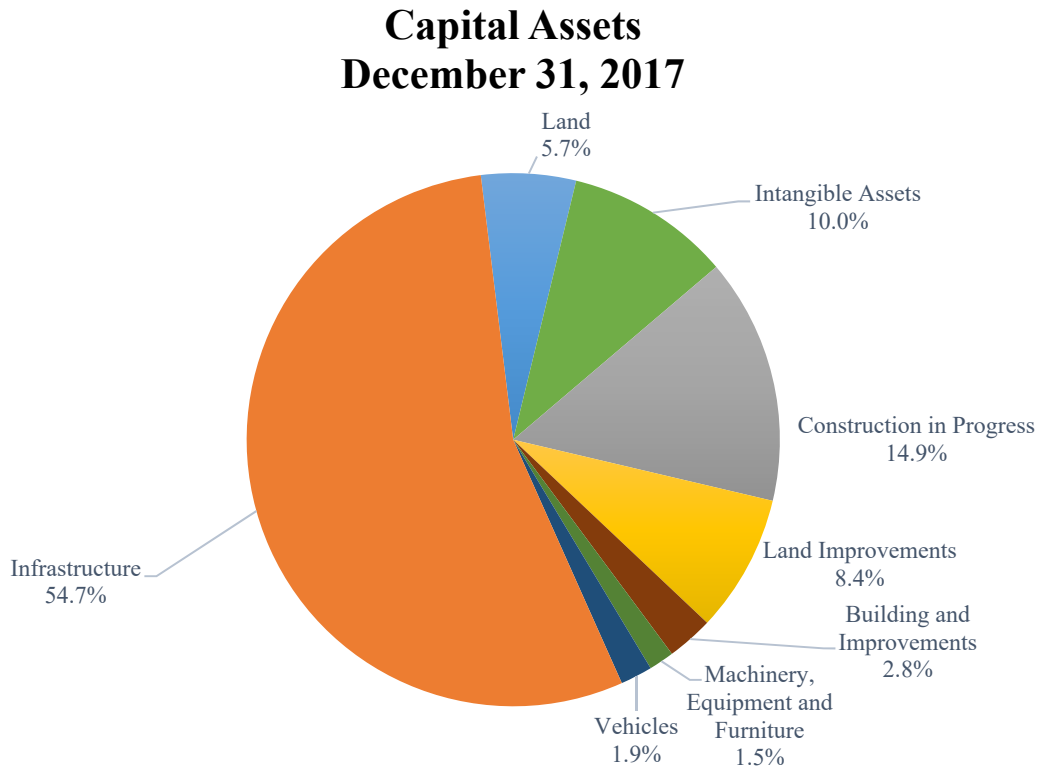
At the end of 2017, the City had approximately \$81.0 million (net of accumulated depreciation) invested in land, intangibles, land improvements, buildings and improvements, machinery, equipment and furniture, vehicles, and infrastructure, an increase of approximately \$10.3 million in comparison with the prior year. This increase represents the amount in which capital outlays and contributions, totaling approximately \$12.2 million, exceeded net disposals of \$38,220 and depreciation expense of \$1.9 million. The following table shows December 31, 2017 balances compared to December 31, 2016:

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

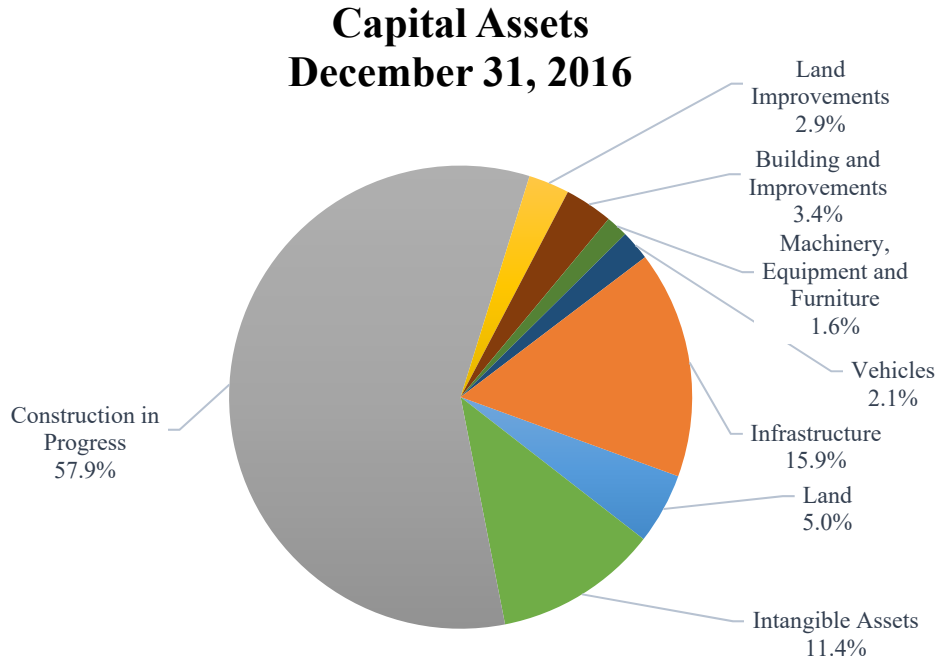
Capital Assets (Net of Depreciation) at December 31

	Governmental Activities	
	2017	Restated 2016
Land	\$ 4,650,797	\$ 3,504,684
Intangible Assets	8,081,023	8,081,023
Construction in Progress - as restated	12,085,568	40,949,105
Land improvements	6,771,196	2,027,525
Buildings and improvements	2,273,378	2,373,667
Machinery, equipment and furniture	1,243,362	1,100,050
Vehicles	1,567,678	1,481,728
Infrastructure	44,344,267	11,237,620
Total capital assets - governmental	\$ 81,017,269	\$ 70,755,402

The following graphs show the breakdown of governmental capital assets, net of accumulated depreciation, by category at December 31, 2017 and December 31, 2016. See Note 11 in the notes to the financial statements for more detail on the City's capital assets.



CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)



Debt Administration

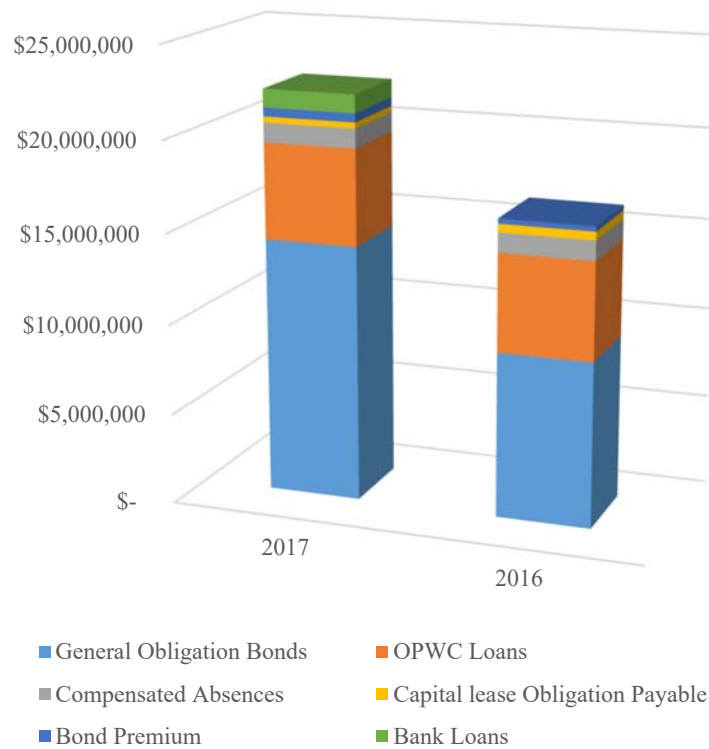
The City had the following long-term obligations outstanding at December 31, 2017 and December 31, 2016.

	<u>2017</u>	<u>2016</u>
OPWC loans	\$ 5,299,494	\$ 5,384,756
General obligation bonds	14,130,000	9,125,000
Bond premium	478,830	281,694
Capital lease obligation payable	326,314	460,929
Bank Loan	1,000,000	-
Compensated absences	1,066,324	1,081,326
Total long-term obligations	<u>\$ 22,300,962</u>	<u>\$ 16,333,705</u>

A comparison of the long-term obligations at December 31, 2017 versus December 31, 2016 by category is depicted in the chart below. See Note 13 in the notes to the financial statements for more detail on the City's long-term obligations.

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

Long-Term Obligations



Economic Conditions and Outlook

The City’s primary revenue source is a local income tax on residents and on Grandview-based businesses and their employees working in the City. In May 2010, taxpayers approved a permanent increase in the income tax rate to 2.5% effective July 1, 2010. This rate change in conjunction with ongoing economic development effort is a strong step forward for the City.

As reported over the last few years, the city has focused its economic development efforts on the 100-acre redevelopment called GRANDVIEW YARD. A development agreement with the developer, Nationwide Realty Investors (NRI), was approved at the end of 2009. The agreement established a tax increment financing district and put in place other economic development incentives. At the time, NRI agreed to construct what was then planned to be two (2) million sq. ft. of retail, office and entertainment space. At the time, the development was also planned to contain 800 residential units. City Officials welcomed the project as the development as planned was very consistent with the City’s planning efforts that expressed a preference for higher density mixed use development in a neighborhood setting.

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

Over the first half of 2014 the city of Grandview Heights and NRI renegotiated a new development agreement. In 2014 Nationwide Insurance Company announced that it was consolidating a number of offices and would bring approximately 3,000 associates to a new campus to be constructed in Grandview Yard. Nationwide Insurance Company has moved into the first two of four buildings it is constructing in Grandview Yard. The two buildings total 500,000 sq. ft. and have approximately 2,500 Nationwide associates at that location. It is expected that an additional 1,500 Nationwide associates will begin moving into two additional new buildings in the spring of 2018. To incentivize the prospect, the city pledged both the use of TIF Funds and a projected amount of income tax revenue generated by the project toward paying off the Urban Renewal Bond. This bond was taken out to fund the public improvements for the project.

Prior to approving the new agreement, the city retained TishlerBise Consultants to prepare a detailed fiscal impact analysis of the new plan. The consultants compared the city's projected service and capital impact with the projected property and income tax revenue stream. The study concluded that the project is more than fiscally sustainable and will provide the city with a revenue stream that may be used to maintain and improve the entire city.

As of the end of 2017, construction was complete on 500,000 square feet of office space for the Nationwide Insurance campus, 194,000 square feet of first class office for lease, 581 residential units, 261 hotel rooms, 10,000 square foot event center, four parking garages with a total of 3,500 parking spots, 16,000 square foot Hofbrauhaus restaurant. Under construction was two additional Nationwide Mutual Insurance Company office buildings, two mixed use apartment/retail buildings, an additional parking garage, single family homes and condominiums. Tenants of Grandview Yard include Nationwide Insurance, Ernst & Young CPAs, Northwestern Mutual, OSU Internal Medicine & Pediatrics, and Willis of Ohio.

Beyond Grandview Yard, the city had other economic development activity along Goodale Boulevard. Several properties on Goodale Boulevard are currently under construction or receiving significant renovation. An incentive agreement was entered with one new business during 2017.

Businesses tout the access to highway systems (Interstate 670 and State Route 315) along with the proximity to downtown Columbus and The Ohio State University as draws to city. Not only are businesses drawn to the city, property values continue to increase year over year creating a lucrative housing market in the city. The city's historic downtown remains vibrant and attracting new restaurants.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, 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 please contact Mr. Robert Dvoraczky, Director of Finance, City of Grandview Heights, 1016 Grandview Avenue, Grandview Heights, Ohio 43212.



The CITY of
GRANDVIEW HEIGHTS

BASIC FINANCIAL STATEMENTS

**CITY OF GRANDVIEW HEIGHTS, OHIO
FRANKLIN COUNTY**

STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2017

	Governmental Activities
Assets	
Equity in pooled cash and investments	\$ 14,666,667
Receivables (net of allowances for uncollectibles):	
Income taxes	2,921,331
Property and other taxes	2,428,714
Payments in lieu of taxes	6,418,743
Accounts	117,689
Accrued interest	15,907
Intergovernmental	2,305,701
Prepayments	196,789
Materials and supplies inventory	16,296
Net Pension Asset	7,845
Capital assets	
Non-depreciable	24,817,388
Depreciable	56,199,881
Total assets	110,112,951
Deferred Outflows of Resources:	
Pension	3,493,085
Total deferred outflows of resources	3,493,085
Liabilities	
Accounts payable	5,050,677
Accrued wages and benefits	265,945
Due to other governments	167,991
Retainage payable	217,026
Accrued interest payable	47,410
Long-term liabilities	
Due within one year	1,271,239
Due in more than one year	
Other amounts due in more than one year	21,029,723
Net pension liability	13,779,668
Total liabilities	41,829,679
Deferred Inflows of Resources:	
Property and other local taxes	2,053,481
Payments in lieu of taxes	6,418,743
Pension	136,825
Total deferred inflows of resources	8,609,049
Net Position	
Net investment in capital assets	61,660,243
Restricted for:	
Capital projects	91,110
Debt service	58,776
Street construction, maintenance and repairs	157,468
Fire/EMS	16,297
Parks and recreation	106,316
Court computer	9,174
Law enforcement	39,065
Other purposes	13,469
Unrestricted	1,015,390
Total net position	\$ 63,167,308

See accompanying notes to the basic financial statements.

**CITY OF GRANDVIEW HEIGHTS, OHIO
FRANKLIN COUNTY**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>		
Governmental activities:						
General government	\$ 4,436,675	\$ 926,345	\$ 33,409	\$ -	\$ (3,476,921)	
Security of persons and property	6,677,344	517,545	20,330	2,925	(6,136,544)	
Public health and welfare	59,232	173,651	-	-	114,419	
Transportation	2,225,865	57,884	308,126	1,690,388	(169,467)	
Leisure time activities	1,691,330	429,449	9,313	305,000	(947,568)	
Utility services	976,432	260,951	-	-	(715,481)	
Economic development	12,063,274	3,506	4,329,570	-	(7,730,198)	
Interest and fiscal charges	417,419	-	-	-	(417,419)	
Bond issuance costs	171,800	-	-	-	(171,800)	
Total governmental activities	<u>\$ 28,719,371</u>	<u>\$ 2,369,331</u>	<u>\$ 4,700,748</u>	<u>\$ 1,998,313</u>	<u>(19,650,979)</u>	
General Revenues:						
Property taxes levied for:						
General purposes						2,260,459
Police and fire pension						153,880
Parks and recreation improvements						64,104
Hotel and motel taxes						600,053
Payments in lieu of taxes						3,791,409
Income taxes for:						
General purposes						13,770,782
Capital improvements						724,778
Unrestricted grants and entitlements						1,207,044
Investment income						132,437
Insurance recoveries						17,949
Miscellaneous						377,413
Total general revenues						<u>23,100,308</u>
Change in net position						3,449,329
Net position at beginning of year, as restated						<u>59,717,979</u>
Net position at end of year						<u><u>\$ 63,167,308</u></u>

See accompanying notes to the basic financial statements.

CITY OF GRANDVIEW HEIGHTS, OHIO
FRANKLIN COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2017

	General Fund	Street Maintenance and Repair Fund	Grandview Yard TIF Fund	Parks and Recreation Improvement Fund
Assets:				
Equity in pooled cash and investments	\$ 10,421,521	\$ 1,483,813	\$ -	\$ 672,439
Receivables (net of allowances):				
Income taxes	2,775,265	-	-	-
Property and other taxes	2,194,474	-	-	77,613
Payments in lieu of taxes	-	-	6,418,743	-
Accounts	63,546	-	-	-
Accrued interest	15,907	-	-	-
Intergovernmental	257,161	108,437	-	4,400
Prepayments	196,789	-	-	-
Materials and supplies inventory	-	16,296	-	-
Total assets	<u>\$ 15,924,663</u>	<u>\$ 1,608,546</u>	<u>\$ 6,418,743</u>	<u>\$ 754,452</u>
Liabilities:				
Accounts payable	\$ 2,959,158	\$ 37,543	\$ -	\$ 91,797
Accrued wages and benefits	265,945	-	-	-
Due to other governments	167,991	-	-	-
Retainage payable	-	217,026	-	-
Total liabilities	<u>3,393,094</u>	<u>254,569</u>	<u>-</u>	<u>91,797</u>
Deferred Inflows of Resources:				
Property and other local taxes	1,872,898	-	-	53,113
Payments in lieu of taxes	-	-	6,418,743	-
Unavailable revenue	1,117,348	67,876	-	6,142
Total deferred inflows of resources	<u>2,990,246</u>	<u>67,876</u>	<u>6,418,743</u>	<u>59,255</u>
Fund Balances:				
Nonspendable:				
Inventory	-	16,296	-	-
Prepays	196,789	-	-	-
Unclaimed funds	1,011	-	-	-
Restricted:				
Capital Projects	-	-	-	603,400
Debt Service	-	-	-	-
Street construction, maintenance and repairs	-	1,269,805	-	-
Fire/EMS	-	-	-	-
Parks and recreation	-	-	-	-
Court computer	-	-	-	-
Law enforcement	-	-	-	-
Other purposes	-	-	-	-
Committed:				
Capital projects	-	-	-	-
Accrued leave payments	37,615	-	-	-
Assigned:				
Community events	21,548	-	-	-
General government	131,538	-	-	-
Security of Persons and Property	51,922	-	-	-
Transportation	131,026	-	-	-
Leisure Time Activities	11,491	-	-	-
Utility Services	4,580	-	-	-
Capital Outlay	26,165	-	-	-
Unassigned	8,927,638	-	-	-
Total fund balances	<u>9,541,323</u>	<u>1,286,101</u>	<u>-</u>	<u>603,400</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,924,663</u>	<u>\$ 1,608,546</u>	<u>\$ 6,418,743</u>	<u>\$ 754,452</u>

See accompanying notes to the basic financial statements.

Commerce District Grants Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 2,088,894	\$ 14,666,667
-	146,066	2,921,331
-	156,627	2,428,714
-	-	6,418,743
-	54,143	117,689
-	-	15,907
1,914,904	20,799	2,305,701
-	-	196,789
-	-	16,296
<u>\$ 1,914,904</u>	<u>\$ 2,466,529</u>	<u>\$ 29,087,837</u>
\$ 1,914,904	\$ 47,275	\$ 5,050,677
-	-	265,945
-	-	167,991
-	-	217,026
<u>1,914,904</u>	<u>47,275</u>	<u>5,701,639</u>
-	127,470	2,053,481
-	-	6,418,743
-	72,158	1,263,524
-	199,628	9,735,748
-	-	16,296
-	-	196,789
-	-	1,011
-	-	603,400
-	58,776	58,776
-	151,978	1,421,783
-	8,907	8,907
-	55,047	55,047
-	9,174	9,174
-	31,675	31,675
-	64,738	64,738
-	1,839,331	1,839,331
-	-	37,615
-	-	21,548
-	-	131,538
-	-	51,922
-	-	131,026
-	-	11,491
-	-	4,580
-	-	26,165
-	-	8,927,638
<u>-</u>	<u>2,219,626</u>	<u>13,650,450</u>
<u>\$ 1,914,904</u>	<u>\$ 2,466,529</u>	<u>\$ 29,087,837</u>

See accompanying notes to the basic financial statements.



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GRANDVIEW HEIGHTS

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**CITY OF GRANDVIEW HEIGHTS, OHIO
FRANKLIN COUNTY**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2017

Total Governmental Fund Balances	\$ 13,650,450
<i>Amounts reported for governmental activities in the statement of net position are different due to the following :</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	81,017,269
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	
Income taxes receivable	848,779
Property taxes receivable	67,340
Intergovernmental receivable	299,063
Accounts receivable - ambulance	43,500
Accounts receivable	1,053
Interest receivable	3,789
In the statement of activities interest is accrued on outstanding loans payable, whereas in governmental funds, interest expenditures are reported when due.	(47,410)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
Deferred outflows - pension	3,493,085
Deferred inflows - pension	(136,825)
Net pension asset	7,845
Net pension liability	(13,779,668)
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences payable	(1,066,324)
General obligation debt	(20,908,324)
Capital leases payable	(326,314)
Net Position of Governmental Activities	\$ 63,167,308

See accompanying notes to the basic financial statements.

CITY OF GRANDVIEW HEIGHTS, OHIO
FRANKLIN COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund	Street Maintenance and Repair Fund	Grandview Yard TIF Fund	Parks and Recreation Improvement Fund
Revenues:				
Municipal income taxes	\$ 12,372,886	\$ -	\$ 990,883	\$ -
Property and other taxes	2,407,172	-	-	364,035
Payments in lieu of taxes	-	-	3,791,409	-
Charges for services	1,300,872	-	-	-
Licenses and permits	586,131	-	-	-
Fines and forfeitures	65,924	-	-	-
Intergovernmental	3,616,384	269,815	-	7,230
Investment income	102,980	23,277	-	7,393
Contributions and donations	30,565	-	-	305,000
Other	318,493	-	-	-
Total revenues	<u>20,801,407</u>	<u>293,092</u>	<u>4,782,292</u>	<u>683,658</u>
Expenditures:				
Current:				
General government	3,835,747	-	-	-
Security of persons and property	5,548,748	-	-	-
Public health and welfare	59,232	-	-	-
Transportation	697,600	207,830	-	-
Leisure time activities	1,215,683	-	-	124,584
Utility services	736,441	-	-	-
Economic development	5,294,419	-	4,799,027	-
Capital outlay	23,620	3,919,213	-	4,573,890
Debt service:				
Principal retirement	-	58,501	-	235,000
Interest and fiscal charges	-	-	-	242,199
Bond issuance costs	-	-	-	171,800
Total expenditures	<u>17,411,490</u>	<u>4,185,544</u>	<u>4,799,027</u>	<u>5,347,473</u>
Excess (deficiency) of revenues over (under) expenditures	3,389,917	(3,892,452)	(16,735)	(4,663,815)
Other Financing Sources (Uses):				
Sale of capital assets	973	-	-	-
Issuance of loan	-	1,000,000	-	-
Insurance recoveries	17,949	-	-	-
Issuance of bond	-	-	-	5,500,000
Premium on bond issuance	-	-	-	208,704
Transfers in	-	335,000	-	576,000
Transfers out	(2,853,894)	-	-	-
Total other financing sources (uses)	<u>(2,834,972)</u>	<u>1,335,000</u>	<u>-</u>	<u>6,284,704</u>
Net change in fund balances	554,945	(2,557,452)	(16,735)	1,620,889
Fund balance at beginning of year	8,986,378	3,843,553	16,735	(1,017,489)
Fund balance at end of year	<u>\$ 9,541,323</u>	<u>\$ 1,286,101</u>	<u>\$ -</u>	<u>\$ 603,400</u>

See accompanying notes to the basic financial statements.

Commerce District Grants Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 703,357	\$ 14,067,126
-	303,666	3,074,873
-	-	3,791,409
-	387,975	1,688,847
-	-	586,131
-	6,609	72,533
1,914,904	806,438	6,614,771
-	564	134,214
-	5,127	340,692
-	15,339	333,832
<u>1,914,904</u>	<u>2,229,075</u>	<u>30,704,428</u>
-	305,228	4,140,975
-	173,935	5,722,683
-	-	59,232
-	176	905,606
-	16,410	1,356,677
-	45,304	781,745
1,914,904	10,109	12,018,459
-	2,751,582	11,268,305
-	566,192	859,693
-	166,275	408,474
-	-	171,800
<u>1,914,904</u>	<u>4,035,211</u>	<u>37,693,649</u>
-	(1,806,136)	(6,989,221)
-	51,771	52,744
-	144,816	1,144,816
-	-	17,949
-	-	5,500,000
-	-	208,704
-	1,942,894	2,853,894
-	-	(2,853,894)
-	<u>2,139,481</u>	<u>6,924,213</u>
-	333,345	(65,008)
-	1,886,281	13,715,458
<u>\$ -</u>	<u>\$ 2,219,626</u>	<u>\$ 13,650,450</u>

See accompanying notes to the basic financial statements.

**CITY OF GRANDVIEW HEIGHTS, OHIO
FRANKLIN COUNTY**

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Net Change in Fund Balances - Total Governmental Funds \$ (65,008)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlays	11,076,770
Depreciation expense	(1,871,501)

The effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations and disposals) is to increase net position.

Loss on disposal	(38,220)
Contributions and donations	1,094,818

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

298,761

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

1,101,311

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

(2,159,832)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Repayment of debt	859,693
Issuance of loan	(1,144,816)
Issuance of bond	(5,500,000)
Bond premium	(208,704)

Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of premium on bonds	11,568
----------------------------------	--------

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

Compensated absences	15,002
Accrued interest	(20,513)

Change in Net Position of Governmental Activities \$ 3,449,329

See accompanying notes to the basic financial statements.

**CITY OF GRANDVIEW HEIGHTS, OHIO
FRANKLIN COUNTY**

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
AS OF DECEMBER 31, 2017

	Agency Funds
Assets	
Cash in segregated accounts	\$ 194,015
Income taxes receivable	530,924
Total assets	<u>\$ 724,939</u>
Liabilities	
Due to others	\$ 724,939
Total liabilities	<u>\$ 724,939</u>

See accompanying notes to the basic financial statements.



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GRANDVIEW HEIGHTS

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CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 1 – REPORTING ENTITY

The City of Grandview Heights, Franklin County, Ohio, (the “City”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The City is a home rule municipal corporation established under the laws of the State of Ohio that operates under its own Charter. The current Charter, which provides for a mayor-council-administrator form of government, was adopted by the electorate March 7, 2000 and became effective July 1, 2000. It replaced the original Charter, which was adopted by the electorate July 28, 1931 and became effective January 1, 1932. The City provides the following services to its residents: public safety, public service, parks and recreation, and building and zoning. The City is also responsible for the construction, maintenance and repairs associated with the water and sewer lines, while the City of Columbus provides water and sewer treatment services. City Council and the Mayor have direct responsibility for these activities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements 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 most significant of the City’s accounting policies are described below.

(a) Reporting Entity

For financial reporting purposes, the City’s basic financial statements include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization’s Governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s basic financial statements to be misleading or incomplete. Based on these criteria, the City has no component units.

The City provides various services including police and fire protection, emergency medical, recreation (including parks), planning, zoning, street maintenance and repair, trash removal, and general administrative services. The operation of each of these activities is directly controlled by the Council through the budgetary process. None of these services are provided by a legally separate organization; therefore, these operations are included in the primary government. Additionally, the Grandview Heights Mayor's Court and the Clinton-Grandview Heights Joint Economic Development Zone (JEDZ) have been included in the City's financial statements as agency funds. The Mayor is an elected City official who has a fiduciary responsibility for the collection and distribution of court fees and fines, and the City Finance Director is the fiscal agent for the Clinton-Grandview Heights JEDZ.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Based on the foregoing criteria, the financial activities of the following organizations have been reflected in the accompanying financial statements as follows:

JOINTLY GOVERNED ORGANIZATIONS

Franklin County General Health District: The Franklin County General Health District (the “District”) provides health services to citizens within the County, including the City. The Board of Health, with representatives from throughout the County, oversees the operation of the District. The City contributed \$54,118 during 2017 for the operation of the District. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority and the County Auditor and Treasurer serve as fiscal officers.

Mid-Ohio Regional Planning Commission: The Mid-Ohio Regional Planning Commission (MORPC) provides innovative solutions to 48 local governments. The City contributed \$3,915 to MORPC during 2017. The City does not have any financial interest in or responsibility for the Commission. The Board of MORPC is made up of representatives from its participating governments. The City had a council member serve on the Board in 2017.

Clinton-Grandview Heights Joint Economic Development Zone: The City and Clinton Township (Township) entered into a Contract to establish the Clinton- Grandview Heights Joint Economic Development Zone (JEDZ) to facilitate new and expanded growth for commercial and economic development in the State. The agreement became effective March 17, 2014, and will terminate on December 31, 2043, with an automatic renewal to terminate simultaneously with the JEDZ Contract if the JEDZ Contract is renewed by the Township and the City. The JEDZ is administered by a six-member Board consisting of three members appointed by the City and three members appointed by the Township for a term of two years. The JEDZ may sue and be sued, and has the power to enter into contracts for the provision of services within the JEDZ. The Board is allocated 2 percent of the net revenues for services and obligations each calendar year. The Board has entered into an Income Tax Agreement with the City to administer and collect the income tax on behalf of the JEDZ (see Note 8 for detail). Upon the termination or nonrenewal of this Contract, the JEDZ Board shall continue to exist for the sole purpose of winding up the business affairs of the JEDZ, collecting outstanding JEDZ income tax, and liquidating any property and assets of the JEDZ. Upon dissolution, funds and assets remaining will be divided 80 percent to the City and 20 percent to the Township.

(b) Basis of Presentation - Fund Accounting

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

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of net position presents the financial condition of the governmental 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. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or drawn 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 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. 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. The City has two categories of funds: governmental 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 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. The following is the City's major governmental funds:

General Fund - This fund accounts for all financial resources except those required to be accounted for in another fund.

Street Construction, Maintenance and Repair Fund - This fund accounts for the portion of State gasoline tax and motor vehicle registration fees designated for the maintenance of the streets within the City.

Grandview Yard Tax Increment Equivalent (TIF) Fund - This fund accounts for all receipts and disbursements of assigned service and payments in lieu of taxes in accordance with the Grandview Yard Development Agreement.

Parks and Recreation Improvement Fund - This fund accounts for monies received for improvements to parks and recreational facilities.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Commerce District Grants Fund- This fund accounts for grants awarded to the City related to the rehabilitation and development of the Grandview Yard, except for Clean Ohio Remediation Funds.

Other governmental funds of the City are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities; and (c) grants and other resources whose use is restricted to a particular purpose.

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

(d) Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position.

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, deferred outflows of resources, 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.

(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. Agency 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 unavailable revenue 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, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days of year end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, payment in lieu of tax, 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 7). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). 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, licenses and permits and charges for services.

Deferred Outflows/Inflows of Resources - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pensions. The deferred outflows of resources related to pension are explained in Note 16.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, and unavailable revenue. Property taxes and payments lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance year 2018 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, grants and entitlements, and other revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide Statement of Net Position (See Note 16).

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

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Data

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 appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. For all funds, Council appropriations are made at the object level within each department. This is known as the legal level of budgetary control. Budgetary modifications may only be made by resolution of the City Council at the legal level of budgetary control. All funds, other than the agency fund, are legally required to be budgeted and appropriated.

Tax Budget - Alternative tax budget information of estimated revenue and expenditures for all funds is submitted to the Franklin 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.

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources.

The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include encumbrances and cash balances at December 31 of the preceding year. The certificate may be further amended during the year if the City Director of Finance determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statement reflect the amounts in the original and final amended official certificate of estimated resources issued during 2017.

Appropriations - A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the object level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The appropriations for a fund may only be modified during the year by an ordinance of Council. The amounts on the budgetary statement reflect the original and final appropriation amounts, including all amendments and modifications legally enacted by Council.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbrances are carried forward and are not reappropriated as part of the subsequent year appropriations.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Cash and Investments

Except for cash in segregated accounts, cash balances of the City's funds are pooled and invested in investments maturing within five years in order to provide improved cash management. Individual fund integrity is maintained through City records. Each fund's interest in the pooled bank account is presented as "equity in pooled cash and investments" on the financial statements.

During 2017, investments were limited to negotiable certificates of deposit, federal agency securities, and STAR Ohio. Negotiable certificates of deposit and federal agency securities are reported at fair value which is based on quoted market prices.

During fiscal year 2017, the City invested in the State Treasury Asset Reserve of Ohio (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 their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For the fiscal year 2017, there were no limitation 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.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal year 2017 amounted to \$102,980 which includes \$7,721, \$9,971, and \$25,964 assigned from the street construction and maintenance fund, parks and recreation improvement fund, and non-major special revenue funds, respectively.

The City has segregated bank accounts for the Mayor's Court and the Clinton-Grandview Heights JEDZ monies held separate from the City's central bank account. These interest-bearing depository accounts are presented in the financial statements as "cash in segregated accounts" since they are not required to be deposited into the City treasury. For purpose of presentation on the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered cash equivalents. Investments with an initial maturity of more than three months are reported as investments. An analysis of the City's investment account at year end is provided in Note 3.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Capital Assets

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 governmental fund financial statements.

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 for land improvements, \$10,000 for buildings and improvements, \$2,500 for equipment and vehicles and \$15,000 for infrastructure. The City has determined all land will be capitalized regardless of the dollar amount. The City’s infrastructure consists of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. 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.

All reported capital assets, except land, intangibles, and construction in progress, are depreciated. 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 in the governmental activities over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	15 - 20 years
Buildings and improvements	10 - 50 years
Machinery and equipment	3 - 20 years
Vehicles	6 - 15 years
Infrastructure	20 - 75 years

(i) Compensated Absences

The liability for compensated absences is based on the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”. Vacation benefits and compensatory time are accrued as liabilities as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31, 2017 by those employees who are currently eligible to receive termination (severance) payments, as well as, the sick leave accumulated by those employees expected to become eligible to receive termination (severance) benefits in the future.

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

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

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

(k) Inventories of Materials and Supplies

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

In the governmental funds, inventories are offset by a nonspendable fund balance account to indicate that they do not constitute available financial resources and therefore are not available for appropriation.

Inventory consists of expendable supplies held for consumption.

(l) Prepaid Items

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

(m) Interfund Activity

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements. Interfund activity between governmental funds is eliminated in the statement of activities.

(n) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Fund Balance

GASB Statement No. 54, *Fund Balance Reporting* became effective for years beginning after June 15, 2010. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

In accordance with this guidance, the City classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The City may use the following categories:

Nonspendable - resources that are not in a spendable form (inventory, prepaids, and advances) or have legal or contractual requirements to maintain the balance intact (unclaimed funds).

Restricted - resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed - resources that can be used only for specific purposes pursuant to constraints imposed by formal action (resolution) of the City's highest level of decision-making authority (City Council).

Assigned - resources that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. This includes the residual balance of all governmental funds other than the General Fund that were not classified elsewhere above. Assigned amounts represent intended uses established by City Council.

Unassigned - residual fund balance within the General Fund not classified elsewhere above and all other governmental fund balances which have a negative fund balance.

The City applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted fund balance/net position are available. The City considers committed, assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

(p) Estimates

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

(q) Contributed Capital

Contributions of capital 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 program revenue in the statement of activities.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Extraordinary and Special Items

Extraordinary items or transactions of 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 are either unusual in nature or infrequent in occurrence. The City had no extraordinary or special items during the fiscal year.

(s) Net Position

Net position represents the difference between assets, liabilities, and deferred inflows/outflows 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 their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The net position restricted for other purposes primarily represents monies restricted for the Grandview Center improvements.

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

NOTE 3 – 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 Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security 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.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 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 division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

The City may also invest any monies not required to be used for a period of six months or more in (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 Director of Finance by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys 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. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Director of Finance, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

(a) Cash on Hand

At year end, the City had \$1,000 in undeposited cash on hand which is included on the financial statements of the City as part of "equity in pooled cash and investments".

(b) Cash in Segregated Accounts

At year end, the City had \$3,075 and \$190,940 deposited with financial institutions for monies related to the Mayor's Court and the Clinton-Grandview Heights JEDZ, respectively, which are reported as agency funds. This amount was covered by the FDIC and is included in the City's depository balance detailed in Note 4.C.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

(c) Deposits with Financial Institutions

At December 31, 2017, the carrying amount of all City deposits was \$4,401,296 and the bank balance was \$4,548,113. FDIC covered \$690,940 of the bank balance. In addition, as noted above, the City held \$1,000 in petty cash at year-end.

Custodial credit risk is the risk that, in the event of bank failure, the City’s deposits may not be returned. Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in addition to amounts insured by the FDIC, or may pledge a single pool of collateral for the benefit of every depositor via the Ohio Pooled Collateral Program administered by the Treasurer of State. Specific collateral must equal or exceed 105% of the carrying value of assets, whereas pooled collateral must equal or exceed 102% or lesser amount as determined by the Treasurer of State. 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.

(d) Investments

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

Investment Type	Amount	Investment Maturities		
		1 year or less	1 to 3 years	Greater than 3 years
Negotiable CD's	\$ 3,890,368	\$ 1,532,954	\$ 1,426,302	\$ 931,112
GNMA	77	-	-	77
STAR Ohio	6,567,941	6,567,941	-	-
Total	\$ 10,458,386	\$ 8,100,895	\$ 1,426,302	\$ 931,189

The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. The City measures all other investments at fair value. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the City’s investments reported at fair value are valued using quoted market prices (Level 1 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the City’s investment policy limits investment portfolio maturities to five years or less.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Credit Risk: The City’s investments in negotiable certificates of deposit are not rated. The City’s investment in federal agency securities is rated AAA by Standard & Poor’s. The City’s investment in STAR Ohio is rated AAAM by Standard & Poor’s. The City has no investment policy that would further limit its investment choices.

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 investment or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee.

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2017:

<u>Investment Type</u>	<u>Amount</u>	<u>% of Total</u>
Negotiable CD's	\$ 3,890,368	37.20%
GNMA	77	0.00%
STAR Ohio	6,567,941	62.80%
Total	<u>\$ 10,458,386</u>	<u>100%</u>

(e) 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, 2017:

Cash and Investments Per Note

Carrying Amount of Deposits	\$ 4,401,296
Investments	10,458,386
Cash on Hand	1,000
Total	<u>\$ 14,860,682</u>

Cash and Investments Per Statements of Net Position

Governmental Activities	\$ 14,666,667
Agency Funds	194,015
Total	<u>\$ 14,860,682</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 4 – INTERFUND BALANCES AND TRANSFERS

(a) Interfund Balances

Interfund balances at December 31, 2017 as reported on the Governmental Funds Balance Sheet, consist of the following individual interfund loans receivable and payable:

<u>Fund</u>	<u>Beginning Balance</u>	<u>New Advances</u>	<u>Advance Repayments</u>	<u>Ending Balance</u>
General	\$ 3,543,478	\$ -	\$ (3,543,478)	\$ -
Parks and Recreation	(3,543,478)	-	3,543,478	-

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by December 31. These interfund balances will be repaid once the anticipated revenues are received.

The interfund balance is expected to be repaid within one year. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

(b) Interfund Transfers

A schedule of interfund transfers during the year is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 2,853,894
Street Maintenance & Repair	335,000	-
Parks & Recreation Improvements	576,000	-
Capital Projects	1,407,000	-
Debt Service	535,894	-
Total Transfers	<u>\$ 2,853,894</u>	<u>\$ 2,853,894</u>

Transfers are used to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in accordance with Ohio Revised Code.

NOTE 5 – RECEIVABLES

Receivables at December 31, 2017 consisted of income taxes, real and other taxes, payments in lieu of taxes, accounts (billings for user charged services), accrued interest and intergovernmental receivables arising from grants, entitlements, and shared revenue. Receivables have been recorded to the extent that they are measurable at December 31, 2017.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 5 – RECEIVABLES (Continued)

A summary of the items of receivables reported on the statement of net position follows:

Governmental Activities:

Income taxes	\$ 2,921,331
Property and other local taxes	2,428,714
Payment in lieu of taxes	6,418,743
Accounts	117,689
Accrued Interest	15,907
Intergovernmental	2,305,701

Receivables have been separately identified on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

NOTE 6 – PROPERTY TAXES

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. 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 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. 2017 public utility property taxes became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City. 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, 2017 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unavailable revenue since the current taxes were not levied to finance 2017 operations and the collection of delinquent taxes has been offset by unavailable revenue 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.

The full tax rate for all City operations for the year ended December 31, 2017 was \$10.15 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2017 property tax receipts were \$330,650,450 and \$10,540,870, respectively.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 7 – LOCAL INCOME TAXES

The City’s primary revenue source is a local income tax on residents and on Grandview-based businesses and their employees working in the City. Residents voted in May 2005 to approve a temporary increase in the City’s income tax rate from 2.0% to 2.5%. The temporary tax increase began to sunset in 2009 as voted, and a 2.25% rate was in effect for calendar year 2009. In May 2010, taxpayers voted to increase the income tax rate to 2.5% as of July 1, 2010. This rate change in conjunction with ongoing economic development effort is a strong step forward for the City. Residents of the City are granted a credit of 100% for taxes paid to other municipalities, not to exceed a maximum of 2.50% of earnings.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a final return annually. The Regional Income Tax Agency (RITA) administers and collects income taxes for the City. Payments, net of a 3% collection fee, are remitted monthly for tax revenues received by RITA in the prior month.

Income tax revenue is credited to the General fund, Grandview Yard TIF fund, and General Improvement fund and totaled \$12,372,886, \$990,883, and \$703,357 in 2017, respectively.

NOTE 8 – JOINT ECONOMIC DEVELOPMENT ZONE REVENUES

The City receives intergovernmental revenue from the Clinton-Grandview Height Joint Economic Development Zone (JEDZ). The Clinton-Grandview Heights JEDZ has adopted a current income tax rate of 2.5 percent, which is equal to the rate being levied by the City. The Clinton-Grandview Heights JEDZ is required to pay RITA a collection fee equal to 3% of gross revenues and the City an administration and collection fee equal to 2% of gross revenues. In addition, the Clinton-Grandview Heights JEDZ agrees to reimburse the City for any reasonable and necessary costs. The remaining net revenues will be allocated as follows: 10 percent to the Township and 90 percent to the City. The 90 percent allocated to the City will be allocated as follows: 77.78 percent to the Township and 22.22 percent to the City.

Administration and collection fees received by the City during the year totaled \$72,307 and intergovernmental revenue credited to the City’s General Fund totaled \$3,091,484, of which \$2,404,557 was expended to Clinton Township.

NOTE 9 – GRANDVIEW YARD FINANCING AND DEVELOPMENT

The City, pursuant to the Ohio Revised Code and City ordinances, has established a Tax Increment Financing (TIF) District for the Grandview Yard site. A TIF District represents a geographic area wherein property values created after the commencement date of the TIF District are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as “payments in lieu of taxes (PILOT)”, as though the TIF District had not been established.

These “PILOTS” are then dedicated to the payments for various public improvements within or adjacent to the TIF District. Property values existing before the commencement date of a TIF District continue to be subjected to property taxes.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 9 – GRANDVIEW YARD FINANCING AND DEVELOPMENT (Continued)

The TIF District has a longevity of the shorter period of 30 years or until the public improvements are paid for. The property tax exemption then ceases; PILOT’s cease and property taxes then apply to the increased property values. In exchange for approving this tax exemption, the City entered into an agreement with the Grandview Heights City School District to compensate for a portion of lost property tax revenue. These payments are to be made from the service payments received in lieu of property taxes.

On December 1, 2009, the City entered into a Cooperative Agreement with the Columbus-Franklin County Finance Authority (the “Issuer”) and NRI Equity Land Investments, LLC (the “Developer”), to finance and develop the Grandview Yard. Pursuant to the Cooperative Agreement, as amended, the Issuer has agreed to issue bonds up to an amount not to exceed \$145 million to finance costs of the public improvements and has appointed the Developer as its construction agent for the construction of the improvements. The public improvements generally consist of:

1. The construction of one or more surface parking lots or parking structures and related improvements, together with all appurtenances thereto;
2. The construction, reconstruction, extension, opening, improving, widening, grading, draining, curbing or changing of the lines and traffic patterns of roads, highways, streets, railways, bridges (including roadway, railway and pedestrian), existing roadways adjacent to and providing ingress and egress to the TIF Site or to the Grandview Yard Site, sidewalks, bikeways, medians and viaducts and providing lighting systems along with all other appurtenances therefore;
3. The construction or reconstruction of one or more public green spaces, including grading, trees, plantings, park accessories and related improvements, together with all appurtenances thereto;
4. The construction or installation of streetscape improvements including trees, tree grates, curbs, sidewalks, street and sidewalk lighting, trash receptacles, benches, newspaper racks, burial of overhead utility lines and related improvements, together with all appurtenances, thereto; design and traffic studies preliminary to the foregoing;
5. Designing, engineering, constructing, and improving the new infrastructure for electric, gas, telephone, and cable services, including aid to construction fees for gas, aid to construction fees for electric, with related site improvements and appurtenances thereto; and
6. The acquisition of real estate or interests in real estate, including right-of-ways, necessary to accomplish the improvements enumerated in numbers 2 through 5, above.

Cost estimates for these public improvements are as follows:

	Cost Estimate
Public improvements within the Grandview Yard Site	\$ 48,000,000
Public improvements - offsite	31,000,000
Parking structures	62,500,000
Right-of-way acquisition	12,500,000
Green space and other public improvements	4,000,000
Total public improvements	\$ 158,000,000

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 9 – GRANDVIEW YARD FINANCING AND DEVELOPMENT (Continued)

The estimated costs, above, include approximately \$14.8 million in public improvements related to a Tax Increment Financing District established by the City of Columbus related to the Third Avenue Widening Project (\$1.3 million), public infrastructure improvements in the Third Avenue/Olentangy River Road Corridor (\$11 million) and Third Avenue storm sewer improvements (\$2.5 million). The City of Columbus has consented to the issuance of bonds and has pledged service payments and property tax rollback payments to pay the costs of said improvements.

All other estimated costs relate to the City's TIF District. The City has also consented to the issuance of bonds and has pledged and assigned to the Issuer available income taxes generated by the Grandview Yard Site and Urban Renewal and TIF service payments (payments in lieu of property taxes) generated by the improvements. Assigned income taxes will continue to be pledged until the earlier of the date in which the debt service is paid in full or December 31, 2054 and assigned service payments will continue to be pledged until the earlier of date in which the debt service is paid in full or December 31, 2059.

On December 22, 2009, the Issuer issued \$12 million in Public Infrastructure TIF and Income Tax Revenue Bonds (Series 2009A) to finance Phase 1a and 1b of the Grandview Yard Project. The bonds bear an interest rate of 6.02% payable on June 1 and December 1 of each year. The bonds are subject to mandatory redemption, in whole or in part, on each interest payment date from assigned funds. Unless otherwise retired by earlier redemption, the bonds mature, together with interest on the unpaid principal balance thereof on December 21, 2039.

On July 23, 2014, the Issuer issued \$107 million in Public Infrastructure Revenue Obligation TIF and Income Tax Revenue Bonds (Series 2014A) to finance infrastructure improvements for the remaining phases of the Grandview Yard development. The bonds bear an interest rate of 6.17% payable on June 1 and December 1 of each year. The bonds are subject to mandatory redemption, in whole or in part, on each interest payment date from assigned funds. Unless otherwise retired by earlier redemptions, the bonds mature, together with interest on the unpaid principal balance thereof on July 23, 2044.

On August 28, 2017, the Issuer issued \$14.7 million in Public Infrastructure Revenue Obligation TIF and Income Tax Revenue Bonds (Series 2017A) to finance infrastructure improvements for the remaining phases of the Grandview Yard development. The bonds bear an interest rate of 4.84% payable on June 1 and December 1 of each year. The bonds are subject to mandatory redemption, in whole or in part, on each interest payment date from assigned funds. Unless otherwise retired by earlier redemptions, the bonds mature, together with interest on the unpaid principal balance thereof on August 28, 2047.

During 2017, the City received \$3,791,409 in PILOT revenue related to the TIF District, of which \$820,282 was paid to the Grandview Heights City School District, \$2,878,701 was distributed to the Issuer for principal and interest payments, \$18,008 was distributed to the Grandview Public Library and \$74,418 was deducted by Franklin County for Auditor and Treasurer fees and refunds.

The City has paid \$4,541,794 and \$1,920,043 in PILOTS and Income Tax, respectively, to the Debt Trustee as of December 31, 2017.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 10 – TAX ABATEMENTS

Economic Development Incentive Program

Description – Under the authority of Ordinance 2004-32, City Code Chapter 159 and City Code Section 181.131 / 183.03 (F)(9), the City established its Economic Development Incentive Program in 2004 to foster the growth, development and maintenance of economic activities within the City for the purpose of retaining and creating jobs and employment opportunities and improving the economic welfare of the City. The specific tax being abated is the income tax, which is rebated by the City via check. For this abatement, no intergovernmental revenue is related and the agreements will not be disclosed individually since there are currently 28 active agreements. Also, the City will not be disclosing individual company tax incentive payments pursuant to ORC 718.13.

The gross dollar amount for this abatement during 2017 is \$2,500,000. This is payable as of year-end.

Requirements for Eligibility – In order for a recipient to be eligible to receive this tax abatement, the following requirements must be met:

1. The business entity’s project is economically sound and will benefit the people of the community by increasing opportunities for employment and strengthening the economy of the community.
2. The business entity will effectively maximize or commit to maximize the density of employment at one or more of the community’s vacant or under-utilized buildings.
3. Application for the inducement is made before the business entity purchases or improves a property under consideration for an inducement, and receiving the inducement is a major factor in the business entity’s decision to go forward with the project.
4. The project will not result in unanticipated and unfunded public service needs.
5. The site from which the employment positions would be relocated is inadequate to meet market and industry conditions, expansion plans, consolidation plans, or business considerations affecting the business entity.
6. The legislative authority of the county, township or municipal corporation from which the employment positions would be relocated has been notified of the proposed relocation.

Recipient Commitment – The company is committed to increasing the City’s income tax revenue by expanding operations with the City or relocating to the City.

Provisions for recapturing abated taxes – Companies may be required to refund to the City all or part of the credits received pursuant to the agreement.

Other City Commitments – For the Grandview Yard properties, beginning in 2014, the City has also pledged an amount equal to 25 percent of net income tax from the Grandview Yard businesses for payment of debt service on TIF bonds. This percentage increases to 45 percent for 2018-2022, and then to 55 percent until the bonds are paid off.

Grandview Heights CRA

Description – Under the authority of ORC 3735.65 – 3735.70 called “Grandview Heights CRA” the City implemented a community reinvestment area program in 1998. Further in 2010, the City implemented a community reinvestment area program within an area of the City generally known as “Grandview Yard”.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 10 – TAX ABATEMENTS (Continued)

Legislation established that the remodeling of existing and construction of the new structures within these CRA's constituted a public purpose for which real property tax exemptions may be granted.

The specific tax being abated is the property tax. These taxes are abated through a reduction in assessed value. For the Grandview Heights CRA, residential has a tax exemption on 50 percent of the increase in assessed valuation resulting from remodeling for a period of 10 years. Commercial and industrial under the Grandview Heights CRA require a negotiated agreement with City Council. For Grandview Yard, assessed values are reduced 50 percent, 25 percent, and 75 percent for Residential, Commercial Office, and Commercial Hotel, respectively.

There is no intergovernmental revenue related to this tax abatement. However, the City does have a revenue sharing agreement with the Grandview Heights City School District (the "District") for one of the active abatements. As part of this agreement, the City pays the District their share of the abated taxes.

The abated market value of the parcels for tax year 2017 is \$67,904,600.

The City will not be disclosing these abatement agreements individually. The City will also not be disclosing the individual company tax incentive payments pursuant to ORC 718.13.

Requirements for Eligibility for Grandview Heights CRA – Exemptions from real property taxes for improvements to real property may be granted to the following classes for the following periods:

1. For the remodeling of residential structures containing at least four dwelling units upon which the cost of remodeling is at least \$25,000 per dwelling unit for maximum period of 10 years.
2. For the remodel of commercial or industrial structures upon which the cost of remodeling is at least \$100,000 for a maximum period of 12 years.
3. For the new construction of multi-family residential structures of at least 10 dwelling units, commercial or industrial structure for a maximum of 15 years.

Requirements for Eligibility for Grandview Yard CRA – Exemptions from real property taxes for improvements to real property may be granted to the following classes for the following periods:

1. For each parcel of real property on which a structure used or to be used as commercial office space is remodeled at a cost of at least \$100,000, an exemption for a maximum period of 12 years at a rate not to exceed 25 percent of the increase in assessed value of such parcel as a result of such remodeling.
2. For each parcel of real property on which a structure used or to be used as a commercial hotel is remodeled at a cost of at least \$100,000, an exemption for a maximum of period of 12 years at a rate not to exceed 75 percent of the increase in assessed value of such parcel as a result of such remodeling.
3. For each parcel of real property on which a structure used or to be used as a commercial multiunit residential structure is remodeled at a cost of at least \$100,000, an exemption for a maximum period of 12 years at a rate not to exceed 50 percent of the increase in assessed value of such parcel as a result of such remodeling.
4. For each parcel of real property on which a structure to be used as commercial office space is constructed, an exemption for a maximum period of 15 years at a rate not to exceed 25 percent of the increased value of such parcel as a result of such construction.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 10 – TAX ABATEMENTS (Continued)

5. For each parcel of real property on which a structure to be used as a commercial hotel is constructed, an exemption for a maximum period of 15 years at a rate not to exceed 75 percent of the increase in assessed value of such parcel as a result of such construction.
6. For each parcel of real property on which a structure used or to be used as a commercial multiunit residential structure is constructed, an exemption for a maximum period of 15 years at a rate not to exceed 50 percent of the increase in assessed value of such parcel as a result of such construction.

Recipient Commitment – The company is committed to purchasing, remodeling, and/or constructing properties within the CRA that will improve property value and bring jobs to the City.

Provisions for recapturing abated taxes – There are no provisions for recapturing abated taxes as each abatement is reviewed by the Tax Incentive Review Council on an annual basis. Abatements may be cancelled if property owners are not in compliance with their Reinvestment Area Agreement.

Other City Commitments – For the Grandview Yard properties, beginning in 2014, the City has also pledged an amount equal to 25% of net income tax from the Grandview Yard businesses for payment of debt service on TIF bonds. This percentage increases to 45% for 2018-2022, and then to 55% until the bonds are paid off.

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CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 11 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

<i>Governmental Activities</i>	Beginning Balance	Prior Period Adjustment	Beginning Balance	Additions	Deductions	Transfers	Ending Balance
Nondepreciable Capital Assets							
Land	\$ 3,504,684	\$ -	\$ 3,504,684	\$ 1,146,113	\$ -	\$ -	\$ 4,650,797
Intangible	8,081,023	-	8,081,023	-	-	-	8,081,023
Construction in Progress	41,213,554	(264,449)	40,949,105	10,252,390	-	(39,115,927)	12,085,568
Total Nondepreciable Assets	52,799,261	(264,449)	52,534,812	11,398,503	-	(39,115,927)	24,817,388
Depreciable Capital Assets							
Land Improvements	2,531,034	-	2,531,034	112,728	-	4,869,620	7,513,382
Buildings and Improvements	3,837,556	-	3,837,556	4,890	-	-	3,842,446
Machinery, Equipment and Furniture	1,886,997	-	1,886,997	329,569	(95,175)	-	2,121,391
Vehicles	3,272,276	-	3,272,276	325,898	(232,964)	-	3,365,210
Infrastructure	14,258,357	-	14,258,357	-	-	34,246,307	48,504,664
Total Depreciable Assets	25,786,220	-	25,786,220	773,085	(328,139)	39,115,927	65,347,093
Less accumulated depreciation							
Land Improvements	(503,509)	-	(503,509)	(238,677)	-	-	(742,186)
Building and Improvements	(1,463,889)	-	(1,463,889)	(105,179)	-	-	(1,569,068)
Machinery, Equipment and Furniture	(786,947)	-	(786,947)	(157,462)	66,380	-	(878,029)
Vehicles	(1,790,548)	-	(1,790,548)	(230,523)	223,539	-	(1,797,532)
Infrastructure	(3,020,737)	-	(3,020,737)	(1,139,660)	-	-	(4,160,397)
Total accumulated depreciation	(7,565,630)	-	(7,565,630)	(1,871,501)	289,919	-	(9,147,212)
Depreciable Capital Assets, Net of accumulated depreciation	18,220,590	-	18,220,590	(1,098,416)	(38,220)	39,115,927	56,199,881
Total Capital Assets, Net	\$ 71,019,851	\$ (264,449)	\$ 70,755,402	\$ 10,300,087	\$ (38,220)	\$ -	\$ 81,017,269

Depreciation expense was charged to the governmental functions as follows:

General Government	\$ 22,672
Security of Persons and Property	225,785
Transportation	1,234,524
Leisure Activities	242,463
Utility Services	101,242
Economic Development	44,815
Total depreciation expense	\$ 1,871,501

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CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 12 – CAPITALIZED LEASES – LESSEE DISCLOSURE

During 2014, the City entered into a capitalized lease for the purchase of a fire truck, which was accounted for in the general improvement nonmajor governmental fund. The lease has an interest rate of 2.1 percent and will be repaid in full in 2019. The lease will be paid from the City’s general improvement fund.

A capital asset for the fire truck has been capitalized in the amount of \$449,012. This amount represents the present value of minimum lease payments at the time of acquisition plus \$1,753 in additional expenses. Accumulated depreciation as of December 31, 2017 was \$97,286, leaving a current book value of \$351,726. A corresponding liability was recorded in the government-wide financial statement.

During 2016, the City entered into a capitalized lease for the purchase of an ambulance, which was accounted for in the general improvement nonmajor governmental fund. The lease has an interest rate of 2.23 percent and will be repaid in full in 2020. The lease will be paid from the City’s general improvement fund.

A capital asset for the ambulance has been capitalized in the amount of \$234,018. This amount represents the present value of minimum principal payments at the time of the acquisition. Accumulated depreciation as of December 31, 2017 was \$61,755, leaving a current book value of \$172,263. A corresponding liability was recorded in the government-wide financial statement.

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

Year	Governmental Activities
2018	\$ 144,071
2019	144,071
2020	49,411
Total Minimum Lease Payments	337,553
Less Amount Representing Interest	(11,239)
Present Value of Minimum Lease Payments	\$ 326,314

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CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 13 – LONG TERM LIABILITIES

(a) Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities of the governmental activities for the year ended December 31, 2017:

	Balance	Additions	Reductions	Balance	One Year
OPWC Loans:					
CC12B OPWC Loan 0%	\$ 65,227	\$ -	\$ (14,495)	\$ 50,732	\$ 14,495
CC10C OPWC Loan 3%	90,048	-	(18,981)	71,067	19,555
CC03C OPWC Loan 0%	155,149	-	(22,164)	132,985	22,164
CC05I OPWC Loan 2%	387,733	-	(31,846)	355,887	32,487
CC04N OPWC Loan 0%	193,301	-	(8,991)	184,310	8,991
CC17Q OPWC Loan 0%	1,627,480	-	(56,120)	1,571,360	56,120
CC11Q OPWC Loan 0%	773,824	144,816	-	918,640	30,621
CC12R OPWC Loan 0%	2,091,994	-	(77,481)	2,014,513	77,481
Franklin County Infrastructure					
Bank Loan 1.9%	-	1,000,000	-	1,000,000	51,204
General Obligation Bonds:					
Park Improvement Bonds,					
series 2012- 2%-4%	2,495,000	-	(80,000)	2,415,000	85,000
Bond premium	86,584	-	(3,764)	82,820	-
Various Purpose Improvement Bonds,					
series 2016- 2%-3%	6,630,000	-	(260,000)	6,370,000	265,000
Bond premium	195,110	-	(7,804)	187,306	-
Pool Construction Bonds,					
Series 2017-3%-4%	-	5,500,000	(155,000)	5,345,000	145,000
Bond premium	-	208,704	-	208,704	-
Total loans and bonds	14,791,450	6,853,520	(736,646)	20,908,324	808,118
Fire Truck Lease	273,829	-	(89,376)	184,453	91,263
Medic Lease	187,100	-	(45,239)	141,861	46,284
Net Pension Liability					
OPERS	3,287,922	1,050,499	-	4,338,421	-
OP&F	9,703,257	-	(262,010)	9,441,247	-
Compensated Absences	1,081,326	352,360	(367,362)	1,066,324	325,574
Total Long Term Liabilities	<u>\$ 29,324,884</u>	<u>\$ 8,256,379</u>	<u>\$ (1,500,633)</u>	<u>\$ 36,080,630</u>	<u>\$ 1,271,239</u>

Compensated absences: Compensated absences reported in the "compensated absences payable" account will be paid from the fund from which the employees' salaries are paid, which is the general fund for all employees.

OPWC loans: The City has entered into eight debt financing arrangements through the Ohio Public Works Commission (OPWC). The CC12B, CC03C and CC17Q loans are to fund Goodale Boulevard street improvements. The CC10C and CC05I loans are to fund the sewer rehabilitation project. The CC04N loan is for the Oakland Avenue Reconstruction. The CC11Q loan is to fund the Grandview Yard Infrastructure Improvement. The CC12R loan is to finance the Grandview Yard Infrastructure Improvements Phase IV.

The amounts due to the OPWC are payable solely from general revenues. The loan agreements function similar to a line-of-credit agreement. The OPWC loans are being repaid from nonmajor governmental funds. The loan agreements require semi-annual payments based on the actual amount loaned.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 13 – LONG TERM LIABILITIES (Continued)

The OPWC loans for the street improvements are interest free as long as payments remain current and the sewer project loans have interest rates of 3% and 2%, respectively.

Franklin County Infrastructure Bank Loan: On May 10, 2016, the Board of Commissioners of Franklin County, Ohio approved and entered into a loan agreement with the City for \$1,000,000 for the purpose of financing the Goodale Boulevard Improvement Project. The loan was entered for a ten year period with final maturity at January 1, 2026. Payments of principal and interest are recorded as disbursements of the Street Construction, Maintenance, and Repair Fund.

General Obligation Bonds: On December 20, 2012, the City issued \$2,800,000 in unvoted general obligation bonds for the purpose of financing improvements, including acquisition and construction of facilities and equipment, at the City’s various parks. The bond issue included serial and term bonds, in the amounts of \$470,000 and \$2,330,000, respectively. The bonds were issued for a twenty-eight year period with final maturity at December 1, 2039. Payments of principal and interest are recorded as disbursements of the Parks and Recreation Improvement Fund.

The term bonds were issued at \$2,330,000. \$350,000 of the term bonds that mature on December 1, 2022, are subject to mandatory sinking fund redemption on December 1, 2019, and on each December 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to the date of redemptions according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2019	\$ 85,000
2020	85,000
2021	90,000
2022	90,000

The \$490,000 term bonds maturing on December 1, 2027, are subject to mandatory sinking fund redemption on December 1, 2023, and on each December 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to date of redemption according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2023	\$ 95,000
2024	95,000
2025	100,000
2026	100,000
2027	100,000

The \$325,000 term bonds maturing on December 1, 2030, are subject to mandatory sinking fund redemption on December 1, 2028, and on each December 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to date of redemption according to the following schedule:

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 13 – LONG TERM LIABILITIES (Continued)

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2028	\$ 105,000
2029	110,000
2030	110,000

The \$610,000 term bonds maturing on December 1, 2035, are subject to mandatory sinking fund redemption on December 1, 2031, and on each December 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to date of redemption according to the following schedule:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2031	\$ 115,000
2032	120,000
2033	120,000
2034	125,000
2035	130,000

The \$555,000 term bonds maturing on December 1, 2039, are subject to mandatory sinking fund redemption on December 1, 2036, and on each December 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to date of redemption according to the following schedule:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2036	\$ 135,000
2037	135,000
2038	140,000
2039	145,000

On June 7, 2016, the City issued \$6,630,000 in unvoted general obligation bonds for the purpose of financing improvements, including various water and sewer system improvement projects. The bonds issue included serial and term bonds, in the amounts of \$5,925,000 and \$705,000, respectively. The bonds were issued for a twenty-five-year period with final maturity at December 1, 2041. Payments of principal and interest are recorded as disbursements of the Debt Service Fund.

The term bonds were issued at \$705,000. \$340,000 of the term bonds that mature on December 1, 2038, are subject to mandatory sinking fund redemption on December 1, 2036, and on each December 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 13 – LONG TERM LIABILITIES (Continued)

Fiscal Year	Principal Amount to be Redeemed
2036	\$ 110,000
2037	115,000
2038	115,000

The \$365,000 term bonds maturing on December 1, 2041, are subject to mandatory sinking fund redemption on December 1, 2039, and on each December 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemptions according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2039	\$ 120,000
2040	120,000
2041	125,000

On January 5, 2017, the City issued \$5,500,000 in pool construction bonds for the purpose of financing the pool construction project. The bonds issue included serial and term bonds, in the amounts of \$1,880,000 and \$3,620,000, respectively. The bonds were issued for a twenty-five year period with final maturity at December 1, 2041. Payments of principal and interest are recorded as disbursements of the Parks and Recreation Improvement Fund.

The term bonds were issued at \$3,620,000. \$430,000 of the term bonds that mature on December 1, 2029, are subject to mandatory sinking fund redemption on December 1, 2028, and on each December 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2028	\$ 210,000
2029	220,000

The \$455,000 term bonds maturing on December 1, 2031, are subject to mandatory sinking fund redemption on December 1, 2030, and on each December 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemptions according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2030	\$ 225,000
2031	230,000

The \$485,000 term bonds maturing on December 1, 2033, are subject to mandatory sinking fund redemption on December 1, 2032, and on each December 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemptions according to the following schedule:

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 13 – LONG TERM LIABILITIES (Continued)

Fiscal Year	Principal Amount to be Redeemed
2032	\$ 240,000
2033	245,000

The \$510,000 term bonds maturing on December 1, 2035, are subject to mandatory sinking fund redemption on December 1, 2034, and on each December 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemptions according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2034	\$ 250,000
2035	260,000

The \$540,000 term bonds maturing on December 1, 2037, are subject to mandatory sinking fund redemption on December 1, 2036, and on each December 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemptions according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2036	\$ 265,000
2037	275,000

The \$1,200,000 term bonds maturing on December 1, 2041, are subject to mandatory sinking fund redemption on December 1, 2038, and on each December 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemptions according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2038	\$ 285,000
2039	295,000
2040	305,000
2041	315,000

(b) Future Debt Service Requirements

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

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 13 – LONG TERM LIABILITIES (Continued)

	OPWC Loans		General Obligation Bonds		Bank Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 261,914	\$ 8,942	\$ 495,000	\$ 393,437	\$ 51,204	\$ 9,500
2019	263,158	7,699	500,000	380,637	103,871	17,536
2020	264,432	6,423	515,000	367,424	105,854	15,553
2021	247,722	5,117	530,000	353,812	107,875	13,532
2022	230,556	4,265	545,000	339,787	109,934	11,473
2023-2027	1,075,022	10,427	2,945,000	1,463,659	521,262	25,072
2028-2032	866,068	-	3,370,000	1,048,218	-	-
2033-2037	866,068	-	3,265,000	597,368	-	-
2038-2042	825,603	-	1,965,000	152,488	-	-
2043-2047	398,951	-	-	-	-	-
Total	<u>\$ 5,299,494</u>	<u>\$ 42,873</u>	<u>\$ 14,130,000</u>	<u>\$ 5,096,830</u>	<u>\$ 1,000,000</u>	<u>\$ 92,666</u>

(c) Debt Limitation

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006.

In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. At December 31, 2017, the City's total and unvoted debt limits were \$35,825,089 and \$18,765,523, respectively. The City's debt was within these limits.

NOTE 14 – OTHER EMPLOYEE BENEFITS

(a) Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and state laws. Employees earn ten to thirty days of vacation per year, depending upon length of service. Vacation accumulation is typically limited to two to three years based on years of service. All accumulated unused vacation time is paid upon termination of employment.

Employees that were eligible for sick leave for an entire year have the option of receiving payments in cash for a portion of unused sick leave hours, which is to be paid in the first month following the end of that year. The remaining sick leave not paid out will continue to be carried forward.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 14 – OTHER EMPLOYEE BENEFITS (Continued)

Vacation and compensatory time are available to full time employees after one year of service with the City. The rates of accrual, total number of hours paid per year and accrual limit varies with years of service. Part time, temporary or seasonal employees are not entitled to vacation leave or compensatory time. Permanent part time employees accrue vacation leave based on the number of hours worked. Permanent part time employees include the Clerk of Courts and three maintenance workers.

Full time and permanent part time employees earn sick leave at a rate of 4.6 hours per 80 regular hours worked. Fire employees who work 56 hour weeks earn sick leave at a rate of 6.5 hours per pay period. There is no limit to the amount an employee can accumulate. Part time, temporary or seasonal employees are not entitled to sick leave. At the time of resignation, if an employee is in good standing and has at least 10 years of public service, OPERS employees and police are entitled to receive one-fourth of their accrued but unused sick leave, up to a maximum accrual of 2,400 and 2,800 hours, respectively, and fire employees are entitled to receive up to one-fourth of their first 2,000 hours and one-third of their remaining hours with a maximum total accrual of 2,800 hours.

(b) Health Care Benefits

The City provides health, prescription, dental, vision and employee assistance program (EAP) insurance coverage purchased through the Franklin County Cooperative for all eligible employees. Health is provided by United Healthcare, prescription is provided by Catamaran, dental is provided by Aetna, vision is provided by Vision Service Plan and EAP is provided by United Behavioral Health. The employees share the cost of the monthly premium. The City also provides life insurance and accidental death and dismemberment insurance to eligible employees through The Standard Insurance Company.

NOTE 15 – RISK MANAGEMENT

(a) Public Entities Pool of Ohio (PEP)

From January 1 through June 1, 2017, the City belonged to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formerly known as American Risk Pooling Consultants, Inc.) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Insurance

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2016, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 15 – RISK MANAGEMENT (Continued)

Financial Position

PEP’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2016 and 2015 (the latest information available):

<u>Casualty & Property Coverage</u>	<u>2016</u>	<u>2015</u>
Assets	\$ 42,182,281	\$ 38,307,677
Liabilities	<u>(13,396,700)</u>	<u>(12,759,127)</u>
Net Position	<u>\$ 28,785,581</u>	<u>\$ 25,548,550</u>

At December 31, 2016 and 2015, respectively, the liabilities above include approximately \$12.0 million and \$11.5 million of estimated incurred claims payable. The assets above also include approximately \$11.5 million and \$11.0 million of unpaid claims to be billed to approximately 520 and 499 member governments in the future, as of December 31, 2016 and 2015, respectively. These amounts will be included in future contributions from members when the related claims are due for payment.

In 2016 the City paid \$64,577 to PEP for insurance services, that included coverage for part of 2017. Upon withdraw from PEP the City received \$10,375 representing the City’s vested interested in the Cumulative Reserve Fund of PEP. Also, upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Settled claims have not exceeded commercial insurance in any of the past three years.

(b) Central Ohio Risk Management Agency Self Insurance Pool, Inc. (CORMA)

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

On June 2, 2017, the City joined the Central Ohio Risk Management Agency Self Insurance Pool, Inc. (CORMA). CORMA was formed pursuant to Section 2744.081 of the Ohio Revised Code. Members of CORMA are the cities of Dublin, Canal Winchester, Grandview Heights, Grove City, Groveport, Pickerington, Powell, Upper Arlington, and Westerville. Each member has two representatives on the Board of Trustees. Membership in CORMA enables the City to take advantage of any economics to be realized from an insurance pool with other cities and also provides the City with more control over claims than what is normally available with traditional insurance coverage. In 2017, the City paid \$104,835 to CORMA for insurance services.

As part of participating in CORMA, coverage is provided for up to \$15,000,000 per occurrence and \$20,000,000 annual total limit for liability claims and \$6,751,428 limit for property claims. Coverage is provided on an aggregate basis for General Liability (\$1,000,000/\$2,000,000), Law Enforcement Liability (\$1,000,000/\$2,000,000), Public Officer Liability including Employment Practices Liability (\$1,000,000/\$2,000,000), and Automobile Liability (\$1,000,000). Pool retentions are \$25,000 for property/crime and \$150,000 for liability.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 15 – RISK MANAGEMENT (Continued)

CORMA, in turn, has re-insured itself, and its members as additional insured, for a portion of its insurance risk. There is, however, no assurance that the claim from all members will not exceed CORMA's assets and re-insurance coverage. A third party administrator processes and pays the claims. The City reports a liability when it's probable that a loss has occurred and the amount can be estimated.

Any member may withdraw from CORMA at any term anniversary date upon ninety days' prior written notice. Such notice shall be addressed to the President of the Association and shall be accompanied by resolution or ordinance of the governing body of the Member determining to withdraw from the Association. To the extent that there are surplus funds in the Association that are allocable to the withdrawing Member, the surplus funds shall be distributed to the withdrawing Member (after taking into account reserves for future liabilities pursuant to this Agreement).

(c) Ohio Bureau of Worker's Compensation

The City insures against injuries to employees through Ohio Bureau of Worker's Compensation.

NOTE 16 – PENSION BENEFITS

Net Pension (Asset)/Liability

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

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

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

GASB 68 assumes the (asset)/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 (assets)/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 (asset)/liability. Resulting adjustments to the net pension (asset)/liability would be effective when the changes are legally enforceable.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 16 – PENSION BENEFITS (Continued)

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension (asset)/liability* on the accrual basis of accounting. Any (asset)/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.

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

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C 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
Traditional Plan 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	Traditional Plan 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	Traditional Plan 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
Combined Plan Formula: 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1.0% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 16 – PENSION BENEFITS (Continued)

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. For members retiring under the Combined Plan, an annual COLA will be provided on the defined benefit portion of their benefit. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 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.

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

2017 Statutory Maximum Contribution Rates

Employer	14.0 %
Employee	10.0 %

2017 Actual Contribution Rates

Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City’s contractually required contribution was \$365,636 for 2017. Of this amount, \$14,871 is reported as due to other governments.

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

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

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 16 – PENSION BENEFITS (Continued)

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

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

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

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

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 16 – PENSION BENEFITS (Continued)

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$735,675 for 2017. Of this amount \$34,156 is reported as a due to other governments.

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

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

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Proportionate Share of the Net Pension Liability/(Asset)	\$4,338,421	(\$7,845)	\$9,441,247	\$13,771,823
Proportion of the Net Pension Liability/(Asset)	0.019105%	0.014096%	0.149059%	
Pension Expense	\$992,380	\$7,111	\$1,160,341	\$2,159,832

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

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	\$ 5,880	\$ -	\$ 2,671	\$ 8,551
Changes of assumptions	688,126	1,912	0	690,038
Net difference between projected and actual earnings on pension plan investments	646,089	1,915	918,121	1,566,125
Change in proportionate share	51,591	-	75,469	127,060
City contributions subsequent to the measurement date	357,689	7,947	735,675	1,101,311
Total Deferred Outflows of Resources	<u>\$ 1,749,375</u>	<u>\$ 11,774</u>	<u>\$ 1,731,936</u>	<u>\$ 3,493,085</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$ 25,820	\$ 4,012	\$ 21,738	\$ 51,570
Change in proportionate share	-	5,058	80,197	85,255
Total Deferred Inflows of Resources	<u>\$ 25,820</u>	<u>\$ 9,070</u>	<u>\$ 101,935</u>	<u>\$ 136,825</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 16 – PENSION BENEFITS (Continued)

\$1,101,311 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS		OP&F	Total
	Traditional Plan	Combined Plan		
2018	\$ 582,372	\$ (264)	\$ 350,698	\$ 932,806
2019	572,337	(265)	350,700	922,772
2020	230,097	(346)	267,498	497,249
2021	(18,940)	(3,052)	(60,287)	(82,279)
2022	-	(462)	(12,762)	(13,224)
2023-2026	-	(854)	(1,521)	(2,375)
Total	\$ 1,365,866	\$ (5,243)	\$ 894,326	\$ 2,254,949

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. In 2016, the OPERS Board’s actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporated both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8 percent down to 7.5 percent for the defined benefit investments. Key methods and assumptions used in the December 31, 2016 actuarial valuation, reflecting experience study results, are presented below.

<p>3.25 to 10.75 percent including wage inflation Pre-1/7/13 Retirees: 3 percent, simple Post-1/7/13 Retirees: 3 percent simple through 2018, then 2.15 percent simple 7.5 percent Individual Entry Age</p>	<p>3.25 to 10.75 percent including wage inflation Pre-1/7/13 Retirees: 3 percent, simple Post-1/7/13 Retirees: 3 percent simple through 2018, then 2.15 percent simple 7.5 percent Individual Entry Age</p>
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Mortality rates were based on the RP-2014 Healthy Annuitant mortality table. For males, the tables were adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, the tables were adjusted for mortality improvement back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 16 – PENSION BENEFITS (Continued)

Mortality rates for a particular calendar year, for both healthy and disabled retiree mortality tables, were determined by applying the MP-2015 mortality improvement scale to the above described tables.

The 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.

The following table displays the OPERS Board-approved asset allocation policy for 2016 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 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

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.

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance for the Defined Benefit portfolio is 8.3 percent for 2016.

Discount Rate The discount rate used to measure the total pension (asset)/liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 16 – PENSION BENEFITS (Continued)

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension (asset)/liability.

Sensitivity of the City’s Proportionate Share of the Net Pension (Asset)/Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension (asset)/liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City’s proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension (asset)/liability			
Traditional Plan	\$ 5,272,407	\$ 4,338,421	\$ 2,430,538
Combined Plan	564	(7,845)	(14,378)

Actuarial Assumptions – OPF

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

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

Valuation Date	January 1, 2016
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent single

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 16 – PENSION BENEFITS (Continued)

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2016 are summarized below:

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

* levered 2x

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

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.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 16 – PENSION BENEFITS (Continued)

Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$12,574,623	\$9,441,247	\$6,785,669

Changes Between Measurement Date and Report Date – In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8.0 percent. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

NOTE 17 – OTHER POST-EMPLOYMENT BENEFITS

A. Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Plan (TP) – a cost-sharing multiple-employer defined benefit plan; the Member-Directed Plan (MD) – a defined contribution plan; and the Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45. See the Plan Statement in the OPERS 2016 CAFR for details.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 17 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.0% of earnable salary and Public Safety and Law Enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members of the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Direction Plan for 2017 was 4.0%.

The City's contributions to OPERS to fund health care for the years ending December 31, 2017, 2016, and 2015 were \$28,126, \$53,945, and \$50,150, respectively. The full amount has been contributed for 2016 and 2015. 96 percent has been contributed for 2017 with the remainder being reported as a fund liability.

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multi-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-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 17 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's 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 for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .50% of covered payroll from January 1, 2017 thru December 31, 2017. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F for the years ending December 31, 2017, 2016, and 2015 were \$735,675, \$700,702, and \$664,090, respectively, of which \$17,254, \$16,095, and \$15,210, respectively, was allocated to the healthcare plan. The full amount has been contributed for 2016 and 2015. 95% has been contributed for police and firefighters for 2017.

NOTE 18 – 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, 2017.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 18 – CONTINGENCIES (Continued)

(b) Litigation - The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations. The City’s management and legal counsel is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material adverse effect on the financial condition of the City.

NOTE 19 – CHANGES IN ACCOUNTING PRINCIPLES

For 2017, the City implemented 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*”, which improves the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The implementation of this statement did not have a significant effect on the financial statements of the City.

For 2017, the City implemented GASB Statement No. 74 “*Financial Reporting for Postemployment Benefit Plans other than Pension Plans*” which improves the usefulness of information about postemployment benefits other than pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The implementation of this statement did not have an effect on the financial statements of the City.

For 2017, the City implemented GASB Statement No. 80 “*Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14*”, which improves financial reporting by clarifying the financial statement presentation requirements for certain component units. The implementation of this statement did not have an effect on the financial statements of the City.

For 2017, the City implemented GASB Statement No. 81 “*Irrevocable Split-Interest Agreements*”, which improves financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of this statement did not have an effect on the financial statements of the City.

For 2017, the City implemented GASB Statement No. 82 “*Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*”, which addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of this statement did not have a significant effect on the financial statements of the City.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

NOTE 20 – RESTATEMENT OF NET POSITION

The City's 2016 financial statements were restated due to the expensing of assets previously recorded as construction in progress. The net effect of the restatement on net position is \$264,449. A summary of changes in net position for the year ended December 31, 2016 is as follows:

	Governmental Activities
Net Position, December 31, 2016	\$ 59,982,428
Non-depreciable Capital Assets	(264,449)
Net Position, January 31, 2016	<u>\$ 59,717,979</u>



The CITY of
GRANDVIEW HEIGHTS

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>				
Municipal income taxes	\$ 8,873,000	\$ 8,873,000	\$ 10,156,333	\$ 1,283,333
Property and other taxes	2,180,620	2,180,620	2,200,487	19,867
Charges for services	1,208,514	1,208,514	1,299,179	90,665
Licenses and permits	470,200	470,200	586,131	115,931
Fines and forfeitures	78,750	78,750	69,922	(8,828)
Intergovernmental	1,170,065	1,170,065	1,213,917	43,852
Investment Income	50,854	50,854	98,097	47,243
Contributions and donations	-	-	260	260
Other	153,747	153,747	317,918	164,171
Total revenues	<u>14,185,750</u>	<u>14,185,750</u>	<u>15,942,244</u>	<u>1,756,494</u>
<u>Expenditures:</u>				
Current:				
General Government				
Administration				
Personal services	374,355	374,355	371,506	2,849
Contractual services	42,066	42,066	32,783	9,283
Materials and supplies	10,431	10,431	6,453	3,978
Other	14,700	7,783	7,152	631
Total Administration	<u>441,552</u>	<u>434,635</u>	<u>417,894</u>	<u>16,741</u>
City Hall				
Contractual services	37,500	42,500	32,132	10,368
Materials and supplier	7,200	7,200	5,371	1,829
Other	218,699	225,899	188,390	37,509
Total City Hall	<u>263,399</u>	<u>275,599</u>	<u>225,893</u>	<u>49,706</u>
General Administration				
Personal services	148,500	148,500	134,103	14,397
Contractual services	196,727	248,257	239,342	8,915
Materials and supplies	55,498	55,498	52,633	2,865
Other	83,804	86,221	82,976	3,245
Capital outlay	30,000	30,000	30,000	-
Total General Administration	<u>514,529</u>	<u>568,476</u>	<u>539,054</u>	<u>29,422</u>
Economic Development				
Other	30,200	30,200	24,294	5,906
Total Economic Development	<u>30,200</u>	<u>30,200</u>	<u>24,294</u>	<u>5,906</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over/(Under)
Civil Service				
Contractual services	4,500	4,642	4,605	37
Materials and supplies	3,200	16,258	16,237	21
Other	6,968	8,868	8,864	4
Total Civil Service	14,668	29,768	29,706	62
Finance				
Personal services	624,108	624,098	622,640	1,458
Contractual services	64,835	65,205	65,003	202
Materials and supplies	6,199	6,099	4,693	1,406
Other	22,730	28,830	23,477	5,353
Total Finance	717,872	724,232	715,813	8,419
Income Tax				
Other	575,895	715,895	707,908	7,987
Total Income Tax	575,895	715,895	707,908	7,987
Building				
Personal services	395,640	375,640	367,503	8,137
Contractual services	454,683	442,653	185,422	257,231
Materials and supplies	9,577	9,577	5,881	3,696
Other	25,651	25,651	6,368	19,283
Total Building	885,551	853,521	565,174	288,347
Engineering				
Contractual services	67,340	102,340	81,399	20,941
Total Engineering	67,340	102,340	81,399	20,941
Mayors Court				
Personal services	160,642	149,749	137,563	12,186
Contractual services	33,615	33,145	18,068	15,077
Materials and supplies	3,950	3,950	2,988	962
Other	200	200	85	115
Total Mayors Court	198,407	187,044	158,704	28,340
Legal				
Personal services	310	320	320	-
Contractual services	195,783	195,783	178,397	17,386
Other	41,804	41,804	23,304	18,500
Total Legal	237,897	237,907	202,021	35,886

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over/(Under)
Legislative				
Personal services	43,792	44,685	44,259	426
Contractual services	6,850	8,850	5,538	3,312
Materials and supplies	800	800	700	100
Other	6,900	6,900	1,543	5,357
Total Legislative	58,342	61,235	52,040	9,195
Service Administration				
Personal services	216,095	215,645	211,732	3,913
Contractual services	14,692	14,692	2,117	12,575
Materials and supplies	3,200	3,900	3,797	103
Other	8,700	8,000	7,643	357
Total Service Administration	242,687	242,237	225,289	16,948
Unclaimed Funds				
Other	4	4	4	-
Total Unclaimed Funds	4	4	4	-
Total General Government	4,248,343	4,463,093	3,945,193	517,900
Security of Persons and Property				
Fire Administration				
Personal services	265,541	262,094	255,355	6,739
Contractual services	33,341	33,341	24,756	8,585
Materials and supplies	5,207	5,207	3,366	1,841
Total Fire Administration	304,089	300,642	283,477	17,165
Fire Prevention				
Personal services	130,374	141,535	141,535	-
Other	6,000	6,000	5,497	503
Total Fire Prevention	136,374	147,535	147,032	503
Fire Emergency Service				
Personal services	2,130,492	2,177,777	2,152,151	25,626
Contractual services	45,041	45,041	24,280	20,761
Materials and supplies	45,744	46,573	41,752	4,821
Other	10,100	9,271	3,734	5,537
Total Fire Emergency Service	2,231,377	2,278,662	2,221,917	56,745
Haz-Mat				
Personal services	12,000	12,000	12,000	-
Materials and supplies	500	500	-	500
Other	2,000	2,000	2,000	-
Total Haz-Mat	14,500	14,500	14,000	500

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over/(Under)
Police Administration				
Personal services	210,251	211,862	210,734	1,128
Other	600	600	37	563
Total Police Administration	<u>210,851</u>	<u>212,462</u>	<u>210,771</u>	<u>1,691</u>
Crossing Guards				
Personal services	24,198	22,588	17,085	5,503
Total Crossing Guards	<u>24,198</u>	<u>22,588</u>	<u>17,085</u>	<u>5,503</u>
Police Patrol				
Personal services	2,233,815	2,237,946	2,138,735	99,211
Contractual services	85,500	75,500	56,297	19,203
Materials and supplies	23,622	33,622	17,205	16,417
Other	35,845	35,845	20,096	15,749
Total Police Patrol	<u>2,378,782</u>	<u>2,382,913</u>	<u>2,232,333</u>	<u>150,580</u>
Police Communications				
Personal services	404,143	420,012	408,865	11,147
Contractual services	52,259	52,259	46,144	6,115
Other	700	700	126	574
Total Police Communications	<u>457,102</u>	<u>472,971</u>	<u>455,135</u>	<u>17,836</u>
Total Security of Persons and Property	<u>5,757,273</u>	<u>5,832,273</u>	<u>5,581,750</u>	<u>250,523</u>
Transportation				
Street				
Personal services	425,714	403,215	360,772	42,443
Contractual services	372,611	375,111	305,648	69,463
Materials and supplies	15,670	19,164	17,091	2,073
Other	201,007	204,913	152,274	52,639
Capital outlay	23,378	23,378	10,019	13,359
Total Street	<u>1,038,380</u>	<u>1,025,781</u>	<u>845,804</u>	<u>179,977</u>
Total Transportation	<u>1,038,380</u>	<u>1,025,781</u>	<u>845,804</u>	<u>179,977</u>
Utility Services				
Sanitation				
Personal services	543,011	553,560	549,848	3,712
Contractual services	181,064	183,564	159,270	24,294
Materials and supplies	2,500	4,468	3,318	1,150
Other	46,491	44,523	33,227	11,296
Capital Outlay	10,000	10,000	9,766	234
Total Sanitation	<u>783,066</u>	<u>796,115</u>	<u>755,429</u>	<u>40,686</u>
Total Utility Services	<u>783,066</u>	<u>796,115</u>	<u>755,429</u>	<u>40,686</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over/(Under)
Leisure Time Activity				
Parks and Recreation Administration				
Personal services	251,714	246,906	232,212	14,694
Contractual services	25,900	22,925	20,831	2,094
Materials and supplies	8,151	11,126	8,787	2,339
Other	11,850	14,010	13,476	534
Total Parks and Recreation Admin.	297,615	294,967	275,306	19,661
General Recreation				
Personal services	122,986	120,035	115,744	4,291
Materials and supplies	5,200	5,275	5,272	3
Other	38,375	42,300	35,740	6,560
Total General Recreation	166,561	167,610	156,756	10,854
Senior Center				
Personal services	107,732	110,683	107,194	3,489
Materials and supplies	1,100	1,100	827	273
Other	8,760	8,760	6,173	2,587
Total Senior Center	117,592	120,543	114,194	6,349
Parks Maintenance				
Personal services	338,960	343,768	338,457	5,311
Materials and supplies	37,593	41,593	37,784	3,809
Other	50,879	50,879	46,737	4,142
Total Parks Maintenance	427,432	436,240	422,978	13,262
Pool				
Personal services	14,431	14,431	13,854	577
Contractual services	219,000	219,000	218,739	261
Materials and supplies	13,000	10,840	10,752	88
Other	20,000	20,000	10,144	9,856
Total Pool	266,431	264,271	253,489	10,782
Total Leisure Time Activity	1,275,631	1,283,631	1,222,723	60,908
Total Expenditures	13,102,693	13,400,893	12,350,899	1,049,994
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	1,083,057	784,857	3,591,345	2,806,488

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over/(Under)
Other Financing Sources (Uses):				
Sale of Assets	-	-	973	973
Insurance Recoveries	-	-	17,946	17,946
Transfer Out	(1,254,894)	(2,930,894)	(2,930,894)	-
Advances In	-	-	3,543,478	3,543,478
Advances Out	-	-	(2,925)	(2,925)
Total Other Financing Sources (Uses)	<u>(1,254,894)</u>	<u>(2,930,894)</u>	<u>628,578</u>	<u>3,559,472</u>
Net Change in Fund Balance	(171,837)	(2,146,037)	4,219,923	6,365,960
Fund Balances at Beginning of Year	3,713,559	3,713,559	3,713,559	-
Prior Year Encumbrances Appropriated	613,866	613,866	613,866	-
Fund Balance at End of Year	<u>\$ 4,155,588</u>	<u>\$ 2,181,388</u>	<u>\$ 8,547,348</u>	<u>\$ 6,365,960</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>				
Intergovernmental	\$ 255,000	\$ 255,000	\$ 269,480	\$ 14,480
Investment income	6,000	6,000	23,277	17,277
Total revenues	<u>261,000</u>	<u>261,000</u>	<u>292,757</u>	<u>31,757</u>
<u>Expenditures:</u>				
Transportation				
Contractual services	144,735	124,071	121,886	2,185
Materials and supplies	37,958	35,508	31,166	4,342
Other operating	64,000	66,000	61,388	4,612
Capital outlay	5,011,919	6,722,561	6,493,471	229,090
Debt service				
Loan payments	58,501	58,501	58,501	-
Total expenditures	<u>5,317,113</u>	<u>7,006,641</u>	<u>6,766,412</u>	<u>240,229</u>
Excess of expenditures over revenues	(5,056,113)	(6,745,641)	(6,473,655)	271,986
<u>Other Financing Sources:</u>				
Loan issuance	-	1,000,000	1,000,000	-
Transfers in	335,000	335,000	335,000	-
Total other financing sources	<u>335,000</u>	<u>1,335,000</u>	<u>1,335,000</u>	<u>-</u>
Net change in fund balance	(4,721,113)	(5,410,641)	(5,138,655)	271,986
Fund balance - January 1	943,875	943,875	943,875	-
Prior year encumbrances appropriated	4,579,612	4,579,612	4,579,612	-
Fund balance - December 31	<u>\$ 802,374</u>	<u>\$ 112,846</u>	<u>\$ 384,832</u>	<u>\$ 271,986</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GRANDVIEW YARD TIF FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>				
Municipal income taxes	\$ 690,000	\$ 1,134,000	\$ 990,883	\$ (143,117)
Payments in lieu of taxes	3,015,000	3,791,409	3,791,409	-
Total revenues	<u>3,705,000</u>	<u>4,925,409</u>	<u>4,782,292</u>	<u>(143,117)</u>
<u>Expenditures:</u>				
Economic Development				
Other	3,705,000	4,925,991	4,799,027	126,964
Total expenditures	<u>3,705,000</u>	<u>4,925,991</u>	<u>4,799,027</u>	<u>126,964</u>
Net change in fund balance	-	(582)	(16,735)	(16,153)
Fund balance - January 1	16,735	16,735	16,735	-
Fund balance - December 31	<u>\$ 16,735</u>	<u>\$ 16,153</u>	<u>\$ -</u>	<u>\$ (16,153)</u>



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GRANDVIEW HEIGHTS

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CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - BUDGETARY PROCESS

The City follows procedures prescribed by State law in establishing the budgetary data reflected in the financial statements as follows:

- (1) The City must submit a tax budget of estimated cash receipts and disbursements for all funds to the County Budget Commission by July 20 of each year for the following year, January 1 through December 31.
- (2) The County Budget Commission certifies its actions by September 1 and issues an Official Certificate of Estimated Resources, (the "Certificate") limiting the maximum amount the City may expend from a given fund during the year to the estimated resources available.
- (3) About January 1, the Certificate is amended to reflect the actual unencumbered balances from the preceding year. The City must prepare its appropriations so that the total contemplated expenditures from any fund will not exceed the amount stated in the initial or amended Certificate.
- (4) A temporary appropriation measure may be passed to control cash disbursements for the period January 1 through March 31. Before April 1, a permanent appropriation measure must be passed for the period January 1 through December 31. The budget identifies specific expenditure amounts by object for each division within each fund.
- (5) Unencumbered appropriations lapse at year end. State Statute provides that no contract, agreement or other obligation involving the expenditure of money shall be entered into unless the Director of Finance first certifies that the money required for such contract, agreement, obligation or expenditure is in the treasury, or is anticipated to come into the treasury, before the maturity of such contract.
- (6) The City adopts budgets amendments for all governmental funds and budget is approved by City Council.

The Finance Director acts as budget officer for the City and submits a proposed operating budget to the City Council on an annual basis. Public hearings are held to obtain taxpayer comments. The Council enacts the budget through passage of an ordinance. The appropriation ordinance controls expenditures at the object level. Council can amend the budget at functional expense lines, through the passage of supplemental ordinances. Management can amend appropriations below this level without council approval. Supplemental appropriations to the original appropriations ordinance were made during the year.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the governmental funds. Encumbrances outstanding at year end are reported as an assigned fund balance, since they do not constitute expenditures or liabilities.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - BUDGETARY PROCESS (Continued)

While reporting financial position, results of operations and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts and disbursements. Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis are presented on the budgetary basis in the Required Supplementary Information to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (1) Revenues are recorded when received in cash (budget) as opposed to when they are both measurable and available (GAAP).
- (2) Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- (3) Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to an assignment of fund balance (GAAP).
- (4) Due to the implementation of GASB 54, some funds were reclassified to the General Fund. These funds are not required to be included in the General Fund Budgetary Schedule. Therefore, the activity from these funds is excluded with an adjustment for their change in fund balance.

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

Net Change in Fund Balance

	General Fund	Street Construction Maintenance and Repair	Grandview Yard TIF Fund
Budget Basis	\$ 4,219,923	\$ (5,138,655)	\$ (16,735)
Board of Health Fund Change	(4,732)	-	-
Community Events Fund Change	20,726	-	-
Tax Abatement Fund Change	(645,674)	-	-
Accrued Leave Reserve Fund Change	(50,753)	-	-
JEDZ Fund Change	(185,046)	-	-
Unclaimed Funds Change	497	-	-
Net Adjustment for Revenue Accruals	364,659	335	-
Net Adjustment for Expenditure Accruals	(158,793)	1,481,887	-
Net Adjustment for Other Financing Sources/Uses	(3,540,550)	-	-
Adjustment for Encumbrances	534,688	1,098,981	-
GAAP Basis	<u>\$ 554,945</u>	<u>\$ (2,557,452)</u>	<u>\$ (16,735)</u>

City of Grandview Heights, Ohio
Required Supplementary Information
Schedule of City's Proportionate Share of the Net Pension (Asset)/Liability
Ohio Public Employees Retirement System

Last Four Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension (Asset)/Liability				
Traditional Plan	0.019105%	0.018982%	0.018022%	0.018022%
Combined Plan	0.014096%	0.004650%	0.000000%	0.000000%
City's Proportionate Share of the Net Pension (Asset)/Liability				
Traditional Plan	\$ 4,338,421	\$ 3,287,922	\$ 2,173,655	\$ 2,124,559
Combined Plan	\$ (7,845)	\$ (2,263)	\$ -	\$ -
City's Covered-Employee Payroll	\$ 2,697,259	\$ 2,507,479	\$ 2,301,250	\$ 2,112,900
City's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered-Employee Payroll	160.55%	131.03%	94.46%	100.55%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability				
Traditional Plan	77.25%	81.08%	86.45%	86.36%
Combined Plan	116.55%	116.90%	114.83%	104.56%

(1) This schedule is intended to show information for ten years. Information prior to 2014 is not available.

Amounts presented as of the City's measurement date, which is the prior fiscal year-end.

City of Grandview Heights, Ohio
Required Supplementary Information
Schedule of City's Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund

Last Four Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability	0.149059%	0.150834%	0.1485849%	0.1485849%
City's Proportionate Share of the Net Pension Liability	\$ 9,441,247	\$ 9,703,257	\$ 7,697,317	\$ 7,236,551
City's Covered-Employee Payroll	\$ 3,219,023	\$ 3,041,933	\$ 2,957,108	\$ 2,815,254
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	293.30%	318.98%	260.30%	257.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	72.20%	73.00%

(1) This schedule is intended to show information for ten years. Information prior to 2014 is not available.

Amounts presented as of the City's measurement date, which is the prior fiscal year-end.

**City of Grandview Heights, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System**

Last Five Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 365,636	\$ 323,671	\$ 300,898	\$ 276,150	\$ 274,677
Contributions in relation to the contractually required contribution	\$ 365,636	\$ 323,671	\$ 300,898	\$ 276,150	\$ 274,677
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 2,812,584	\$ 2,697,259	\$ 2,507,479	\$ 2,301,250	\$ 2,112,900
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%	12.00%	13.00%

(1) This schedule is intended to show information for ten years. Information prior to 2013 is not available.

**City of Grandview Heights, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Police and Fire Pension Fund**

Last Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually Required Contribution	\$ 733,674	\$ 684,607	\$ 648,880	\$ 624,758	\$ 514,860	\$ 374,226	\$ 380,904	\$ 390,031	\$ 385,327	\$ 354,302
Contributions in relation to the contractually required contribution	\$ 733,674	\$ 684,607	\$ 648,880	\$ 624,758	\$ 514,860	\$ 374,226	\$ 380,904	\$ 390,031	\$ 385,327	\$ 354,302
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 3,450,822	\$ 3,219,023	\$ 3,041,933	\$ 2,957,108	\$ 2,815,254	\$ 2,618,697	\$ 2,551,056	\$ 2,624,191	2,592,542	2,383,801
Contributions as a percentage of covered-employee payroll	21.26%	21.27%	21.33%	21.13%	18.29%	14.29%	14.93%	14.86%	14.86%	14.86%

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Ohio Public Employees Retirement System

Changes of benefit terms. There were no significant changes of benefit terms in 2017.

Changes of assumptions. Amounts reported in 2017 reflect changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0% down to 7.5%, for the defined benefit investments.

Ohio Police and Fire Pension System

Changes of benefit terms. There were no significant changes of benefit terms in 2017.

Changes of assumptions. There were no significant changes of assumptions in 2017.



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The CITY of
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SUPPLEMENTARY INFORMATION

CITY OF GRANDVIEW HEIGHTS, OHIO
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

The special revenue funds are used to account for all specific financial resources (other than major capital projects) that are legally restricted for specified expenditure purposes. The following are the special revenue funds which the City operates:

State Highway Improvement Fund

This fund accounts for the portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of state highways within the City.

Police Pension Fund

This fund accounts for property taxes levied and other monies for the payment of the accrued liability for police disability and pension benefits.

Fire Pension Fund

This fund accounts for property taxes levied and other monies for the payment of the accrued liability for fire disability and pension benefits.

Motor Vehicle Permissive Tax Fund

This fund accounts for local vehicle license fees designated for the maintenance of streets in the City.

Law Enforcement Trust Fund

This fund accounts for proceeds from the sale of contraband that are restricted to subsidize law enforcement efforts.

DUI Enforcement and Education Fund

This fund accounts for fees and fines to be used to enforce the DUI law and informing the public of laws governing the operation of a vehicle while under the influence of alcohol, the dangers of the operation of a vehicle under the influence of alcohol, and other information relating to operation of a vehicle under the influence of alcohol and the consumption of alcoholic beverages.

Mayor's Court Computer Fund

This fund accounts for additional court fees designated for the computerization of the Mayor's court and the acquisition and maintenance of legal research services for the Mayor's court.

Community Events and Projects Fund

This fund accounts for revenues and expenses associated with community events such as sporting events, festivals, parades, concerts and entertainment to promote the quality of life in the City for its residents and visitors. This fund is classified as part of the General Fund for financial statement presentation, in accordance with GASB 54.

Tax Abatement Fund

This fund accounts for the distribution of income tax incentive payments. This fund is classified as part of the General Fund for financial statement presentation, in accordance with GASB 54.

Fire EMS Grant Fund

This fund accounts for state and federal grants awarded to the City for the purpose of supporting and enhancing the City's fire and emergency medical services.

CITY OF GRANDVIEW HEIGHTS, OHIO
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

Grandview Center Fund

This fund accounts for donations and contributions used for maintenance and improvement of the Grandview Center.

Wyman Woods Fund

This fund accounts for monies received through charitable donations which are designated for the maintenance and improvement of the Wyman Woods Park in the City.

Municipal Swimming Pool Fund

This fund accounts for monies received through charitable donations which are designated for the maintenance and improvement of the pool in the City.

Convention and Visitor's Bureau Fund

This fund accounts for the portion of the City imposed hotel bed tax that is designated for the promotion on tourism in the City.

JEDZ CEDA Fund

This fund accounts for the receipts and expenses related to the Joint Economic Development Zone Cooperative Economic Development Agreement with Clinton Township. This fund is classified as part of the General Fund for financial statement presentation, in accordance with GASB 54.

CMAQ Improvement Grant Fund

This fund accounts for monies received through the Ohio Department of Transportation which are designated for the Congestion Mitigation and Air Quality Improvement Program.

Coronary Care Fund

This fund accounts for monies received through charitable donations which are designated for the acquisition and maintenance of the equipment related to the EMS cardiac care functions.

Youth DARE Trust Fund

This fund accounts for monies received through charitable donations which are designated for the support of the Drug Abuse Resistance Educations (DARE) program in the City.

C. Ray Buck Sports Park Fund

This fund accounts for monies received through charitable donations which are designated for the maintenance and improvement of the C. Ray Buck Sports Park in the City.

Pierce Field Park Trust

This fund accounts for monies received through charitable donations which are designated for the maintenance and improvement of the Pierce Field Park in the City.

Accrued Leave Reserve Fund

This fund accounts for resources accumulated for the payment of accumulated sick leave and vacation leave and for payments in lieu of taking compensatory time off, upon the termination of employment or retirement of employees of the City. This fund is classified as part of the General Fund for financial statement presentation, in accordance with GASB 54.

CITY OF GRANDVIEW HEIGHTS, OHIO
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

NONMAJOR DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources and the payments of general obligation principal, interest, and related costs.

Debt Service Fund

This fund accounts for the resources that are used for the payment of principal, interest, and other fiscal charges on debt.

NONMAJOR CAPITAL PROJECTS FUNDS

The capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary fund types. Following is a description of the capital project funds:

General Improvement Fund

This fund accounts for revenues and expenditures for capital improvements.

Sewer Improvement Fund

This fund accounts for revenues and expenditures for sewer improvements.

Clean Ohio Remediation Funds 5

This fund accounts for revenues and expenditures related to the rehabilitation and development of public and private real estate at the Grandview Yard.

Clean Ohio Remediation Funds 7

This fund accounts for revenues and expenditures for the cleanup and revitalization of private real estate at the Grandview Yard.

Grandview Yard Infrastructure Fund

This fund accounts for revenues and expenditures for infrastructure projects at Grandview Yard.

Northwest and First Improvement Fund

This fund accounts for revenues and expenditures for infrastructure projects at Northwest and First.

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

**CITY OF GRANDVIEW HEIGHTS, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2017**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 286,658	\$ 58,776	\$ 1,743,460	\$ 2,088,894
Receivables (net of allowances):				
Income taxes	-	-	146,066	146,066
Property and other taxes	156,627	-	-	156,627
Accounts	7,570	-	46,573	54,143
Intergovernmental	20,799	-	-	20,799
Total assets	<u>\$ 471,654</u>	<u>\$ 58,776</u>	<u>\$ 1,936,099</u>	<u>\$ 2,466,529</u>
Liabilities:				
Accounts payable	<u>\$ 2,395</u>	<u>\$ -</u>	<u>\$ 44,880</u>	<u>\$ 47,275</u>
Total liabilities	<u>2,395</u>	<u>-</u>	<u>44,880</u>	<u>47,275</u>
Deferred Inflows of Resources:				
Property and other local taxes	127,470		-	127,470
Unavailable revenue	20,270		51,888	72,158
Total deferred inflows of resources	<u>147,740</u>		<u>51,888</u>	<u>199,628</u>
Fund Balances:				
Restricted:				
Debt Service	-	58,776	-	58,776
Street construction, maintenance and repairs	151,978	-	-	151,978
Fire/EMS	8,907	-	-	8,907
Parks and recreation	55,047	-	-	55,047
Court computer	9,174	-	-	9,174
Law enforcement	31,675	-	-	31,675
Other purposes	64,738	-	-	64,738
Committed:				
Capital projects	-	-	1,839,331	1,839,331
Total fund balances	<u>321,519</u>	<u>58,776</u>	<u>1,839,331</u>	<u>2,219,626</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 471,654</u>	<u>\$ 58,776</u>	<u>\$ 1,936,099</u>	<u>\$ 2,466,529</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Municipal income taxes	\$ -	\$ -	\$ 703,357	\$ 703,357
Property and other taxes	303,666	-	-	303,666
Charges for services	-	-	387,975	387,975
Fines and forfeitures	6,609	-	-	6,609
Intergovernmental	530,341	-	276,097	806,438
Investment income	564	-	-	564
Contributions and donations	5,127	-	-	5,127
Other	7,240	-	8,099	15,339
Total revenues	<u>853,547</u>	<u>-</u>	<u>1,375,528</u>	<u>2,229,075</u>
Expenditures:				
Current:				
General government	148,117	-	157,111	305,228
Security of persons and property	173,935	-	-	173,935
Transportation	176	-	-	176
Leisure time activities	16,410	-	-	16,410
Utility services	-	-	45,304	45,304
Economic development	-	-	10,109	10,109
Capital outlay	476,112	-	2,275,470	2,751,582
Debt service:				
Principal retirement	22,164	337,481	206,547	566,192
Interest and fiscal charges	-	146,663	19,612	166,275
Total expenditures	<u>836,914</u>	<u>484,144</u>	<u>2,714,153</u>	<u>4,035,211</u>
Excess (deficiency) of revenues over (under) expenditures	16,633	(484,144)	(1,338,625)	(1,806,136)
Other Financing Sources (Uses):				
Sale of capital assets	-	-	51,771	51,771
Issuance of loan	-	-	144,816	144,816
Transfers in	-	535,894	1,407,000	1,942,894
Total other financing sources (uses)	<u>-</u>	<u>535,894</u>	<u>1,603,587</u>	<u>2,139,481</u>
Net change in fund balances	16,633	51,750	264,962	333,345
Fund balance at beginning of year	304,886	7,026	1,574,369	1,886,281
Fund balance at end of year	<u>\$ 321,519</u>	<u>\$ 58,776</u>	<u>\$ 1,839,331</u>	<u>\$ 2,219,626</u>

**CITY OF GRANDVIEW HEIGHTS, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2017**

	State Highway Improvement	Police Pension	Fire Pension	Motor Vehicle Permissive Tax	Law Enforcement
Assets:					
Equity in pooled cash and investments	\$ 34,925	\$ 319	\$ 319	\$ 112,344	\$ 10,230
Receivables (net of allowances):					
Property and other taxes	-	74,413	74,413	-	-
Accounts	-	-	-	-	7,240
Intergovernmental	8,779	5,300	5,300	1,420	-
Total assets	<u>\$ 43,704</u>	<u>\$ 80,032</u>	<u>\$ 80,032</u>	<u>\$ 113,764</u>	<u>\$ 17,470</u>
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:					
Property and other local taxes	-	63,735	63,735	-	-
Unavailable revenue	5,490	7,390	7,390	-	-
Total deferred inflows of resources	<u>5,490</u>	<u>71,125</u>	<u>71,125</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Restricted:					
Street construction, maintenance and repairs	38,214	-	-	113,764	-
Fire/EMS	-	-	8,907	-	-
Parks and recreation	-	-	-	-	-
Court computer	-	-	-	-	-
Law enforcement	-	8,907	-	-	17,470
Other purposes	-	-	-	-	-
Total fund balances	<u>38,214</u>	<u>8,907</u>	<u>8,907</u>	<u>113,764</u>	<u>17,470</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 43,704</u>	<u>\$ 80,032</u>	<u>\$ 80,032</u>	<u>\$ 113,764</u>	<u>\$ 17,470</u>

<u>DUI Enforcement and Education</u>	<u>Mayor's Court Computer</u>	<u>Fire/EMS Grant</u>	<u>Grandview Center Improvement</u>	<u>Wyman Woods</u>	<u>Municipal Swimming Pool</u>	<u>Convention and Visitors Bureau</u>	<u>CMAQ Improvement Grant</u>
\$ 5,232	\$ 8,944	\$ -	\$ 11,789	\$ 1,922	\$ 4,492	\$ 43,468	\$ -
-	-	-	-	-	-	7,801	-
100	230	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 5,332</u>	<u>\$ 9,174</u>	<u>\$ -</u>	<u>\$ 11,789</u>	<u>\$ 1,922</u>	<u>\$ 4,492</u>	<u>\$ 51,269</u>	<u>\$ -</u>
\$ 50	\$ -	\$ -	\$ -	\$ -	\$ 2,345	\$ -	\$ -
50	-	-	-	-	2,345	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,922	2,147	-	-
-	9,174	-	-	-	-	-	-
5,282	-	-	-	-	-	-	-
-	-	-	11,789	-	-	51,269	-
<u>5,282</u>	<u>9,174</u>	<u>-</u>	<u>11,789</u>	<u>1,922</u>	<u>2,147</u>	<u>51,269</u>	<u>-</u>
<u>\$ 5,332</u>	<u>\$ 9,174</u>	<u>\$ -</u>	<u>\$ 11,789</u>	<u>\$ 1,922</u>	<u>\$ 4,492</u>	<u>\$ 51,269</u>	<u>\$ -</u>

(Continued)

**CITY OF GRANDVIEW HEIGHTS, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2017**

	Coronary Care	Youth DARE Trust	C. Ray Buck Sports Park	Pierce Field Park Trust	Total Non-major Special Revenue Funds
Assets:					
Equity in pooled cash and investments	\$ 1,680	\$ 16	\$ 1,362	\$ 49,616	\$ 286,658
Receivables (net of allowances):					
Property and other taxes	-	-	-	-	156,627
Accounts	-	-	-	-	7,570
Intergovernmental	-	-	-	-	20,799
Total assets	<u>\$ 1,680</u>	<u>\$ 16</u>	<u>\$ 1,362</u>	<u>\$ 49,616</u>	<u>\$ 471,654</u>
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 2,395
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,395</u>
Deferred Inflows of Resources:					
Property and other local taxes	-	-	-	-	127,470
Unavailable revenue	-	-	-	-	20,270
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,740</u>
Fund Balances:					
Restricted:					
Street construction, maintenance and repairs	-	-	-	-	151,978
Fire/EMS	-	-	-	-	8,907
Parks and recreation	-	-	1,362	49,616	55,047
Court computer	-	-	-	-	9,174
Law enforcement	-	16	-	-	31,675
Other purposes	1,680	-	-	-	64,738
Total fund balances	<u>1,680</u>	<u>16</u>	<u>1,362</u>	<u>49,616</u>	<u>321,519</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,680</u>	<u>\$ 16</u>	<u>\$ 1,362</u>	<u>\$ 49,616</u>	<u>\$ 471,654</u>



The CITY of
GRANDVIEW HEIGHTS

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**CITY OF GRANDVIEW HEIGHTS, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	State Highway Improvement	Police Pension	Fire Pension	Motor Vehicle Permissive Tax	Law Enforcement
Revenues:					
Property and other taxes	\$ -	\$ 76,826	\$ 76,826	\$ -	\$ -
Fines and forfeitures	-	-	-	-	1,584
Intergovernmental	21,877	8,665	8,665	16,800	-
Investment income	451	-	-	113	-
Contributions and donations	-	-	-	-	1,000
Other	-	-	-	-	7,240
Total revenues	<u>22,328</u>	<u>85,491</u>	<u>85,491</u>	<u>16,913</u>	<u>9,824</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Security of persons and property	-	82,596	82,596	-	7,900
Transportation	-	-	-	176	-
Leisure time activities	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	22,164	-	-	-	-
Total expenditures	<u>22,164</u>	<u>82,596</u>	<u>82,596</u>	<u>176</u>	<u>7,900</u>
Net change in fund balances	164	2,895	2,895	16,737	1,924
Fund balance at beginning of year	38,050	6,012	6,012	97,027	15,546
Fund balance at end of year	<u>\$ 38,214</u>	<u>\$ 8,907</u>	<u>\$ 8,907</u>	<u>\$ 113,764</u>	<u>\$ 17,470</u>

DUI Enforcement and Education	Mayor's Court Computer	Fire/EMS Grant	Grandview Center Improvement	Wyman Woods	Municipal Swimming Pool	Convention and Visitors Bureau	CMAQ Improvement Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,014	\$ -
875	4,150	-	-	-	-	-	-
-	-	2,925	-	-	-	-	471,409
-	-	-	-	-	-	-	-
-	-	-	2,844	-	1,100	-	-
-	-	-	-	-	-	-	-
<u>875</u>	<u>4,150</u>	<u>2,925</u>	<u>2,844</u>	<u>-</u>	<u>1,100</u>	<u>150,014</u>	<u>471,409</u>
-	18,117	-	-	-	-	130,000	-
50	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	11,521	-	-
-	-	2,925	1,778	-	-	-	471,409
-	-	-	-	-	-	-	-
<u>50</u>	<u>18,117</u>	<u>2,925</u>	<u>1,778</u>	<u>-</u>	<u>11,521</u>	<u>130,000</u>	<u>471,409</u>
825	(13,967)	-	1,066	-	(10,421)	20,014	-
4,457	23,141	-	10,723	1,922	12,568	31,255	-
<u>\$ 5,282</u>	<u>\$ 9,174</u>	<u>\$ -</u>	<u>\$ 11,789</u>	<u>\$ 1,922</u>	<u>\$ 2,147</u>	<u>\$ 51,269</u>	<u>\$ -</u>

(Continued)

**CITY OF GRANDVIEW HEIGHTS, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

	Coronary Care	Youth DARE Trust	C. Ray Buck Sports Park	Pierce Field Park Trust	Total Non-major Special Revenue Funds
Revenues:					
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ 303,666
Fines and forfeitures	-	-	-	-	6,609
Intergovernmental	-	-	-	-	530,341
Investment income	-	-	-	-	564
Contributions and donations	-	-	-	183	5,127
Other	-	-	-	-	7,240
Total revenues	-	-	-	183	853,547
Expenditures:					
Current:					
General government	-	-	-	-	148,117
Security of persons and property	-	793	-	-	173,935
Transportation	-	-	-	-	176
Leisure time activities	-	-	-	4,889	16,410
Capital outlay	-	-	-	-	476,112
Debt service:					
Principal retirement	-	-	-	-	22,164
Total expenditures	-	793	-	4,889	836,914
Net change in fund balances	-	(793)	-	(4,706)	16,633
Fund balance at beginning of year	1,680	809	1,362	54,322	304,886
Fund balance at end of year	\$ 1,680	\$ 16	\$ 1,362	\$ 49,616	\$ 321,519



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CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
STATE HIGHWAY IMPROVEMENT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Intergovernmental	\$ 20,500	\$ 21,850	\$ 1,350
Investment income	541	451	(90)
Total revenues	<u>21,041</u>	<u>22,301</u>	<u>1,260</u>
<u>Expenditures:</u>			
Debt service			
Principal retirement	<u>22,165</u>	<u>22,164</u>	<u>1</u>
Total expenditures	<u>22,165</u>	<u>22,164</u>	<u>1</u>
Net change in fund balance	(1,124)	137	1,261
Fund balance - January 1	<u>34,788</u>	<u>34,788</u>	<u>-</u>
Fund balance - December 31	<u>\$ 33,664</u>	<u>\$ 34,925</u>	<u>\$ 1,261</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
POLICE PENSION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Property and other taxes	\$ 72,379	\$ 72,379	\$ -
Intergovernmental	8,729	8,665	(64)
Total revenues	<u>81,108</u>	<u>81,044</u>	<u>(64)</u>
<u>Expenditures:</u>			
Security of Persons and Property			
Personal services	81,168	81,168	-
Other	1,450	1,428	22
Total expenditures	<u>82,618</u>	<u>82,596</u>	<u>22</u>
Net change in fund balance	(1,510)	(1,552)	(42)
Fund balance - January 1	1,871	1,871	-
Fund balance - December 31	<u>\$ 361</u>	<u>\$ 319</u>	<u>\$ (42)</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
FIRE PENSION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>			
Property and other local taxes	\$ 72,379	\$ 72,379	\$ -
Intergovernmental	8,729	8,665	(64)
Total revenues	<u>81,108</u>	<u>81,044</u>	<u>(64)</u>
<u>Expenditures:</u>			
Security of Persons and Property			
Personal services	81,168	81,168	-
Other	1,450	1,428	22
Total expenditures	<u>82,618</u>	<u>82,596</u>	<u>22</u>
Net change in fund balance	(1,510)	(1,552)	(42)
Fund balance - January 1	1,871	1,871	-
Fund balance - December 31	<u>\$ 361</u>	<u>\$ 319</u>	<u>\$ (42)</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
MOTOR VEHICLE PERMISSIVE TAX
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Intergovernmental	\$ 15,000	\$ 16,833	\$ 1,833
Investment income	1,000	113	(887)
Total revenues	<u>16,000</u>	<u>16,946</u>	<u>946</u>
<u>Expenditures:</u>			
Transportation			
Materials and supplies	45,000	45,000	-
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Net change in fund balance	(29,000)	(28,054)	946
Fund balance - January 1	96,266	96,266	-
Prior year encumbrances appropriated	15,000	15,000	-
Fund balance - December 31	<u>\$ 82,266</u>	<u>\$ 83,212</u>	<u>\$ 946</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
LAW ENFORCEMENT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Fines and forfeitures	\$ -	\$ 1,584	\$ 1,584
Contributions and donations	-	1,000	1,000
Total revenues	<u>-</u>	<u>2,584</u>	<u>2,584</u>
<u>Expenditures:</u>			
Current:			
Security of Persons and Property			
Materials and supplies	7,900	7,900	-
Total expenditures	<u>7,900</u>	<u>7,900</u>	<u>-</u>
Excess of Expenditures (Over)/Under Revenues	(7,900)	(5,316)	2,584
Net change in fund balance	(7,900)	(5,316)	2,584
Fund balance - January 1	15,546	15,546	-
Fund balance - December 31	<u>\$ 7,646</u>	<u>\$ 10,230</u>	<u>\$ 2,584</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
DUI ENFORCEMENT AND EDUCATION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Fines and forfeitures	\$ 600	\$ 775	\$ 175
Total revenues	<u>600</u>	<u>775</u>	<u>175</u>
<u>Expenditures:</u>			
<u>Current:</u>			
Security of Persons and Property			
Capital Outlay	4,400	-	4,400
Total expenditures	<u>4,400</u>	<u>-</u>	<u>4,400</u>
Net change in fund balance	(3,800)	775	4,575
Fund balance - January 1	4,457	4,457	-
Fund balance - December 31	<u>\$ 657</u>	<u>\$ 5,232</u>	<u>\$ 4,575</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
MAYOR’S COURT COMPUTER
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Fines and forfeitures	\$ 3,000	\$ 4,380	\$ 1,380
Total revenues	<u>3,000</u>	<u>4,380</u>	<u>1,380</u>
<u>Expenditures:</u>			
General Government			
Contractual services	4,000	3,872	128
Materials and supplies	15,950	14,245	1,705
Total expenditures	<u>19,950</u>	<u>18,117</u>	<u>1,833</u>
Net change in fund balance	(16,950)	(13,737)	3,213
Fund balance - January 1	22,681	22,681	-
Fund balance - December 31	<u>\$ 5,731</u>	<u>\$ 8,944</u>	<u>\$ 3,213</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
COMMUNITY EVENTS AND PROJECTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>			
Contributions and donations	\$ 25,000	\$ 30,305	\$ 5,305
Total Revenues	<u>25,000</u>	<u>30,305</u>	<u>5,305</u>
<u>Expenditures:</u>			
Leisure Time Activity			
Other operating	\$ 15,000	\$ 9,579	\$ 5,421
Total expenditures	<u>15,000</u>	<u>9,579</u>	<u>5,421</u>
Net change in fund balance	10,000	20,726	10,726
Fund balance - January 1	822	822	-
Fund balance - December 31	<u>\$ 10,822</u>	<u>\$ 21,548</u>	<u>\$ 10,726</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
TAX ABATEMENT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>			
Municipal income taxes	\$ 994,310	\$ 1,978,837	\$ 984,527
Property and other taxes	60,000	76,524	16,524
Charges for services	2,500	3,506	1,006
Total revenues	<u>1,056,810</u>	<u>2,058,867</u>	<u>1,002,057</u>
<u>Expenditures:</u>			
General Government			
Other	1,373,362	1,372,752	610
Total expenditures	<u>1,373,362</u>	<u>1,372,752</u>	<u>610</u>
Net change in fund balance	(316,552)	686,115	1,002,667
Fund balance - January 1	184,190	184,190	-
Prior Year Encumbrances Appropriated	132,362	132,362	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ 1,002,667</u>	<u>\$ 1,002,667</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
FIRE EMS GRANT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Intergovernmental	\$ 3,500	\$ -	\$ (3,500)
Total revenues	<u>3,500</u>	<u>-</u>	<u>(3,500)</u>
<u>Expenditures:</u>			
Security of Persons and Property			
Capital Outlay	<u>2,925</u>	<u>2,925</u>	<u>-</u>
Total expenditures	<u>2,925</u>	<u>2,925</u>	<u>-</u>
Excess (Deficiency) of revenues over (under) expenditures	575	(2,925)	(3,500)
<u>Other Financing Sources (Uses):</u>			
Advance in	<u>-</u>	<u>2,925</u>	<u>2,925</u>
Total other financing sources (uses)	<u>-</u>	<u>2,925</u>	<u>2,925</u>
Net change in fund balance	575	-	(575)
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - December 31	<u>\$ 575</u>	<u>\$ -</u>	<u>\$ (575)</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
GRANDVIEW CENTER IMPROVEMENT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Contributions and donations	\$ 1,500	\$ 2,844	\$ 1,344
Total revenues	<u>1,500</u>	<u>2,844</u>	<u>1,344</u>
<u>Expenditures:</u>			
Public Health and Welfare			
Capital outlay	9,700	1,778	7,922
Total expenditures	<u>9,700</u>	<u>1,778</u>	<u>7,922</u>
Net change in fund balance	(8,200)	1,066	9,266
Fund balance - January 1	10,723	10,723	-
Fund balance - December 31	<u>\$ 2,523</u>	<u>\$ 11,789</u>	<u>\$ 9,266</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
WYMAN WOODS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Expenditures:</u>			
Leisure Time Activity			
Capital outlay	\$ 1,922	\$ -	\$ 1,922
Total expenditures	<u>1,922</u>	<u>-</u>	<u>1,922</u>
Net change in fund balance	(1,922)	-	1,922
Fund balance - January 1	\$ 1,922	\$ 1,922	\$ -
Fund balance - December 31	<u>\$ -</u>	<u>\$ 1,922</u>	<u>\$ 1,922</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
MUNICIPAL SWIMMING POOL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Contributions and donations	\$ 500	\$ 1,100	\$ 600
Total revenues	<u>500</u>	<u>1,100</u>	<u>600</u>
<u>Expenditures:</u>			
Leisure Time Activity			
Materials and supplies	12,568	11,520	1,048
Total expenditures	<u>12,568</u>	<u>11,520</u>	<u>1,048</u>
Excess of Expenditures Over Revenues	(12,068)	(10,420)	1,648
Net change in fund balance	(12,068)	(10,420)	1,648
Fund balance - January 1	12,568	12,568	-
Fund balance - December 31	<u>\$ 500</u>	<u>\$ 2,148</u>	<u>\$ 1,648</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
CONVENTION AND VISITOR’S BUREAU
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Property and other local taxes	\$ 130,000	\$ 150,441	\$ 20,441
Total revenues	<u>130,000</u>	<u>150,441</u>	<u>20,441</u>
<u>Expenditures:</u>			
General Government			
Other	130,000	130,000	-
Total expenditures	<u>130,000</u>	<u>130,000</u>	<u>-</u>
Net change in fund balance	-	20,441	20,441
Fund balance - January 1	23,027	23,027	-
Fund balance - December 31	<u>\$ 23,027</u>	<u>\$ 43,468</u>	<u>\$ 20,441</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
JEDZ CEDA
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Intergovernmental	\$ 2,539,000	\$ 2,404,557	\$ (134,443)
Total revenues	<u>2,539,000</u>	<u>2,404,557</u>	<u>(134,443)</u>
<u>Expenditures:</u>			
Economic Development			
Contractual Services	2,474,000	2,474,000	-
Total expenditures	<u>2,474,000</u>	<u>2,474,000</u>	<u>-</u>
Net change in fund balance	65,000	(69,443)	(134,443)
Fund balance - January 1	95,755	95,755	-
Fund balance - December 31	<u>\$ 160,755</u>	<u>\$ 26,312</u>	<u>\$ (134,443)</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
CORONARY CARE TRUST
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Contributions and donations	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
 Net change in fund balance	 -	 -	 -
 Fund balance - January 1	 1,680	 1,680	 -
Fund balance - December 31	<u>\$ 1,680</u>	<u>\$ 1,680</u>	<u>\$ -</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
YOUTH TRUST
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Expenditures:</u>			
Current:			
Security of Persons and Property			
Other	\$ 809	\$ 793	\$ 16
Total Expenditures	<u>809</u>	<u>793</u>	<u>16</u>
 Net change in Fund Balance	 (809)	 (793)	 16
 Fund balance - January 1	 809	 809	 -
Fund balance - December 31	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 16</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
C. RAY BUCK SPORTS PARK
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance Over/(Under)
<u>Expenditures:</u>			
Leisure Time Activities			
Capital outlay	\$ 1,362	\$ -	\$ 1,362
Total expenditures	1,362	-	1,362
 Net change in fund balance	 (1,362)	 -	 1,362
 Fund balance - January 1	 1,362	 1,362	 -
Fund balance - December 31	\$ -	\$ 1,362	\$ 1,362

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
PIERCE FIELD PARK TRUST
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Contributions and donations	\$ 2,000	\$ 183	\$ (1,817)
Total revenues	<u>2,000</u>	<u>183</u>	<u>(1,817)</u>
<u>Expenditures:</u>			
Leisure Time Activity			
Materials and Supplies	<u>52,649</u>	<u>7,489</u>	<u>45,160</u>
Total expenditures	<u>52,649</u>	<u>7,489</u>	<u>45,160</u>
Net change in fund balance	(50,649)	(7,306)	43,343
Fund balance - January 1	54,273	54,273	-
Prior year encumbrances appropriated	<u>2,649</u>	<u>2,649</u>	<u>-</u>
Fund balance - December 31	<u>\$ 6,273</u>	<u>\$ 49,616</u>	<u>\$ 43,343</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
CMAQ IMPROVEMENT GRANT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Intergovernmental	\$ 509,508	\$ 509,508	\$ -
Total revenues	<u>509,508</u>	<u>509,508</u>	<u>-</u>
<u>Expenditures:</u>			
General Government			
Capital Outlay	509,508	509,508	-
Total expenditures	<u>509,508</u>	<u>509,508</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance - January 1	-	-	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
ACCRUED LEAVE RESERVE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Expenditures:</u>			
Current:			
General Government			
Personal services	\$ 165,000	\$ 127,753	\$ 37,247
Total expenditures	<u>165,000</u>	<u>127,753</u>	<u>37,247</u>
Excess of Expenditures Over Revenues	(165,000)	(127,753)	37,247
<u>Other Financing Sources:</u>			
Transfer in	<u>77,000</u>	<u>77,000</u>	-
Total other financing sources	<u>77,000</u>	<u>77,000</u>	-
Net change in fund balance	(88,000)	(50,753)	37,247
Fund balance - January 1	88,368	88,368	-
Fund balance - December 31	<u>\$ 368</u>	<u>\$ 37,615</u>	<u>\$ 37,247</u>

**CITY OF GRANDVIEW HEIGHTS, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUND
 AS OF DECEMBER 31, 2017**

	Debt Service	Total Nonmajor Debt Service Funds
Assets:		
Equity in pooled cash and investments	\$ 58,776	\$ 58,776
Total assets	\$ 58,776	\$ 58,776
 Fund Balances:		
Restricted:		
Debt Service	58,776	58,776
Total fund balances	58,776	58,776
 Total liabilities, deferred inflows of resources, and fund balances		
	\$ 58,776	\$ 58,776

CITY OF GRANDVIEW HEIGHTS, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Debt Service</u>	<u>Total Nonmajor Debt Service Funds</u>
Expenditures:		
Debt service:		
Principal retirement	\$ 337,481	\$ 337,481
Interest and fiscal charges	146,663	146,663
Total expenditures	<u>484,144</u>	<u>484,144</u>
Deficiency of revenues		
Under expenditures	(484,144)	(484,144)
Other Financing Sources (Uses):		
Transfers in	<u>535,894</u>	<u>535,894</u>
Total other financing sources (uses)	<u>535,894</u>	<u>535,894</u>
Net change in fund balances	51,750	51,750
Fund balance at beginning of year	<u>7,026</u>	<u>7,026</u>
Fund balance at end of year	<u><u>\$ 58,776</u></u>	<u><u>\$ 58,776</u></u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
DEBT SERVICE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Expenditures:</u>			
Debt service			
Principal retirement	389,231	337,481	51,750
Interest and fiscal charges	146,663	146,663	-
Total expenditures	<u>535,894</u>	<u>484,144</u>	<u>51,750</u>
Excess of Expenditures Over Revenues	(535,894)	(484,144)	51,750
<u>Other Financing Sources</u>			
Transfers In	535,894	535,894	-
Total Other Financing Sources	<u>535,894</u>	<u>535,894</u>	<u>-</u>
Net change in fund balance	-	51,750	51,750
Fund balance - January 1	7,026	7,026	-
Fund balance - December 31	<u>\$ 7,026</u>	<u>\$ 58,776</u>	<u>\$ 51,750</u>

**CITY OF GRANDVIEW HEIGHTS, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUND
AS OF DECEMBER 31, 2017**

	<u>General Improvement</u>	<u>Sewer Improvement</u>	<u>Clean Ohio Remediation Funds 5 Fund</u>	<u>Clean Ohio Remediation Funds 7 Fund</u>	<u>Grandview Yard Infrastructure Fund</u>
Assets:					
Equity in pooled cash and investments	\$ 1,171,255	\$ 572,205	\$ -	\$ -	\$ -
Receivables (net of allowances):					
Income taxes	146,066	-	-	-	-
Accounts	31,441	15,132	-	-	-
Total assets	<u>\$ 1,348,762</u>	<u>\$ 587,337</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities:					
Accounts payable	\$ 42,204	\$ 2,676	\$ -	\$ -	\$ -
Total liabilities	<u>42,204</u>	<u>2,676</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable revenue	51,888	-	-	-	-
Total deferred inflows of resources	<u>51,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Committed:					
Capital projects	1,254,670	584,661	-	-	-
Total fund balances	<u>1,254,670</u>	<u>584,661</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,348,762</u>	<u>\$ 587,337</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Northwest and First Improvement Fund	Total Non-major Capital Projects Funds
\$ -	\$ 1,743,460
-	146,066
-	46,573
<u>\$ -</u>	<u>\$ 1,936,099</u>
-	-
<u>\$ -</u>	<u>\$ 44,880</u>
-	44,880
-	51,888
<u>-</u>	<u>51,888</u>
-	-
<u>-</u>	<u>1,839,331</u>
<u>-</u>	<u>1,839,331</u>
<u>\$ -</u>	<u>\$ 1,936,099</u>

**CITY OF GRANDVIEW HEIGHTS, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	General Improvement	Sewer Improvement	Clean Ohio Remediation Funds 5 Fund	Clean Ohio Remediation Funds 7 Fund	Grandview Yard Infrastructure Fund
Revenues:					
Municipal income taxes	\$ 703,357	\$ -	\$ -	\$ -	\$ -
Charges for services	153,173	234,802	-	-	-
Intergovernmental	-	-	10,109	141,827	5,001
Other	8,099	-	-	-	-
Total revenues	<u>864,629</u>	<u>234,802</u>	<u>10,109</u>	<u>141,827</u>	<u>5,001</u>
Expenditures:					
Current:					
General government	157,111	-	-	-	-
Utility services	-	45,304	-	-	-
Economic development	-	-	10,109	-	-
Capital outlay	2,128,879	-	-	-	146,591
Debt service:					
Principal retirement	134,615	71,932	-	-	-
Interest and fiscal charges	9,456	10,156	-	-	-
Total expenditures	<u>2,430,061</u>	<u>127,392</u>	<u>10,109</u>	<u>-</u>	<u>146,591</u>
Excess (deficiency) of revenues over (under) expenditures	(1,565,432)	107,410	-	141,827	(141,590)
Other Financing Sources					
Sale of capital assets	51,771	-	-	-	-
Issuance of loan	-	-	-	-	144,816
Transfers in	1,407,000	-	-	-	-
Total other financing sources (uses)	<u>1,458,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,816</u>
Net change in fund balances	(106,661)	107,410	-	141,827	3,226
Fund balance at beginning of year	1,361,331	477,251	-	(141,827)	(3,226)
Fund balance at end of year	<u>\$ 1,254,670</u>	<u>\$ 584,661</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Northwest and First Improvement Fund	Total Non-major Capital Projects Funds
\$ -	\$ 703,357
-	387,975
119,160	276,097
-	8,099
119,160	1,375,528
-	157,111
-	45,304
-	10,109
-	2,275,470
-	206,547
-	19,612
-	2,714,153
119,160	(1,338,625)
-	51,771
-	144,816
-	1,407,000
-	1,603,587
119,160	264,962
(119,160)	1,574,369
\$ -	\$ 1,839,331

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
COMMERCE DISTRICT GRANTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Intergovernmental	\$ 1,914,904	\$ -	\$ (1,914,904)
Total revenues	<u>1,914,904</u>	<u>-</u>	<u>(1,914,904)</u>
<u>Expenditures:</u>			
Capital Outlay	1,914,904	1,914,904	-
Total expenditures	<u>1,914,904</u>	<u>1,914,904</u>	<u>-</u>
Net change in fund balance	-	(1,914,904)	(1,914,904)
Fund balance - January 1	-	-	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ (1,914,904)</u>	<u>\$ (1,914,904)</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
GENERAL IMPROVEMENT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>			
Municipal income taxes	\$ 591,420	\$ 690,845	\$ 99,425
Charges for services	192,500	152,958	(39,542)
Other	4,409	8,099	3,690
Total revenues	<u>788,329</u>	<u>851,902</u>	<u>63,573</u>
<u>Expenditures:</u>			
General Government			
Utility Services			
Contractual services	607,873	170,924	436,949
Other operating	45,600	37,258	8,342
Capital outlay	2,666,536	2,367,351	299,185
Debt service			
Principal retirement	134,616	134,615	1
Interest and fiscal charges	9,456	9,456	-
Total expenditures	<u>3,464,081</u>	<u>2,719,604</u>	<u>744,477</u>
Excess of Expenditures Over Revenues	(2,675,752)	(1,867,702)	808,050
Other Financing Sources			
Sale of Assets	-	51,771	51,771
Transfers In	1,407,000	1,407,000	-
Total Other Financing Sources	<u>1,407,000</u>	<u>1,458,771</u>	<u>51,771</u>
Net change in fund balance	(1,268,752)	(408,931)	859,821
Fund balance - January 1	854,887	854,887	-
Prior year encumbrances appropriated	413,865	413,865	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ 859,821</u>	<u>\$ 859,821</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
SEWER IMPROVEMENT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>			
Charges for services	\$ 200,000	\$ 232,751	\$ 32,751
Total revenues	<u>200,000</u>	<u>232,751</u>	<u>32,751</u>
<u>Expenditures:</u>			
Current:			
Utility Services			
Contractual services	108,000	55,805	52,195
Materials and supplies	23,000	3,970	19,030
Debt service			
Principal retirement	71,933	71,932	1
Interest and fiscal charges	10,157	10,156	1
Total expenditures	<u>213,090</u>	<u>141,863</u>	<u>71,227</u>
Net change in fund balance	(13,090)	90,888	103,978
Fund balance - January 1	464,170	464,170	-
Fund balance - December 31	<u>\$ 451,080</u>	<u>\$ 555,058</u>	<u>\$ 103,978</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
PARKS AND RECREATION CAPITAL IMPROVEMENT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>			
Property and other local taxes	\$ 349,807	\$ 361,184	\$ 11,377
Intergovernmental	7,274	7,230	(44)
Investment income	9,300	7,393	(1,907)
Other	305,000	305,000	-
Total revenues	<u>671,381</u>	<u>680,807</u>	<u>9,426</u>
<u>Expenditures:</u>			
Current:			
Leisure Time Activity			
Contractual services	188,100	179,447	8,653
Other Operating	1,200	1,189	11
Capital outlay	5,342,105	5,332,839	9,266
Debt service			
Principal retirement	235,000	235,000	-
Interest and fiscal charges	242,199	242,199	-
Bond Issuance Costs	106,904	70,000	36,904
Total expenditures	<u>6,115,508</u>	<u>6,060,674</u>	<u>17,930</u>
Excess of revenues over expenditures	(5,444,127)	(5,379,867)	27,356
<u>Other Financing Sources (Uses):</u>			
Bond Issuance	5,500,000	5,500,000	
Premium on Bond Issuance	106,904	106,904	
Transfer in	576,000	576,000	-
Advance Out	-	(3,543,478)	(3,543,478)
Total other financing sources (uses)	<u>6,182,904</u>	<u>2,639,426</u>	<u>(3,543,478)</u>
Net change in fund balance	738,777	(2,740,441)	(3,516,122)
Fund balance - January 1	158,453	158,453	-
Prior year encumbrances appropriated	3,093,683	3,093,683	-
Fund balance - December 31	<u>\$ 3,990,913</u>	<u>\$ 511,695</u>	<u>\$ (3,516,122)</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
CORF 5
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Expenditures:</u>			
Current:			
General Government			
Contractual Services	10,109	10,109	-
Total expenditures	<u>10,109</u>	<u>10,109</u>	<u>-</u>
Net change in fund balance	(10,109)	(10,109)	-
Fund balance - January 1	10,109	10,109	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
CORF 7
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Intergovernmental	\$ 141,827	\$ 141,419	\$ (408)
Total revenues	<u>141,827</u>	<u>141,419</u>	<u>(408)</u>
<u>Expenditures:</u>			
Current:			
General Government			
Contractual Services	141,827	141,419	408
Total expenditures	<u>141,827</u>	<u>141,419</u>	<u>408</u>
Net change in fund balance	-	-	-
Fund balance - January 1	(141,827)	(141,827)	-
Prior Year Encumbrances Appropriated	<u>141,827</u>	<u>141,827</u>	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
GRANDVIEW YARD INFRASTRUCTURE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>			
Intergovernmental	\$ 5,001	\$ 5,001	\$ -
Total revenues	<u>5,001</u>	<u>5,001</u>	<u>-</u>
<u>Expenditures:</u>			
Capital outlay	\$ 149,817	\$ 149,817	\$ -
Total expenditures	<u>149,817</u>	<u>149,817</u>	<u>-</u>
Excess of Expenditures Over Revenues	(144,816)	(144,816)	-
Other Financing Sources			
Loan Issuance	144,816	144,816	-
Total Other Financing Sources	<u>144,816</u>	<u>144,816</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance - January 1	-	-	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
NORTHWEST AND FIRST IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>			
Intergovernmental	\$ 329,174	\$ 329,174	\$ -
Total revenues	<u>329,174</u>	<u>329,174</u>	<u>-</u>
<u>Expenditures:</u>			
Capital outlay	329,174	329,174	-
Total expenditures	<u>329,174</u>	<u>329,174</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance - January 1	-	-	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



The CITY of
GRANDVIEW HEIGHTS

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CITY OF GRANDVIEW HEIGHTS, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTION - AGENCY FUNDS**

Agency Funds

Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Mayor's Court

To account for monies collected and to be distributed by the Mayor's Court.

Joint Economic Development Zone (JEDZ) Board

To account for monies collected and to be distributed by the JEDZ Board in accordance with the agreement between the City and Clinton Township.

CITY OF GRANDVIEW HEIGHTS, OHIO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
Mayor's Court				
Assets				
Cash in segregated accounts	\$ 2,150	\$ 110,731	\$ (109,806)	\$ 3,075
Total assets	<u>\$ 2,150</u>	<u>\$ 110,731</u>	<u>\$ (109,806)</u>	<u>\$ 3,075</u>
Liabilities				
Due to others	\$ 2,150	\$ 110,731	\$ (109,806)	\$ 3,075
Total liabilities	<u>\$ 2,150</u>	<u>\$ 110,731</u>	<u>\$ (109,806)</u>	<u>\$ 3,075</u>
Joint Economic Development Zone Board				
Assets				
Cash in segregated accounts	\$ 130,677	\$ 3,697,308	\$ (3,637,045)	\$ 190,940
Income Taxes Receivable	755,025	530,924	(755,025)	530,924
Total assets	<u>\$ 885,702</u>	<u>\$ 4,228,232</u>	<u>\$ (4,392,070)</u>	<u>\$ 721,864</u>
Liabilities				
Due to others	\$ 885,702	\$ 4,228,232	\$ (4,392,070)	\$ 721,864
Total liabilities	<u>\$ 885,702</u>	<u>\$ 4,228,232</u>	<u>\$ (4,392,070)</u>	<u>\$ 721,864</u>
Total				
Assets				
Cash in segregated accounts	\$ 132,827	\$ 3,808,039	\$ (3,746,851)	\$ 194,015
Income Taxes Receivable	755,025	530,924	(755,025)	530,924
Total assets	<u>\$ 887,852</u>	<u>\$ 4,338,963</u>	<u>\$ (4,501,876)</u>	<u>\$ 724,939</u>
Liabilities				
Due to others	\$ 887,852	\$ 4,338,963	\$ (4,501,876)	\$ 724,939
Total liabilities	<u>\$ 887,852</u>	<u>\$ 4,338,963</u>	<u>\$ (4,501,876)</u>	<u>\$ 724,939</u>



The CITY of
GRANDVIEW HEIGHTS

STATISTICAL SECTION



The CITY of
GRANDVIEW HEIGHTS

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CITY OF GRANDVIEW HEIGHTS, OHIO

STATISTICAL SECTION

The statistical section of the City of Grandview Heights’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 of Grandview Heights's financial performance and well-being have changed over time.	S4-S11
Revenue Capacity These schedules contain information to help the reader assess the City’s most significant local revenue source, the income tax.	S12-17
Debt Capacity These schedules contain information to help the reader assess the afford-ability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S18-21
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.	S22-23
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.	S24-29

Sources: Sources are noted on the individual schedules.

CITY OF GRANDVIEW HEIGHTS, OHIO

NET POSITION BY COMPONENT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>Restated 2016</u>	<u>2015</u>	<u>2014</u>
Governmental activities:				
Net investment in capital assets	\$ 61,660,243	\$ 58,962,330	\$ 45,824,665	\$ 28,093,276
Restricted	491,675	888,184	1,184,261	1,779,704
Unrestricted	1,015,390	(132,535)	2,213,085	9,548,018
Total governmental activities net position	<u>\$ 63,167,308</u>	<u>\$ 59,717,979</u>	<u>\$ 49,222,011</u>	<u>\$ 39,420,998</u>

Source: City financial records.

2013	2012	2011	2010	2009	2008
\$ 17,454,369	\$ 14,833,545	\$ 13,916,772	\$ 12,133,217	\$ 4,551,855	\$ 4,432,203
1,192,229	998,793	593,883	1,611,322	1,132,664	1,202,213
8,724,333	6,205,357	4,764,336	3,494,112	4,023,126	4,004,892
<u>\$ 27,370,931</u>	<u>\$ 22,037,695</u>	<u>\$ 19,274,991</u>	<u>\$ 17,238,651</u>	<u>\$ 9,707,645</u>	<u>\$ 9,639,308</u>

CITY OF GRANDVIEW HEIGHTS, OHIO

CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Program revenues:				
Governmental activities				
Charges for services:				
General government	\$ 926,345	\$ 685,889	\$ 1,139,313	\$ 544,813
Security of persons and property	517,545	511,366	540,917	539,958
Public health and welfare	173,651	167,274	193,674	186,734
Transportation	57,884	55,758	55,803	53,065
Utility Services	260,951	396,018	273,652	195,049
Leisure time activity	429,449	274,837	196,137	260,511
Economic Development	3,506	3,228	5,000	10,976
Operating grants & contributions	4,700,748	2,772,332	2,716,723	1,644,574
Capital grants & contributions	1,998,313	9,548,864	17,078,593	11,254,753
Total governmental activities program revenues	<u>9,068,392</u>	<u>14,415,566</u>	<u>22,199,812</u>	<u>14,690,433</u>
Expenses:				
Governmental activities				
General government	4,436,675	3,590,566	3,488,396	3,000,999
Security of persons and property	6,677,344	6,196,665	5,294,942	5,099,104
Public health and welfare	59,232	56,243	50,481	39,947
Transportation	2,225,865	1,616,389	1,762,866	1,232,038
Leisure time activity	1,691,330	1,500,914	1,368,524	1,163,617
Utility services	976,432	805,335	691,137	758,093
Economic development	12,063,274	5,467,462	5,088,365	3,653,254
Interest & fiscal charges	417,419	186,192	93,178	90,563
Bond issuance costs	171,800	149,496	-	-
Total governmental activities expenses	<u>28,719,371</u>	<u>19,569,262</u>	<u>17,837,889</u>	<u>15,037,615</u>
Total primary government net revenue (expense)	<u>(19,650,979)</u>	<u>(5,153,696)</u>	<u>4,361,923</u>	<u>(347,182)</u>
General revenues and other changes in net position:				
Governmental activities				
Taxes:				
Property taxes levied for:				
General purposes	2,260,459	2,216,658	2,079,767	1,920,525
Police and fire pensions	153,880	144,954	142,244	119,090
Parks and recreation improvements	64,104	60,397	59,114	54,426
Hotel and motel taxes	600,053	254,695	274,584	187,552
Payments in lieu of taxes	3,791,409	1,549,253	1,376,394	1,271,885
Municipal income taxes levied for:				
General purposes	13,770,782	9,596,666	8,120,062	7,249,043
Capital improvements	724,778	505,077	427,326	381,528
Grants and entitlements not restricted to specific programs	1,207,044	1,230,747	1,124,193	790,346
Investment earnings	132,437	144,369	71,723	74,311
Lease	-	-	3,103	-
Insurance Recoveries	17,949	18,972	-	-
Miscellaneous	377,413	192,325	233,854	348,543
Total governmental activities	<u>23,100,308</u>	<u>15,914,113</u>	<u>13,912,364</u>	<u>12,397,249</u>
Total primary government change in net position	<u>\$ 3,449,329</u>	<u>\$ 10,760,417</u>	<u>\$ 18,274,287</u>	<u>\$ 12,050,067</u>

Source: City financial records.

	2013	2012	2011	2010	2009	2008
\$	451,915	\$ 455,289	\$ 435,571	\$ 423,918	\$ 309,175	\$ 213,627
	498,081	449,968	399,152	406,577	564,845	542,676
	183,268	175,426	177,226	169,237	146,593	158,414
	51,187	49,373	232,293	225,278	221,589	219,398
	191,538	189,754	-	-	-	-
	251,859	278,929	268,002	255,528	243,177	269,207
	3,831	-	-	-	-	-
	459,865	414,372	445,306	1,606,592	373,644	542,629
	2,742,643	1,916,238	1,809,543	7,783,106	10,950	8,541
	<u>4,834,187</u>	<u>3,929,349</u>	<u>3,767,093</u>	<u>10,870,236</u>	<u>1,869,973</u>	<u>1,954,492</u>
	2,504,617	2,457,407	2,253,422	2,098,542	2,023,040	2,204,504
	4,944,704	4,817,775	4,686,786	4,609,921	4,667,721	4,410,555
	6,209	42,352	43,126	40,303	39,636	36,822
	1,172,477	1,087,234	804,027	602,154	1,548,131	1,493,001
	999,847	951,611	914,501	856,551	785,511	768,120
	790,285	769,457	722,475	748,210	109,100	107,706
	2,347,316	1,213,559	1,218,348	1,730,058	-	-
	100,008	16,930	19,262	13,045	24,939	23,116
	-	65,700	-	-	-	-
	<u>12,865,463</u>	<u>11,422,025</u>	<u>10,661,947</u>	<u>10,698,784</u>	<u>9,198,078</u>	<u>9,043,824</u>
	<u>(8,031,276)</u>	<u>(7,492,676)</u>	<u>(6,894,854)</u>	<u>171,452</u>	<u>(7,328,105)</u>	<u>(7,089,332)</u>
	2,069,275	1,376,226	1,462,403	1,437,706	1,387,888	1,500,106
	130,564	126,450	125,388	144,204	122,460	123,818
	-	-	-	-	-	-
	245,746	237,143	207,056	31,743	-	-
	1,653,591	413,790	-	-	-	-
	7,606,041	6,994,594	5,629,193	4,404,879	4,745,785	5,692,124
	400,319	367,041	296,273	154,654	-	-
	881,703	515,848	892,128	1,013,394	916,994	1,003,195
	53,068	120,486	132,081	104,581	107,228	167,510
	-	-	-	-	-	-
	-	-	-	-	-	-
	324,205	103,802	186,672	68,413	116,087	148,515
	<u>13,364,512</u>	<u>10,255,380</u>	<u>8,931,194</u>	<u>7,359,574</u>	<u>7,396,442</u>	<u>8,635,268</u>
\$	<u>5,333,236</u>	<u>\$ 2,762,704</u>	<u>\$ 2,036,340</u>	<u>\$ 7,531,026</u>	<u>\$ 68,337</u>	<u>\$ 1,545,936</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General fund:				
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Nonspendable	197,800	206,311	59,827	177,939
Committed	37,615	88,368	15,293	148,232
Assigned	378,270	504,493	331,760	203,371
Unassigned	8,927,638	8,187,206	8,949,247	7,095,887
Total general fund	<u>\$ 9,541,323</u>	<u>\$ 8,986,378</u>	<u>\$ 9,356,127</u>	<u>\$ 7,625,429</u>
All other governmental funds:				
Reserved	N/A	N/A	N/A	N/A
Undesignated (deficit), reported in:				
Special revenue funds	N/A	N/A	N/A	N/A
Capital project funds	N/A	N/A	N/A	N/A
Nonspendable	16,296	27,160	23,520	50,818
Restricted	2,253,500	4,145,040	1,027,975	1,742,683
Committed	1,839,331	1,838,582	1,356,200	1,215,111
Unassigned	-	(1,281,702)	(2,509,977)	(205,908)
Total all other governmental funds	<u>\$ 4,109,127</u>	<u>\$ 4,729,080</u>	<u>\$ (102,282)</u>	<u>\$ 2,802,704</u>
Total Governmental funds	<u>\$ 13,650,450</u>	<u>\$ 13,715,458</u>	<u>\$ 9,253,845</u>	<u>\$ 10,428,133</u>

Source: City financial records.

Notes:

- (1) The City implemented GASB 54 in fiscal year 2011. Fiscal year 2010 was restated to reflect this change; however fiscal years prior to 2010 were not restated.

2013	2012	2011 (1)	2010 (1)	2009	2008
N/A	N/A	N/A	N/A	\$ 109,898	\$ 171,144
N/A	N/A	N/A	N/A	3,676,274	3,883,314
204,695	216,999	237,387	258,985	N/A	N/A
150,000	150,000	-	-	N/A	N/A
144,167	1,546,279	1,249,920	1,351,767	N/A	N/A
5,708,223	2,544,146	1,988,100	1,917,702	N/A	N/A
<u>\$ 6,207,085</u>	<u>\$ 4,457,424</u>	<u>\$ 3,475,407</u>	<u>\$ 3,528,454</u>	<u>\$ 3,786,172</u>	<u>\$ 4,054,458</u>
N/A	N/A	N/A	N/A	\$ 146,396	\$ 46,203
N/A	N/A	N/A	N/A	541,769	662,337
N/A	N/A	N/A	N/A	319,801	266,601
10,485	17,752	20,643	46,805	N/A	N/A
2,889,402	3,784,652	522,872	521,505	N/A	N/A
1,158,533	1,029,225	916,057	774,163	N/A	N/A
(175,212)	(287,445)	(391,102)	(420,988)	N/A	N/A
<u>\$ 3,883,208</u>	<u>\$ 4,544,184</u>	<u>\$ 1,068,470</u>	<u>\$ 921,485</u>	<u>\$ 1,007,967</u>	<u>\$ 975,142</u>
<u>\$ 10,090,293</u>	<u>\$ 9,001,608</u>	<u>\$ 4,543,877</u>	<u>\$ 4,449,939</u>	<u>\$ 4,794,139</u>	<u>\$ 5,029,600</u>

CITY OF GRANDVIEW HEIGHTS, OHIO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues:				
Municipal income tax	\$ 14,067,126	\$ 11,002,926	\$ 8,857,323	\$ 7,717,493
Property and other taxes	3,074,873	2,681,768	2,547,110	2,284,558
Payment in lieu of taxes	3,791,409	1,549,253	1,376,394	1,271,885
Charges for services	1,688,847	1,665,008	1,561,660	1,452,820
Licenses, permits & fees	586,131	323,628	749,548	254,827
Fines and forfeitures	72,533	88,414	91,278	81,283
Intergovernmental	6,614,771	7,434,892	4,827,467	6,716,096
Investment Income	134,214	159,115	77,128	76,155
Capital lease revenue	-	-	-	-
Contributions and donations	340,692	9,937	570,621	1,375,507
Miscellaneous	333,832	183,324	195,943	439,973
Total revenues	<u>30,704,428</u>	<u>25,098,265</u>	<u>20,854,472</u>	<u>21,670,597</u>
Expenditures:				
Current:				
General government	4,140,975	3,447,302	3,486,804	2,935,640
Security of persons and property	5,722,683	5,307,846	5,011,254	4,876,991
Public health and welfare	59,232	56,243	48,991	39,947
Transportation	905,606	995,405	1,441,524	684,828
Leisure time activity	1,356,677	1,366,450	1,122,504	955,151
Utility services	781,745	706,765	650,215	964,210
Economic Development	12,018,459	5,422,428	4,640,175	2,895,156
Capital outlay	11,268,305	10,508,206	7,500,719	9,795,274
Debt service:				
Principal retirement	859,693	365,861	260,039	168,005
Interest and fiscal charges	408,474	177,679	98,130	92,005
Bond issuance costs	171,800	149,496	-	-
Total expenditures	<u>37,693,649</u>	<u>28,503,681</u>	<u>24,260,355</u>	<u>23,407,207</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,989,221)</u>	<u>(3,405,416)</u>	<u>(3,405,883)</u>	<u>(1,736,610)</u>
Other financing sources (uses):				
Sale of capital assets	52,744	13,185	39,884	16,853
Loan issuance	1,144,816	775,744	2,181,583	1,592,091
Bond issuance	5,500,000	6,630,000	-	-
Premium on Bond issuance	208,704	195,110	7,025	-
Inception of capital lease	-	234,018	-	447,259
Insurance Recoveries	17,949	18,972	3,103	18,247
Transfers in	2,853,894	3,908,325	1,000,000	250,000
Transfers out	(2,853,894)	(3,908,325)	(1,000,000)	(250,000)
Total other financing sources (uses)	<u>6,924,213</u>	<u>7,867,029</u>	<u>2,231,595</u>	<u>2,074,450</u>
Net change in fund balances	<u>\$ (65,008)</u>	<u>\$ 4,461,613</u>	<u>\$ (1,174,288)</u>	<u>\$ 337,840</u>
Debt service as a percentage of noncapital expenditures	4.76%	3.06%	2.15%	1.87%

Source: City financial records.

	2013	2012	2011	2010	2009	2008
\$	7,572,082	\$ 6,845,331	\$ 5,619,516	\$ 4,748,687	\$ 4,548,428	\$ 5,611,389
	2,444,575	1,740,073	1,798,345	1,635,865	1,503,409	1,600,458
	1,653,591	413,790	-	-	-	-
	1,322,568	1,300,942	1,209,343	1,196,115	1,128,191	1,142,485
	205,216	211,362	202,568	169,856	182,004	95,832
	86,787	91,515	96,576	116,995	181,496	164,299
	3,233,113	1,672,554	2,471,965	4,619,688	1,289,132	1,474,911
	55,149	119,081	126,165	90,957	126,977	208,499
	-	-	-	-	-	-
	712,545	115,970	11,447	10,807	9,908	14,923
	226,240	88,365	86,172	71,176	104,999	148,144
	<u>17,511,866</u>	<u>12,598,983</u>	<u>11,622,097</u>	<u>12,660,146</u>	<u>9,074,544</u>	<u>10,460,940</u>
	2,575,361	2,381,001	2,210,917	2,038,156	1,990,396	2,161,482
	4,701,675	4,506,905	4,489,567	4,389,401	4,465,941	4,146,435
	6,209	42,352	43,126	40,303	39,636	36,822
	669,235	606,464	628,207	534,611	1,409,635	1,290,263
	892,193	856,670	835,953	771,687	715,225	685,713
	747,709	721,683	718,703	690,642	109,100	107,706
	2,170,884	1,462,257	1,155,347	1,730,058	-	-
	4,428,942	326,120	1,644,618	2,674,874	448,693	1,248,791
	161,910	110,473	110,875	112,508	121,855	124,588
	90,290	16,930	19,262	22,106	25,434	23,601
	-	65,700	-	-	-	-
	<u>16,444,408</u>	<u>11,096,555</u>	<u>11,856,575</u>	<u>13,004,346</u>	<u>9,325,915</u>	<u>9,825,401</u>
	1,067,458	1,502,428	(234,478)	(344,200)	(251,371)	635,539
	19,589	4,541	30,855	-	15,910	13,733
	-	28,952	204,807	-	-	-
	-	2,800,000	-	-	-	-
	-	101,644	-	-	-	-
	-	-	-	-	-	115,505
	1,638	20,166	92,754	-	-	-
	307,500	85,000	59,774	498,229	232,700	556,121
	(307,500)	(85,000)	(59,774)	(498,229)	(232,700)	(556,121)
	<u>21,227</u>	<u>2,955,303</u>	<u>328,416</u>	<u>-</u>	<u>15,910</u>	<u>129,238</u>
\$	<u>1,088,685</u>	<u>\$ 4,457,731</u>	<u>\$ 93,938</u>	<u>\$ (344,200)</u>	<u>\$ (235,461)</u>	<u>\$ 764,777</u>

2.08% 1.20% 1.27% 1.30% 1.65% 1.70%

CITY OF GRANDVIEW HEIGHTS, OHIO

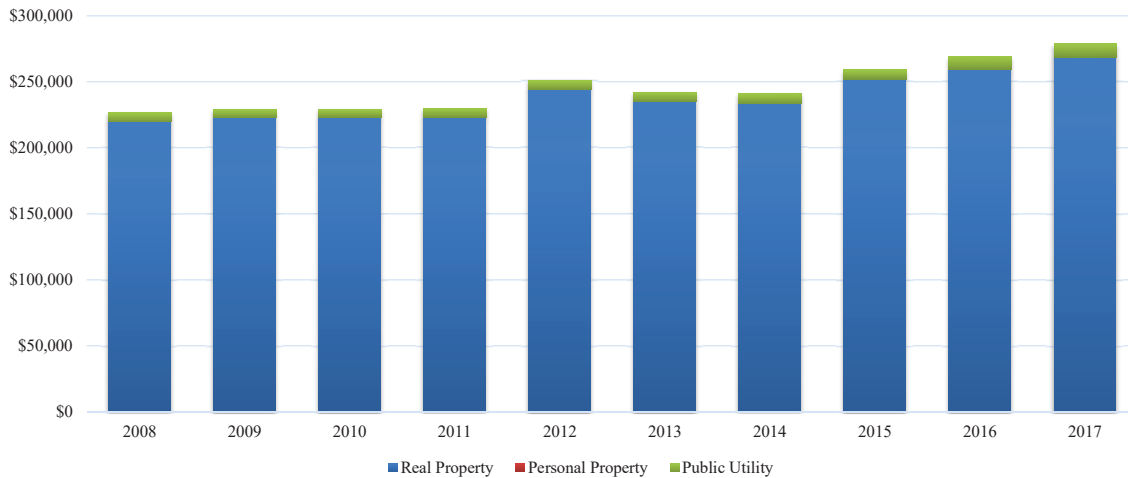
ASSESSED VALUATION AND ESTIMATED TRUE VALUES OF TAXABLE PROPERTY
LAST TEN YEARS
(\$000's omitted)

Tax Year	Collection Year	Real Property		Personal Property		Public Utility		TOTAL			City Direct Rate
		Assessed	Estimated Actual (a)	Assessed	Estimated Actual (b)	Assessed	Estimated Actual (c)	Assessed	Estimated Actual	Ratio	
2007	2008	\$ 220,095	\$ 628,843	\$ 107	\$ 1,712	\$ 6,786	\$ 27,144	\$ 226,988	\$ 657,699	34.51%	10.70
2008	2009	\$ 222,574	\$ 635,926	\$ 53	\$ -	\$ 6,681	\$ 26,724	\$ 229,308	\$ 662,650	34.60%	10.70
2009	2010	\$ 222,597	\$ 635,991	\$ 53	\$ -	\$ 6,658	\$ 26,632	\$ 229,308	\$ 662,623	34.61%	10.70
2010	2011	\$ 222,779	\$ 636,511	\$ -	\$ -	\$ 6,918	\$ 27,672	\$ 229,697	\$ 664,183	34.58%	10.95
2011	2012	\$ 244,163	\$ 697,609	\$ -	\$ -	\$ 7,100	\$ 28,400	\$ 251,263	\$ 726,009	34.61%	10.70
2012	2013	\$ 234,810	\$ 670,886	\$ -	\$ -	\$ 7,092	\$ 28,368	\$ 241,902	\$ 699,254	34.59%	10.15
2013	2014	\$ 233,373	\$ 666,780	\$ -	\$ -	\$ 7,412	\$ 29,648	\$ 240,785	\$ 696,428	34.57%	10.15
2014	2015	\$ 251,591	\$ 718,831	\$ -	\$ -	\$ 7,459	\$ 29,836	\$ 259,050	\$ 748,667	34.60%	10.15
2015	2016	\$ 258,928	\$ 739,794	\$ -	\$ -	\$ 9,946	\$ 39,784	\$ 268,874	\$ 779,578	34.49%	10.15
2016	2017	\$ 268,847	\$ 768,134	\$ -	\$ -	\$ 9,919	\$ 39,676	\$ 278,766	\$ 807,810	34.51%	10.15

Source: County Auditor - Franklin County, Ohio.

- (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 25% 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 Tax Year 2007, tangible personal property tax is assessed at 12.55% of property value, including inventory.
For Tax Year 2008, tangible personal property tax is assessed at 6.25% of property value, including inventory.
For Tax Year 2009, tangible personal property tax is entirely phased out.

**Assessed Valuation by Property Type
Collection Years 2008- 2017 (\$000's Omitted)**



CITY OF GRANDVIEW HEIGHTS, OHIO

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 RATES EXPRESSED PER \$1,000 OF ASSESSED VALUATION
 LAST TEN YEARS

Tax Year	Collection Year	Operating Direct Rate	Fire Pension Direct Rate	Police Pension Direct Rate	Parks and Recreation Direct Rate	Total City Direct Rate	Franklin County	Grandview Heights City School District	Grandview Heights Public Library	Total	Res/Agr Effective Rate	Com/Ind Effective Rate
2007	2008	10.10	0.30	0.30	N/A	10.70	17.84	100.80	4.70	134.04	65.3498	96.6696
2008	2009	10.10	0.30	0.30	N/A	10.70	17.37	101.10	4.70	133.87	67.0868	92.3150
2009	2010	10.10	0.30	0.30	N/A	10.70	18.07	100.90	4.70	134.37	68.0786	92.9989
2010	2011	10.35	0.30	0.30	N/A	10.95	18.07	105.05	4.70	138.77	74.6074	99.0556
2011	2012	10.10	0.30	0.30	N/A	10.70	18.07	104.15	4.70	137.62	71.2288	93.5683
2012	2013	9.55	0.30	0.30	N/A	10.15	18.47	104.30	4.70	137.62	76.1796	97.7249
2013	2014	9.30	0.30	0.30	0.25	10.15	18.47	104.30	4.70	137.62	76.2794	98.3721
2014	2015	9.30	0.30	0.30	0.25	10.15	18.47	110.30	4.70	143.62	78.1402	104.5131
2015	2016	9.30	0.30	0.30	0.25	10.15	18.47	110.05	4.70	143.37	77.8988	103.9401
2016	2017	9.30	0.30	0.30	0.25	10.15	18.47	110.05	4.70	143.37	77.8957	103.7173

Sources: Ohio Municipal Advisory Council, Franklin County Auditor's Office

CITY OF GRANDVIEW HEIGHTS, OHIO

TOP PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer Name	Assessed Valuation	% of Total Assessed Valuation
December 31, 2016 (a)		
Public Utilities		
Ohio Power Company	\$ 8,244,280	3.07%
Columbia Gas	\$ 2,075,350	0.77%
Real Estate		
Caprocq Grandview LLC	\$ 2,964,660	1.10%
800 Yard Street LLC	\$ 2,775,990	1.03%
NRI Equity Land	\$ 2,371,040	0.88%
Buckone Ltd	\$ 2,273,460	0.85%
795 Rail Street LLC	\$ 1,741,260	0.65%
Wagbros Company Ltd	\$ 1,553,750	0.58%
Woodhill Garden Apartments Ltd	\$ 1,373,860	0.51%
780 Yard Street LLC	\$ 1,320,660	0.49%
Goodale Office	\$ 1,254,480	0.47%
800 Goodale Boulevard LLC	\$ 1,120,000	0.42%
All Others	\$ 239,778,380	89.19%
Total Assessed Valuation	<u>\$268,847,170</u>	<u>100.00%</u>

December 31, 2007 (a)		
Public Utilities		
Columbus Southern Power	\$ 5,017,130	2.21%
Columbia Gas of Ohio Inc	\$ 1,661,090	0.73%
Real Estate		
NRI Equity Land	\$ 9,114,020	4.02%
Woodhill Garden	\$ 1,178,310	0.52%
Buckone Ltd.	\$ 1,070,300	0.47%
838-890 W. Goodale LLC	\$ 1,069,200	0.47%
Quay I LLC	\$ 1,050,010	0.46%
Grandview Business Center	\$ 963,550	0.42%
William E Benua TR	\$ 828,860	0.37%
Big Valley LTD LLC	\$ 712,250	0.31%
W.W. Williams Corp.	\$ 703,550	0.31%
Nick Panzera	\$ 701,270	0.31%
Tangible Personal Property		
Loeb Electric Company	\$ 825,460	0.36%
Citicorp Leasing, Inc.	\$ 180,840	0.08%
Capital Wholesale Drug Co.	\$ 172,470	0.08%
Manley, Deas and Kochalski, LLC	\$ 121,030	0.05%
CW Demary Services, LLC	\$ 107,620	0.05%
General Electric Capital Corp.	\$ 103,400	0.05%
Ohio Bell Telephone Co.	\$ 101,750	0.04%
GE Commercial Equipment Holding, LLC	\$ 100,980	0.04%
Bearing Distributors, Inc.	\$ 97,760	0.04%
Time Warner Entertainment Co. LP	\$ 72,820	0.02%
All Others	\$ 201,033,623	88.57%
Total Assessed Valuation	<u>\$ 226,987,293</u>	<u>100.00%</u>

Source: County Auditor - Franklin County, Ohio.

(a) Tax Year 2016 and 2007 collections represent amounts received in 2017 and 2008, respectively.

CITY OF GRANDVIEW HEIGHTS, OHIO

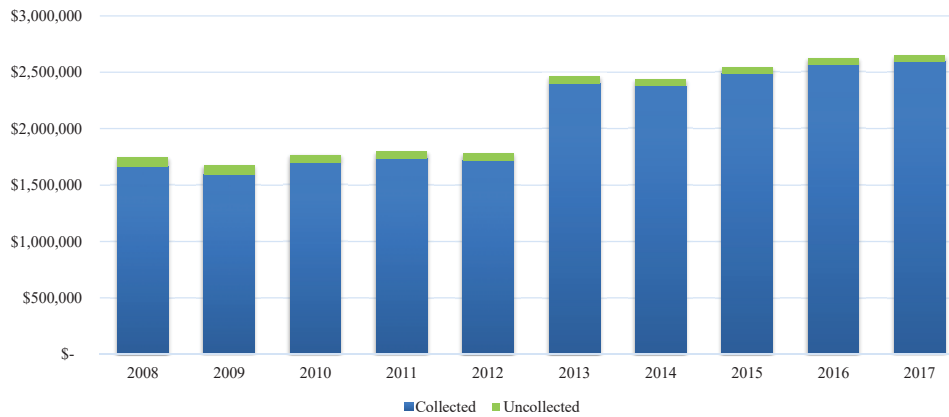
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Tax Year	Collection Year	Total Tax Levy	Current Collection	Delinquent Collection	Total Tax Collections	Accumulated Outstanding Delinquent Taxes	Percent of Total Collections to Tax Levy	Percent of Delinquent Taxes to Total Tax Levy
2007	2008	\$ 1,687,015	\$ 1,636,797	\$ 30,787	\$ 1,667,584	\$ 81,183	98.85%	4.81%
2008	2009	\$ 1,673,526	\$ 1,540,350	\$ 49,201	\$ 1,589,551	\$ 88,121	94.98%	5.27%
2009	2010	\$ 1,681,153	\$ 1,640,791	\$ 60,877	\$ 1,701,668	\$ 65,889	101.22%	3.92%
2010	2011	\$ 1,733,917	\$ 1,699,364	\$ 36,171	\$ 1,735,535	\$ 62,391	100.09%	3.60%
2011	2012	\$ 1,752,553	\$ 1,689,728	\$ 32,214	\$ 1,721,942	\$ 62,137	98.25%	3.55%
2012	2013	\$ 2,625,870	\$ 2,348,369	\$ 54,062	\$ 2,402,431	\$ 63,146	91.49%	2.40%
2013	2014	\$ 2,442,967	\$ 2,334,457	\$ 41,297	\$ 2,375,754	\$ 60,182	97.25%	2.46%
2014	2015	\$ 2,496,745	\$ 2,457,478	\$ 33,394	\$ 2,490,872	\$ 53,627	99.76%	2.15%
2015	2016	\$ 2,573,931	\$ 2,515,075	\$ 48,544	\$ 2,563,619	\$ 59,843	99.60%	2.32%
2016	2017	\$ 2,594,929	\$ 2,539,677	\$ 57,741	\$ 2,597,418	\$ 52,363	100.10%	2.02%
Ten Year Average		\$ 2,126,261	\$ 2,040,209	\$ 44,429	\$ 2,084,637	\$ 64,888	98.04%	3.05%

Source: County Auditor - Franklin County, Ohio.

Note: The Franklin County Auditor's Office confirmed the Percent of Total Collections to Tax Levy column includes percentages in excess of 100% due to timing issues with the collection of property taxes.

**Property Tax Levies - Collected & Uncollected
by Collection Year**



CITY OF GRANDVIEW HEIGHTS, OHIO

INCOME TAX COLLECTIONS
LAST TEN YEARS
(CASH BASIS)

Tax Year	Tax Rate	Withholding Tax	Individual Tax	Net Profit Tax	Total Tax Collections	Total General Fund Revenues	Total Income Taxes as a % of Total General Fund Revenues
2008	2.5%	\$ 3,465,513	\$ 1,368,417	\$ 1,198,061	\$ 6,031,991	\$ 9,998,228	60.33%
2009	2.25%	\$ 2,939,249	\$ 1,303,871	\$ 741,476	\$ 4,984,596	\$ 8,785,112	56.74%
2010	2.5%	\$ 3,168,122	\$ 961,315	\$ 577,224	\$ 4,706,661	\$ 8,532,378	55.16%
2011	2.5%	\$ 3,503,958	\$ 1,206,731	\$ 762,115	\$ 5,472,804	\$ 9,043,480	60.52%
2012	2.5%	\$ 4,144,915	\$ 1,290,955	\$ 1,189,733	\$ 6,625,603	\$ 9,572,787	69.21%
2013	2.5%	\$ 4,624,817	\$ 1,467,958	\$ 1,496,987	\$ 7,589,762	\$ 11,601,156	65.42%
2014	2.5%	\$ 4,854,177	\$ 1,439,182	\$ 1,442,724	\$ 7,736,083	\$ 12,188,519	63.47%
2015	2.5%	\$ 5,515,449	\$ 1,588,865	\$ 1,443,529	\$ 8,547,843	\$ 16,076,212	53.17%
2016	2.5%	\$ 6,865,121	\$ 1,821,771	\$ 1,801,308	\$ 10,488,200	\$ 17,852,263	58.75%
2017	2.5%	\$ 10,220,784	\$ 1,814,688	\$ 1,660,558	\$ 13,696,030	\$ 20,801,407	65.84%
Ten Year Average		\$ 4,930,211	\$ 1,426,375	\$ 1,231,372	\$ 7,587,957	\$ 12,445,154	60.97%

Note 1: The tax rate was increased to 2.5% of taxable income effective July 1, 2005. This rate was then reduced to 2.25% of taxable income effective January 1, 2009. This rate was increased to 2.5% effective July 1, 2010.

Note 2: In 2010 Council allocated 5% of income tax collections for capital expenditures. This amount is recorded in the General Improvement Fund. The above income tax collections reflect total City collections for the year.

Source: Regional Income Tax Agency & City financial reports.

Income Tax Collections & Total General Fund Revenues



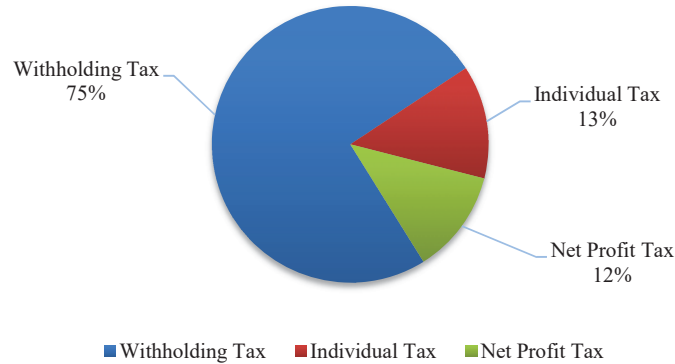
CITY OF GRANDVIEW HEIGHTS, OHIO

INCOME TAX COLLECTIONS
CURRENT YEAR AND NINE YEARS AGO
(CASH BASIS)

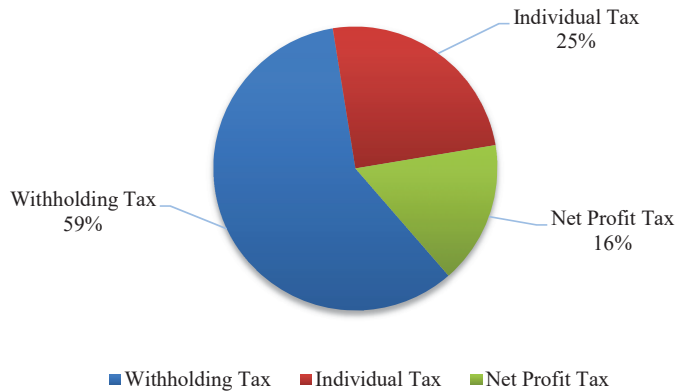
	<u>2017</u>		<u>2008</u>	
Withholding Tax	\$ 10,220,784	74.63%	\$ 3,146,500	58.85%
Individual Tax	1,814,688	13.25%	1,332,039	24.91%
Net Profit Tax	<u>1,660,558</u>	<u>12.12%</u>	<u>868,350</u>	<u>16.24%</u>
Total Income Tax Collections	<u>\$ 13,696,030</u>	<u>100.00%</u>	<u>\$ 5,346,889</u>	<u>100.00%</u>

Source: Regional Income Tax Agency & City financial reports.

2017 Income Tax Collections by Type



2008 Income Tax Collections by Type



CITY OF GRANDVIEW HEIGHTS, OHIO

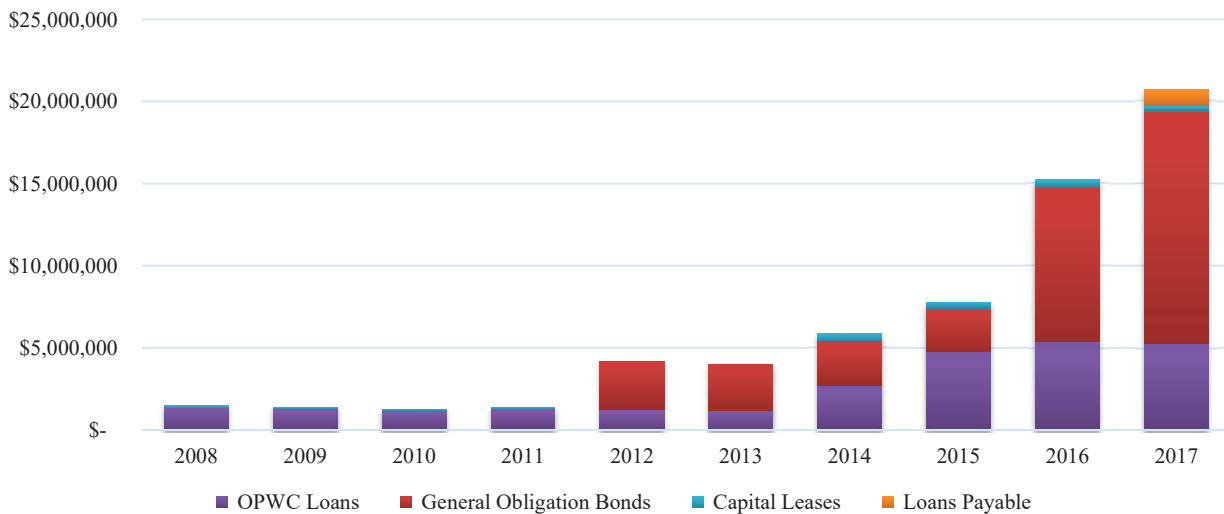
**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

Year	General Obligation Bonds	OPWC Loans	Loans Payable	Capital Leases	Total Debt	Percentage of Personal Income	Total Debt Per Capita
2008	\$ -	\$ 1,357,735	\$ -	\$ 130,022	\$ 1,487,757	0.86%	\$ 235.93
2009	\$ -	\$ 1,278,958	\$ -	\$ 86,944	\$ 1,365,902	0.79%	\$ 216.60
2010	\$ -	\$ 1,199,184	\$ -	\$ 54,210	\$ 1,253,394	0.70%	\$ 191.77
2011	\$ -	\$ 1,323,193	\$ -	\$ 24,133	\$ 1,347,326	0.57%	\$ 206.14
2012	\$ 2,901,644	\$ 1,265,805	\$ -	\$ -	\$ 4,167,449	1.77%	\$ 637.61
2013	\$ 2,827,879	\$ 1,173,895	\$ -	\$ -	\$ 4,001,774	1.50%	\$ 579.13
2014	\$ 2,749,114	\$ 2,672,981	\$ -	\$ 447,259	\$ 5,869,354	2.06%	\$ 876.68
2015	\$ 2,665,349	\$ 4,760,426	\$ -	\$ 361,358	\$ 7,787,133	2.73%	\$ 1,163.13
2016	\$ 9,406,694	\$ 5,384,756	\$ -	\$ 460,929	\$ 15,252,379	4.38%	\$ 2,174.56
2017	\$ 14,130,000	\$ 5,299,494	\$ 1,000,000	\$ 326,314	\$ 20,755,808	4.92%	\$ 2,721.00

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: City financial records.

Outstanding Debt by Type



CITY OF GRANDVIEW HEIGHTS, OHIO

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS**

Year	General Obligation Bonds	Total General Bonded Debt Outstanding	Ratio of Bonded Debt to Assessed Value	Per Capita
2008	\$ -	\$ -	0.00%	\$ -
2009	\$ -	\$ -	0.00%	\$ -
2010	\$ -	\$ -	0.00%	\$ -
2011	\$ -	\$ -	0.00%	\$ -
2012	\$ 2,901,644	\$ 2,901,644	1.15%	\$ 443.95
2013	\$ 2,827,879	\$ 2,827,879	1.17%	\$ 409.24
2014	\$ 2,749,114	\$ 2,749,114	1.14%	\$ 410.62
2015	\$ 2,665,349	\$ 2,665,349	1.03%	\$ 398.11
2016	\$ 9,406,694	\$ 9,406,694	3.50%	\$ 1,341.13
2017	\$ 14,130,000	\$ 14,130,000	5.07%	\$ 1,852.39

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: City financial records.

CITY OF GRANDVIEW HEIGHTS, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT

AS OF DECEMBER 31, 2017

Governmental Unit	Debt Outstanding	Percent Applicable	Estimated Share of Overlapping Debt
Direct:*			
City of Grandview Heights	\$ 20,755,808	100.00%	\$ 20,755,808
Overlapping:**			
Franklin County	\$ 221,125,000	0.99%	\$ 2,189,138
Grandview Heights City School District	\$ 1,455,000	85.73%	\$ 1,247,372
Solid Waste Authority of Central Ohio	\$ 49,545,000	0.95%	\$ 470,678
Total overlapping debt	<u>\$ 272,125,000</u>		<u>\$ 3,907,187</u>
Total direct & overlapping debt	<u><u>\$ 292,880,808</u></u>		<u><u>\$ 24,662,995</u></u>

***Source:** City of Grandview Height's Finance Department

****Source:** Ohio Municipal Advisory Council

Note: Percentage derived by dividing the subdivision's assessed valuation in an overlapping subdivision, by the total assessed valuation of the overlapping subdivision.

CITY OF GRANDVIEW HEIGHTS, OHIO

LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

<u>Year</u>	<u>Debt Limit (1)</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Debt Service Available Balance</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</u>
2008	\$ 23,109,975	\$ -	\$ 1	\$ 23,109,976	0.00%
2009	\$ 23,370,270	\$ -	\$ 1	\$ 23,370,271	0.00%
2010	\$ 23,372,685	\$ -	\$ 1	\$ 23,372,686	0.00%
2011	\$ 23,391,795	\$ -	\$ -	\$ 23,391,795	0.00%
2012	\$ 25,637,115	\$ 2,901,644	\$ -	\$ 22,735,471	11.32%
2013	\$ 24,655,050	\$ 2,827,879	\$ -	\$ 21,827,171	11.47%
2014	\$ 24,504,165	\$ 2,749,114	\$ -	\$ 21,755,051	11.22%
2015	\$ 26,417,055	\$ 2,665,349	\$ 7,025	\$ 23,758,731	10.09%
2016	\$ 27,187,440	\$ 9,406,694	\$ 7,026	\$ 17,787,772	34.60%
2017	\$ 28,228,935	\$ 14,130,000	\$ 58,776	\$ 14,157,711	50.06%

Notes:

(1) Debt limit is calculated as assessed valuation multiplied by 10.5%.

Source: City financial records.

CITY OF GRANDVIEW HEIGHTS, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (1)	Per Capita Income (1)	Personal Income (5)	Median Age (1)	School Enrollment (3)	Unemployment Rate (2)
2008	6,306	\$ 27,495	\$ 173,383,470	36.8	1,146	5.5%
2009	6,306	\$ 27,495	\$ 173,383,470	36.8	1,118	8.8%
2010	6,536	\$ 27,495	\$ 179,707,320	36.8	1,106	8.3%
2011	6,536	\$ 36,028	\$ 235,479,008	36.8	1,101	6.3%
2012	6,536	\$ 36,028	\$ 235,479,008	36.8	1,082	5.4%
2013	6,910	\$ 38,515	\$ 266,138,650	35.7	1,075	5.4%
2014	6,695	\$ 42,537	\$ 284,785,215	35.7	1,066	3.6%
2015	6,836	\$ 42,537	\$ 290,782,932	32.5	1,070	3.8%
2016	7,014	\$ 49,691	\$ 348,532,674	32.8	1,085	3.8%
2017	7,628	\$ 55,306	\$ 421,874,168	32.8	1,095	3.6%

OTHER MISCELLANEOUS INFORMATION (4)

Date of Incorporation 1906
Form of Government Mayor/Council

Area in square miles 1.24

City Acreage by class:

Single family	507	62.6%
Multi-family	131	16.2%
Retail	17	2.1%
Industrial	155	19.1%

Facilities & Services:

Miles of streets	21.57
Number of street lights	696
Number of traffic lights	11

Sources:

- (1) US Census
- (2) Ohio Job & Family Services, Labor Market Information department. Rates are for Franklin County.
- (3) Grandview Heights City School District
- (4) City Department Records.
- (5) Per capita income multiplied by population.

CITY OF GRANDVIEW HEIGHTS, OHIO

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2017	
	Number of Employees	Percent of Total City Employment
Nationwide Mutual / Life Insurance Co.	2,477	15.50%
Ernst & Young US LLP	330	2.06%
Grandview Heights City Schools	317	1.98%
City of Grandview Heights	133	0.83%
The Superior Group	118	0.74%
Navigator Management	114	0.71%
Bravo Brio	87	0.54%
AEP	83	0.52%
Willis	82	0.51%
Meacham & Apel	82	0.51%
Total of top ten	<u>3,823</u>	<u>23.90%</u>
Total Employment within the City	<u>15,998</u>	
Employer	2008	
	Number of Employees	Percent of Total City Employment
Grandview Heights Board of Education	324	5.14%
Flatiron Services LLC	182	2.89%
Loeb Electric Company	173	2.75%
City of Grandview Heights	135	2.15%
Nisource Corporate Services	135	2.15%
Limbach Company LLC	118	1.88%
Electrical Specialists, Inc.	100	1.59%
Grandview Heights Public Library	68	1.08%
Bravo Brio Resurant Group	67	1.07%
Columbus Prescription Pharmacy	64	1.02%
Total of top ten	<u>1,366</u>	<u>21.72%</u>
Total Employment within the City	<u>6,288</u>	

Source: Regional Income Tax Agency (RITA) records.

CITY OF GRANDVIEW HEIGHTS, OHIO

FULL-TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government:										
Administration	2.00	2.00	3.00	2.75	2.00	2.00	2.00	2.00	2.00	2.00
Finance	5.00	5.00	5.00	4.00	3.00	3.00	3.00	3.00	3.25	3.00
Legal / Court	1.30	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.80
Building & Zoning	4.20	4.20	4.00	3.25	3.00	3.00	3.00	3.00	3.00	3.00
Total General Government	<u>12.50</u>	<u>12.20</u>	<u>13.00</u>	<u>11.00</u>	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>	<u>9.25</u>	<u>8.80</u>
Security of Persons & Property:										
Fire/EMS	20.00	19.00	18.00	18.00	18.50	18.50	18.50	17.25	17.00	17.00
Police	20.90	19.90	19.90	18.70	18.00	18.00	17.00	18.00	19.00	19.00
Communications	4.40	4.40	4.40	4.40	4.20	4.00	4.00	4.50	4.50	4.50
Total Security of Persons & Property	<u>45.30</u>	<u>43.30</u>	<u>42.30</u>	<u>41.10</u>	<u>40.70</u>	<u>40.50</u>	<u>39.50</u>	<u>39.75</u>	<u>40.50</u>	<u>40.50</u>
Street	7.10	7.00	7.00	7.00	6.50	5.75	5.00	5.00	6.00	6.00
Sanitation	7.00	7.00	7.00	6.60	6.60	7.50	6.75	5.75	6.00	6.00
Parks & Recreation	10.10	9.10	10.10	9.20	12.80	12.80	11.70	11.70	12.20	11.87
Total full-time equivalent (FTE)	<u>82.00</u>	<u>78.60</u>	<u>79.40</u>	<u>74.90</u>	<u>75.60</u>	<u>75.55</u>	<u>71.95</u>	<u>71.20</u>	<u>73.95</u>	<u>73.17</u>

Source: City payroll systems.

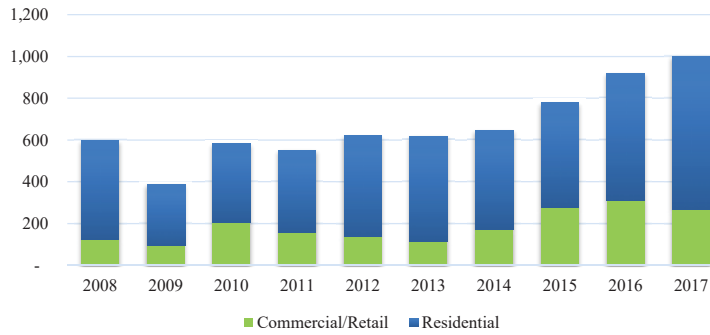
CITY OF GRANDVIEW HEIGHTS, OHIO

CONSTRUCTION ACTIVITY
LAST TEN YEARS

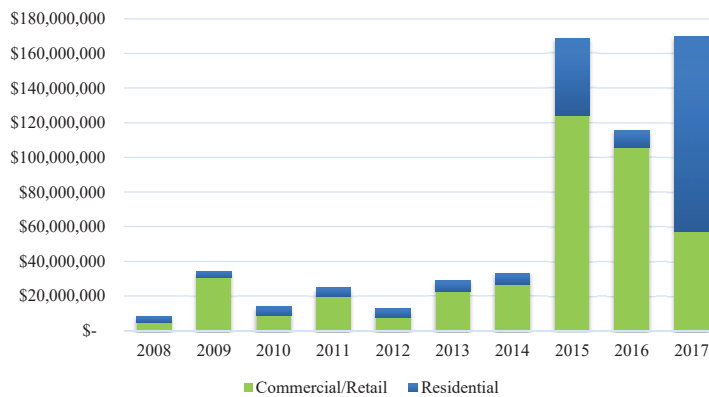
Year	Residential			Commercial/Retail			Total		
	Permits	Total Value	Avg Value	Permits	Total Value	Avg Value	Permits	Total Value	Avg Value
2008	476	\$ 3,597,308	\$ 7,557	122	\$ 4,661,742	\$ 38,211	598	\$ 8,259,050	\$ 13,811
2009	290	\$ 3,830,262	\$ 13,208	97	\$ 30,654,535	\$ 316,026	387	\$ 34,484,797	\$ 89,108
2010	376	\$ 5,074,843	\$ 13,497	206	\$ 8,770,595	\$ 42,576	582	\$ 13,845,438	\$ 23,789
2011	392	\$ 5,074,277	\$ 12,945	159	\$ 19,584,310	\$ 123,172	551	\$ 24,658,587	\$ 44,752
2012	484	\$ 5,346,955	\$ 11,047	138	\$ 7,378,798	\$ 53,470	622	\$ 12,725,753	\$ 20,459
2013	502	\$ 5,748,282	\$ 11,451	116	\$ 22,885,611	\$ 197,290	618	\$ 28,633,893	\$ 46,333
2014	473	\$ 6,201,076	\$ 13,110	174	\$ 26,947,091	\$ 154,868	647	\$ 33,148,167	\$ 51,234
2015	500	\$ 44,124,819	\$ 88,250	277	\$ 124,364,767	\$ 448,970	777	\$ 168,489,586	\$ 216,846
2016	607	\$ 10,109,805	\$ 16,655	310	\$ 105,634,675	\$ 340,757	917	\$ 115,744,480	\$ 126,221
2017	732	\$ 112,703,509	\$ 153,967	269	\$ 57,164,415	\$ 212,507	1,001	\$ 169,867,924	\$ 169,698

Source: City Building Department Records

Number of Building Permits Issued



Value of Building Permits Issued



CITY OF GRANDVIEW HEIGHTS, OHIO

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

Function/Program	2017	2016	2015
Police:			
Physical arrests	230	589	268
Misdemeanor charges	620	1,044	571
Felony charges	63	58	86
Criminal charges	N/A	N/A	N/A
Parking citations	96	53	89
Traffic citations	1,069	605	983
Fire:			
Emergency responses/calls answered	1,907	1,839	2,105
Fires extinguished	9	14	49
Inspections conducted	493	301	206
Sanitation:			
Total refuse collected (tons)	2,369.5	2,300.3	2,123.0
Total recyclables collected (tons)	943.2	968.1	887.7
Total yard waste collected (tons)	773.8	699.6	800.3
Total e-waste collected (tons)	16,780.0	8,300.0	7.5
Service:			
Street resurfacing (miles)	4.140	3.180	1.300
Asphalt used for potholes/patching (tons)	12.9	15.1	74.7
Parks and Recreation:			
Swimming pool memberships	2,321	1,761	1,196
Grandview Center memberships	236	172	193
Street/park trees planted	108	96	550
Per capita tree expenditure	\$14.79	\$28.29	\$67.93
Street/park trees removed	272	61	54
Finance:			
Checks issued	1,929	1,805	1,852
Purchase orders issued	1,175	1,191	1,163

Sources: City Department Directors,

N/A- In 2015, the City began to report information from police department in new categories

2014	2013	2012	2011	2010	2009	2008
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
367	538	359	315	380	659	667
73	80	117	170	166	291	230
1,011	1,052	1,325	1,247	1,806	3,511	3,422
2,049	2,054	1,314	1,224	1,129	1,102	1,290
60	60	20	1	2	31	20
361	504	352	126	121	121	174
2,272.0	2,288.8	2,157.9	2,244.7	2,245.2	2,471.7	2,662.7
910.9	920.1	913.5	948.7	930.3	751.0	732.2
881.9	953.0	884.6	936.5	765.1	765.6	958.6
0.750	0.738	1.000	0.001	-	0.430	0.320
49.0	37.2	35.2	75.4	32.9	35.8	39.5
1,587	1,591	1,531	1,662	1,608	1,690	1,783
620	687	688	655	678	615	683
96	115	79	430	40	106	108
\$13.13	\$10.64	\$11.12	\$10.71	\$10.44	\$11.25	\$7.11
89	36	36	74	32	55	72
1,553	1,720	1,656	1,669	1,712	1,847	1,760
959	1,103	1,034	1,074	1,084	1,143	1,358

CITY OF GRANDVIEW HEIGHTS, OHIO

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2017	2016	2015	2014	2013
Police:					
Stations	1	1	1	1	1
Cruisers	7	7	7	7	7
Other Vehicles	3	3	3	2	2
Bicycles	5	5	5	5	4
Motoreycles	1	1	1	1	1
Fire/Emergency Medical Services:					
Stations	1	1	1	1	1
Ambulance/Medic Vehicle	2	2	2	2	2
Fire Truck	2	2	2	2	2
Staff Vehicles	4	4	4	4	4
Sanitation/Service:					
Packer trucks	3	3	3	3	3
Kubota collection vehicles	7	7	7	7	9
Dump trucks	3	3	3	3	3
Backhoe	1	1	1	1	1
Leafers	2	2	2	2	2
Staff/Other vehicles	4	4	4	4	4
Other Public Works:					
Streets & alleys (miles)	21.57	21.57	21.57	20.82	20.82
Streetlights - owned	537	537	537	537	537
Street lights - contracted	159	159	159	159	159
Traffic signals	11	11	11	10	10
Parks & Recreation:					
Number of parks	12	12	9	9	9
Park acreage	48	48	45	45	45
Shelter houses	2	2	2	2	2
Swimming pool	1	1	1	1	1
Tennis courts	6	6	6	6	6
Lighted baseball/softball fields	4	4	4	4	4
Grandview Center building	1	1	1	1	1
Water:					
Water mains (miles)	6.35	6.35	6.35	6.35	6.35
Fire hydrants	213	213	213	213	213
Sanitary/Storm Sewer System:					
Miles of sanitary sewers	21.05	21.05	21.05	21.05	21.05
Miles of storm sewers	11.69	11.69	11.69	11.69	11.69
Sewer Jet	1	1	1	1	1
Number of service connections	3,000	3,000	3,000	3,000	3,000

Source: City financial records.

2012	2011	2010	2009	2008
1	1	1	1	1
7	7	7	7	7
2	2	2	2	2
4	4	4	4	4
1	2	2	2	2
1	1	1	1	1
2	2	2	2	2
2	2	2	2	2
4	4	3	3	3
4	4	3	3	3
9	8	10	12	12
3	3	3	3	3
1	1	1	1	1
2	2	2	2	2
4	4	7	4	4
20.37	20.37	20.37	20.37	20.37
424	424	424	424	424
159	159	159	159	159
10	10	11	10	10
9	9	9	9	9
45	45	45	45	45
2	2	2	2	2
1	1	1	1	1
4	4	4	4	4
4	4	4	4	4
1	1	1	1	1
5.93	5.93	5.93	5.93	5.93
208	208	208	208	208
20.76	20.76	20.76	20.76	20.76
11.1	11.1	11.1	11.1	11.1
1	1	1	1	1
3,000	3,000	3,000	3,000	3,000

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Dave Yost • Auditor of State

CITY OF GRANDVIEW HEIGHTS

FRANKLIN 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
JULY 24, 2018**