

City of Westlake, Ohio

**Comprehensive
Annual Financial Report**
for the year ended December 31, 2017

Prepared by the Department of Finance
Prashant R. Shah, Director
Bonnie L. Freeh, Assistant Director



Dave Yost • Auditor of State

City Council
City of Westlake
27700 Hilliard Blvd
Westlake, Ohio 44145

We have reviewed the *Independent Auditor's Report* of the City of Westlake, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

August 29, 2018

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City of Westlake, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017
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FINANCE DEPARTMENT

27700 Hilliard Blvd.
Westlake, OH 44145

Phone 440.871.3300
Fax 440.617.4284

June 27, 2018

Members of City Council
Citizens of Westlake, Ohio

We are pleased to submit the comprehensive annual financial report of the City of Westlake for the year ended December 31, 2017.

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for 2017.

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

Ciuni and Panichi, Inc., has issued an unmodified (“clean”) opinion on the City of Westlake’s financial statements for the year ended December 31, 2017. The Independent Auditor’s Report is located at the front of the financial section of this report.

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

HISTORY OF WESTLAKE

Born in Connecticut, Leverett Johnson was the first to clear land in 1811 in what is now Westlake. Three years later, he built a log house at Porter and Center Ridge Roads for his bride Abigail Cahoon. By 1812, enough people resided in the region to make it necessary to elect trustees to oversee the community and the Township of Dover was established. With Lake Erie as the northern boundary, the township grew reaching a population of over 2,200 by the early 1900s. By 1908, the township split into three communities with Bay Village to the north and North Olmsted to the south. In 1912, the township was incorporated as Dover Village making Frank Bailey the first mayor. Dover Village was renamed the Village of Westlake in 1940 to avoid confusion with Dover, Ohio located in Tuscarawas County. As the Cleveland suburbs grew following World War II, so did Westlake, reaching a population just under 5,000 by 1950. In 1957, the Village of Westlake became the City of Westlake.

GENERAL INFORMATION

Situated in the western reach of Cuyahoga County, Westlake is a suburb of Cleveland, Ohio, thirteen miles from downtown. Per the 2010 census, the current population is estimated at 32,729. The total land area is 15.9 square miles. Proximity to Interstate highways I-80, I-90, and I-480 and to Cleveland Hopkins International Airport makes Westlake a desirable locality for residents and commercial enterprises.

The current City Hall is situated in the center of the City. The Police Department is located behind City Hall and two fire stations serve the east and west sides of the City. The Recreation Center, situated in an eighty-five acre park setting, includes five indoor swimming pools, a gymnasium, community and craft rooms, an indoor track, and a fitness area. The outside grounds feature tennis courts, baseball and soccer fields, sand volleyball courts, nature trails, a sun deck and a picnic area with a lake. The City operates and owns Meadowood Golf Course. An outdoor pool at Clague Park will be razed in 2018 and replaced with a new aquatic center. An eco-friendly Service Center facility was completed in 2006. The current Community center sits adjacent to the golf course on the west side of the City.

FORM OF GOVERNMENT

Westlake operates and is governed by the laws of the State of Ohio and its own charter that was first adopted by the electorate on November 6, 1956. The charter provides for a mayor-council form of government. Legislative authority is vested in a seven-member council. The Council is composed of a president who is elected at-large and six councilpersons elected by wards. All members of Council serve in a part-time capacity for four-year terms. The City's chief executive and administrative officer is the Mayor who is elected to a four-year term and serves in a full-time capacity. The Mayor may veto legislation passed by Council. A two-thirds vote of all members of Council will override a veto. As administrator, he appoints all department heads with the exception of the elected position of Law Director and is ultimately responsible for the operation of all departments and divisions.

The municipal government consists of thirteen departments in addition to the Mayor's Office. All directors and managers work closely with the Mayor in providing the citizens of Westlake with the highest quality of services while maintaining efficiency and cost effectiveness.

The **Police Department** enforces local, state, and federal laws in addition to protecting citizens and their property. The department takes a community oriented policing approach that has been met with great success. Numerous programs are offered to citizens and students. The department, which is headed by the Chief of Police, consists of three bureaus. The Field Operations Bureau oversees jail operations, animal control, and the auxiliary police as well as the staff of patrol officers. Administrative Services Bureau consists of secretaries, dispatchers, school guards, park patrol officers, building/vehicle maintenance, and community services. The Criminal Investigations Bureau is responsible for the City's investigative services.

The **Fire Department** provides fire protection and emergency medical services to citizens as well as placing strong emphasis on community involvement and education. A Fire Prevention unit focuses on the reduction of potential fires and loss of property within the City. The Central Dispatch Center, a joint partnership with the cities of Bay Village, Rocky River, Fairview Park, and North Ridgeville, is under the jurisdiction of the Westlake Fire Department.

The **Service Department** is comprised of several divisions administered by a director. The City Service Division is responsible for the maintenance of all City vehicles, buildings and signs, and snow and leaf removal. The Storm/Sanitary Sewers Division maintains proper drainage control. The Parks Division maintains five parks and includes forestry services. The Streets Division is responsible for all non-contractual street repairs. Leaf humus and wood chips are generated from the collection of yard waste. The City outsources rubbish and recycling services in addition to grass maintenance. The City also owns and operates two cemeteries. The Service Center facility includes administrative offices, vehicle storage and maintenance areas.

The **Recreation Department** provides numerous classes and programs throughout the year. During summer months, the department operates an outdoor pool at Clague Park where swimming lessons are also offered. A new outdoor Aquatics Center is being constructed at the same location in 2018. The City owns the twenty-seven hole Meadowood Golf Course which operates on a profit/loss basis. The department's main responsibility is the operation of the Recreation Center, an 82,700 square foot facility on eighty-five acres offering numerous recreation and fitness options for residents.

The **Community Services Department** offers programs and activities to enrich the lives of the "Fifty Plus" population at the Westlake Center and provides a system of social services for residents of all ages. A variety of social, educational and recreational activities are offered as well as health screenings, support groups, and annual immunizations. The social service staff of the department serves as a resource for referrals, information, emergency food and assistance, discount program applications, and for older and disabled adults, a daily safety phone check and transportation.

The **Finance Department** is responsible for the accurate recording of all receipts and disbursements and for diligently investing all City funds in order to maximize interest earnings while protecting the assets of the City. The department issues bi-weekly payrolls and maintains a capital asset system. Other responsibilities include compilation of the Annual Budget, preparation of the Comprehensive Annual Financial Report and the Popular Annual Financial Report for residents. The department assists the Mayor in all financial decisions and manages health care administration and insurance coverage.

The **Law Department** advises the Mayor, Council, and all departments on legal matters concerning the City. The department prepares all contracts, legislation, and legal documents. The Director of Law is the only department head elected by the residents of Westlake.

The **Purchasing Department** prepares the specifications for and obtains proposals to furnish the City with the materials, equipment, and supplies needed to maintain operations. All purchase orders are generated, recorded, and approved by the department.

The **Human Resource Department** attends to all personnel matters such as hiring, terminations and work related issues. Negotiations are conducted every three years with all six labor unions. A manager oversees the department.

The **Planning & Economic Development Department** is responsible for the administration of plans and programs for the comprehensive and orderly development of the City. The department oversees the planning, zoning, economic development and promotion of the City. The department meets with prospective developers, land owners, residents, architects and applicants to discuss application procedures, proposed plans and development regulations. It reviews all development plans to determine compliance to code and measures. The department works in conjunction with the Planning Commission, Board of Zoning Appeals, and Board of Building Appeals and Architectural Standards.

The **Inspections Department** interprets and enforces all building, electrical, plumbing, and the property maintenance codes for the City. This also includes the issuance of permits, field and site inspections, citations, issuance of occupancy permits, and rental and apartment licenses. The Inspections Department is also responsible for the enforcement of the zoning code.

The **Engineering Department** is responsible for the general engineering requirements of the City. The implementation of all plans and programs relating to City infrastructure are the department's responsibility. Traffic engineering and construction grant applications are also coordinated by the department as well as managing plat books, easements, and deeds.

The **Technology Department** is comprised of the Information Technology and Communications divisions. The technology staff is responsible for the operation and maintenance of the City's computer hardware and software. The communications personnel keep residents and employees informed through the City's website, emergency communication networks, and television access station.

The Rocky River Municipal Court provides judicial services for the City of Westlake. The jurisdiction of the court, as established by the Ohio Revised Code, encompasses the contiguous cities of Westlake, Rocky River, Bay Village, Fairview Park, and North Olmsted.

ECONOMIC CONDITION AND OUTLOOK

The City of Westlake is economically strong and is a highly desirable location to live, work and play. Our reputation as a serious business destination is evidenced by corporate decisions to stay and grow here and by the new investment and jobs that have and continue to be created. Over the last few years, new investment as approved by the Planning Commission is in excess of \$40 million with over 557,000 square feet of new corporate, industrial and retail space added, bringing more than 900 announced new jobs to the community.

The square footage of Westlake's business space is evenly split between retail, office, health care and industrial and the City is still seeing growth in all of these sectors. Westlake is home to several world and national headquarters companies including American Greetings, Energizer Battery Company, Equity Trust, Hyland Software, Nordson Corporation, Q-Lab, Scott Fetzer, USG Interiors and Travel Centers of America. Additionally, healthcare facilities continue to have significant representation in the health campus and office market corridors. The City is home to University Hospital's St. John Medical Center, a 204 bed, full-service acute care hospital providing comprehensive healthcare specializing in urology, neurologic care, oncology and orthopedic surgery. MetroHealth Medical Health Center occupies 10,000 square feet of office space at Crocker Park and offers primary care and specialty services to patients. The Cleveland Clinic Westlake Medical Campus offers a variety of specialties including general surgery, gynecology, orthopedic, ear, nose and throat and urologic surgery. The newly constructed 21,800 square foot Crocker Professionals Building is home to Retina Associates and Northcoast Jaw and Implant Center.

To accommodate global and national employment trends and skill levels, Cuyahoga County Community College (Tri-C) has two facilities located in Westlake. The Westshore Campus Health Careers and Sciences Building boasts state-of-the-art Life sciences labs, a Technology Learning Center, and much more. The Westshore Campus at Corporate College West Building houses the MATH Lab, Java City, Student Affairs and Student Life Offices. Tri-C is expanding its Westshore Campus with a new 94,000 square foot facility. The new building will house Engineering, IT, Creative Arts, and Administrative/Faculty offices. The Westlake School District recently broke ground and began construction on a new 150,000 square foot kindergarten through fourth grade elementary school building to replace four aging buildings. The new school is scheduled to open for the 2019 school year.

Westlake's largest development is Crocker Park, a mixed-use community located in western Westlake. The development features high-end retailers, restaurants, office space and residential dwellings and is known as the "downtown of Westlake." The final phase, a \$400 million expansion capped by the new 660,000 square foot headquarters of American Greetings, was completed in 2017. Today, new retail stores and restaurants continue to open. Altar'd State, Vionics, Noodlecat, Oliver & Henry's, and Starbucks are just a few of the new businesses that have opened. To facilitate this endeavor, the City created a Tax Increment Financing (TIF) district and public improvements were funded by bonds to be repaid from the TIF proceeds. The City issued \$48.3 million in special obligation/non-tax revenue bonds and also received an \$8.5 million loan from the State to finance public infrastructure along with a \$1.0 million grant from the Ohio Department of Transportation. Funds were used to construct three public garages, new public roadways and infrastructure.

WestBay Plaza across from The Promenade and Crocker Park is undergoing a major facelift. DDR Corporation, the owner of the shopping center, is spending more than \$25.0 million to construct a new 80,000 square foot multi-tenant retail plaza with announced retailers such as Fresh Thyme Market, Kirkland's and HomeSense committed. The two other buildings within the plaza will also undergo major redevelopment. The architecture and landscape of the entire shopping center is being upgraded with new attractive materials, additional green space, new lighting and signage. Redevelopment of the plaza will

help to strengthen the economic viability of not only WestBay Plaza, but the entire surrounding shopping, dining, and entertainment district of Westlake.

To encourage industrial and commercial development, the City offers five financial assistance tools. The Industrial Development Revenue Bonds program is offered under State law and allows the Westlake Community Improvement Corporation and City Council to approve the issuance of revenue bonds. The principal of these reduced interest bonds can be used for land acquisition, building construction, and equipment purchases. In 2005, \$24.7 million of Health Facility Revenue Bonds were issued to finance the expansion of the Lutheran Home nursing facility. This is the only current outstanding issue.

In 1994, Westlake established an Enterprise Zone under State law. This program offers real and personal property tax abatement for the construction and expansion of commercial facilities located within the designated zone. The State of Ohio and the County Commissioners allow abatement over ten years upon approval. Currently, no companies are receiving tax abatement under an Enterprise Zone Agreement.

Westlake received State approval to establish a Community Reinvestment Area in 1996. This program covers enterprises located in most of Westlake's industrial zone north of Detroit Road. New construction and renovation over \$100,000 can receive up to 100 percent real property tax abatement with a maximum of ten years for commercial development and fifteen years for industrial. This program requires the approval of the City Council and Westlake Tax Incentive Review Council. There are currently four Community Reinvestment agreements.

The Cuyahoga County Department of Development has also established Improved Target Areas (ITA) by which local business owners can apply for small grants to renovate commercial buildings. Four ITA areas currently exist in Westlake. Storefront renovations within the ITA's are eligible for Cuyahoga County's Storefront Renovation Program at a rate of fifty percent up to a maximum of \$20,000.

In 2007, the City established Job Creation grants to encourage economic development within the City. To be eligible for the program, the applicant must create fifty new jobs or \$2.0 million in new payroll. The rate and term of the grants are determined through negotiations between the applicant and the City. There are currently two recipients of the grant.

The City compiles a City Guide Plan. The purpose of plan is to define the community's long range vision and goals for the physical development and redevelopment of the City and to provide a strategy to achieve them. To this end, it guides public policy and zoning decisions related to public and private development by providing relevant studies, maps, and recommendations pertaining to residential, retail, industrial, community facilities, transportation, special study areas, and future land uses.

Current Year Activities The mission of the City of Westlake, its Mayor, Council, and employees, is to enhance the quality of life for all residents by providing the highest level of service in an efficient and cost effective manner. The City upheld that mission by expanding and improving services, upgrading infrastructure, and enhancing public grounds and facilities in 2017.

The Police Department continued its commitment to public safety and awareness responding to 38,666 calls and making 4,874 arrests. Numerous policing programs were offered. Student programs such as Safety Town and Drug Awareness Resistance Education (D.A.R.E.) continued. The Community Police Academy was also held. Other community programs included National Bike and Walk to School Days, "Operation Medicine Cabinet" (disposal of unused prescriptions and over-the-counter drugs), and a "Shop with a Cop" (activities for children in need at Christmas time). A Random Acts of Kindness program raised money for ill children.

The Fire Department responded to nearly 5,500 calls relating to fires, EMS, and hazardous materials. The department also conducted 2,900 fire inspections, plan reviews and consultations and 41 events and classes were offered. A central dispatch center is shared by the cities of Westlake, Bay Village, Rocky River, Fairview Park, and North Ridgeville and is located in emergency room space at St. John's Medical Center. In 2017, the Center responded to over 16,000 calls.

The Service Department is involved in the maintenance of City streets, sewers, parks, buildings, and vehicles. Rubbish and recycling collection and lawn maintenance has been outsourced to outside contractors in efforts to better utilize the time and skills of City personnel. The department received and completed almost 8,600 calls in 2017. 8,100 tons of recyclables were collected and 12,900 cubic yards of brush and leaves were sold as wood chips and mulch. Nearly twenty miles of sanitary and storm sewers were filmed and cleaned with nearly 700 storm and sanitary tees located and maintained. 165 trees were planted and over 1,000 trees were trimmed. The department is also responsible for snow and leaf removal, street and sewer maintenance and assists with community events.

The Inspections Department issued 1,472 permits during 2017 with an estimated value of \$101.3 million. Thirty-six residential units were completed at a value of \$17.2 million. Remodeling and improvements projects totaled \$12.8 million and commercial projects totaled \$71.3 million.

The Planning Department held numerous business meetings and plan reviews. The department reviewed and approved 373,000 square feet of development in 2017. The staff oversees the “Westlake in Bloom” event through which 64 residents and businesses competed in seventeen categories for awards relating to City beautification. The City has over 200 flower boxes along Hilliard Boulevard with additional sponsored gardens at Evergreen Cemetery. The department assists in the publication of the “Westlake Magazine” which is mailed annually to all residents and businesses.

Duplicated patrons totaling over 20,000 participated in programs, activities, trips, support groups, and wellness initiatives throughout the year at the Community Center. The department provided 7,800 transportation trips to residents in need, driving nearly 59,000 miles. The Westlake Assistance Program dispensed holiday baskets, distributed gifts to Adopt-A-Family recipients and aided patrons with food distributions. Patrons were offered 131 different programs and activities on a regular basis and volunteers gave over 1,900 hours of their time.

The Westlake Recreation Center is the hub for all recreation activities in the City. The department offered 743 programs with 8,400 participants. There are currently over 10,000 members enrolled at the Center. The Silver Sneakers program for older residents has been met with great success and 3,600 members were enrolled in 2017. In addition to the numerous classes and activities held at the Center, the department organized the Fourth of July Party in the Park, the Fall Pumpkin Festival, the Junior Olympics, the Corporate Challenge and the annual Fishing Derby. Over 14,000 rounds of Golf were played at Meadowood Golf Course and 20,000 visits were made to Peterson Pool at Clague Park.

In 2017, waterlines were replaced on Bradley Road from Hilliard Boulevard to Detroit Road. Through federal funding, on-ramp improvements were made to Interstate 90 at Columbia Road. The intersection at Canterbury and Center Ridge Roads was widened to allow for center turn lanes in all directions. Phase I of the Dover Ditch project was completed creating a 1.5 million cubic foot water quality basin along the Dover ditch near the Crocker and Center Ridge Road intersection. Asphalt overlay, concrete rehabilitation, pavement crack and joint sealing and catch basin maintenance were also conducted throughout the City.

A property exchange agreement that benefited the City and the Westlake Board of Education was reached in early 2017. The Westlake Board of Education acquired twenty-nine acres west of Porter Library for the construction of a new elementary school for all students from kindergarten to grade four. The City obtained forty-two acres contiguous to Bradley Nature Park and Meadowood Golf Course for a possible sports complex, athletic fields, and hiking trails. In addition, the City acquired Parkside Intermediate School, which the City will lease back to the School Board for ten years, and the Board of Education office building at Hilliard and Dover Roads.

The City also upgraded its City-wide phone system in 2017. 225 phones were replaced at eleven locations and all telephone circuits were also changed. The new system is anticipated to save the City \$40,000 annually because the City converted from 3 phone line types to one phone line type.

Future Projects The City of Westlake will initiate additional infrastructure projects in 2018. A seventy-five year-old culvert on Bradley Road will be replaced with a precast structure. New water lines will be installed on Rose Road and Clark Parkway. The Board of Education recently broke ground to begin construction of the new elementary school near the Center Ridge and Dover Road intersection. To facilitate the new building, the City will install turn lanes and traffic signals with additional street widening in 2019. Annual concrete rehabilitation, asphalt repair, crack and joint sealing, and catch basin replacement will also occur.

A Recreation and Parks Master Plan, which was completed in 2014 through community participation, is comprised of over \$34.0 million in long-term projects. In November of 2017, voters renewed the one-eighth percent income tax for recreation improvements and expanded the scope of the tax to include improvements to the Community Center. In 2018, a new \$7.4 million aquatics center will be constructed at the location of the current outdoor pool at Clague Park. The new center will house a 4,600 square foot bath house, an activity pool with interactive water features and a lazy river with jets. The center will also feature a lap pool with a diving well extension and a climbing wall. There will be a splash pad for children and a decorative fence will encompass the facility. Design work will also commence on a new Community Center to be located on property at the Recreation Center. The new 26,000 square foot facility is anticipated to be completed in the fall of 2020. Other improvements that are planned for the near future include the construction of a sports complex, the expansion and relocation of City ballfields and a new gymnasium and outdoor improvements for the Recreation Center.

LONG-TERM FINANCIAL PLANNING

The City has been recognized as a leader in long-term financial planning. A depreciation fund finances the maintenance and eventual replacement of sewer lines within the City. The City also established an equipment replacement funding mechanism in 1976. When vehicles and large equipment are purchased, they are depreciated over their estimated useful life and the respective department is charged annually for the funding of the depreciation accumulating the necessary resources for replacement. The City maintains a General Fund balance that would finance a minimum of three months of operations. The Finance Department reviews all monetary transactions on an on-going basis and works diligently to monitor revenues and reprioritize expenditures so that all fund balances, especially the General Fund, maintain optimal balances.

The City also utilizes long-term planning for the funding of capital projects through a Five-Year Capital Plan. The plan is a document through which the major capital projects of the City are identified and subsequently matched to funding sources. Major capital projects include the construction and renovation of buildings, major technology projects, land purchases, and the construction and improvement of infrastructure such as roads, water lines, and sanitary and storm sewer systems. Projects are initially identified through meetings between the Mayor and department heads and the Director of Engineering acts as the primary consultant concerning timing considerations and estimated costs. The plan is updated annually to include new projects, revise projects listed and remove those completed.

City administration embraces the principles of LEAN government and works to implement the most efficient means to provide government services. Numerous federal, state, and local government agencies have implemented this philosophy. Processes are studied in detail in efforts to identify “value-added” steps and eliminate waste. By identifying inefficiencies, the City hopes to improve services and lower costs. Several LEAN processes have been initiated by City departments in the past few years.

OTHER INFORMATION

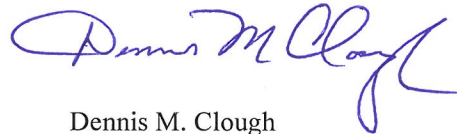
Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Westlake, Ohio, for its comprehensive annual financial report (CAFR) for the year ended December 31, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to the program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Westlake has received a Certificate of Achievement for the last thirty-four consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments. This comprehensive annual financial report was prepared by the Finance Department with the efficient and dedicated services of its entire staff. This report was prepared in accordance with generally accepted accounting principles (GAAP). Appreciation also is expressed to those other City departments that assisted in preparing supporting documentation. In addition, we would like to thank the Members of Council for their continuing support toward the preparation of this report.

Respectfully submitted,

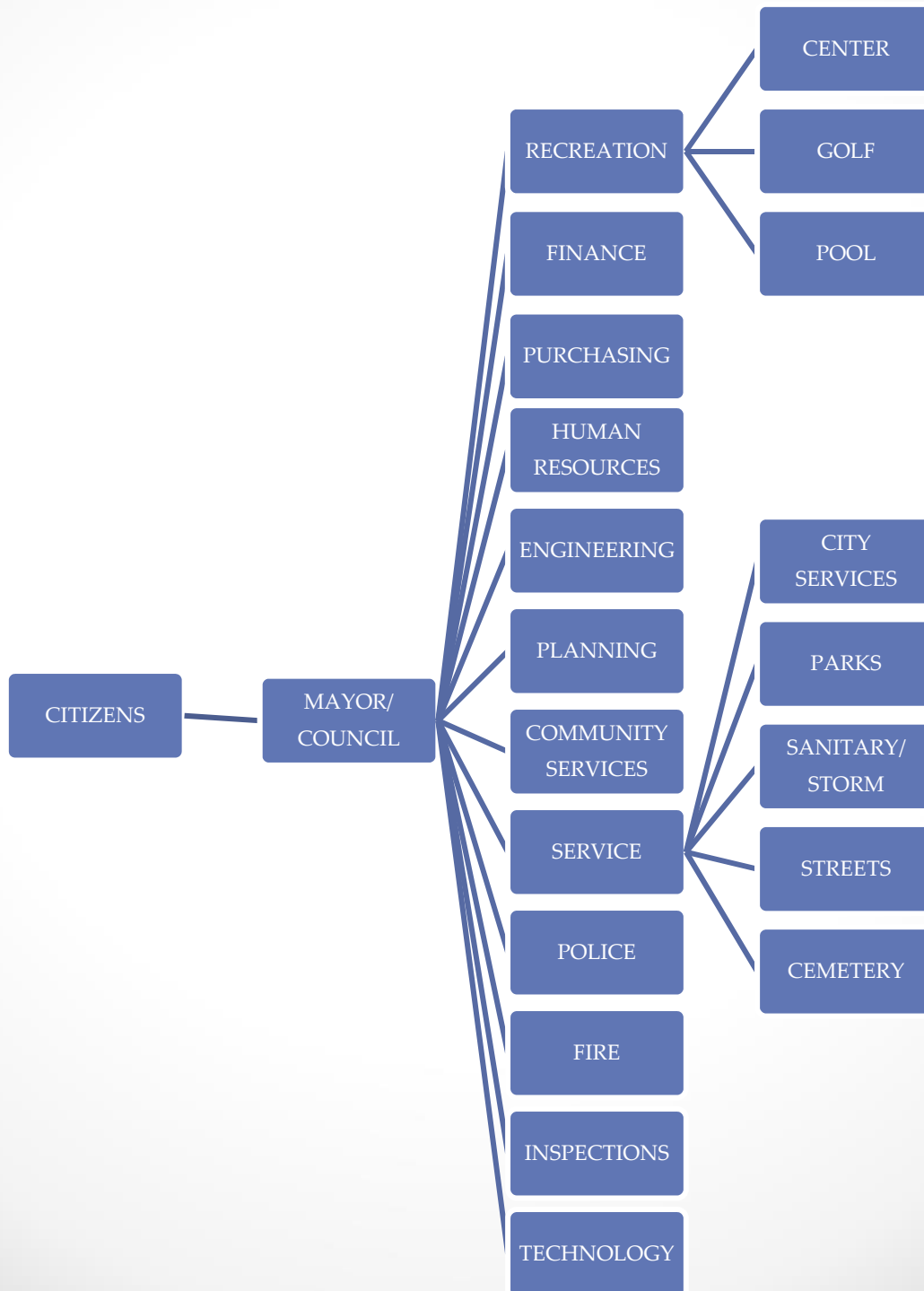


Dennis M. Clough
Mayor

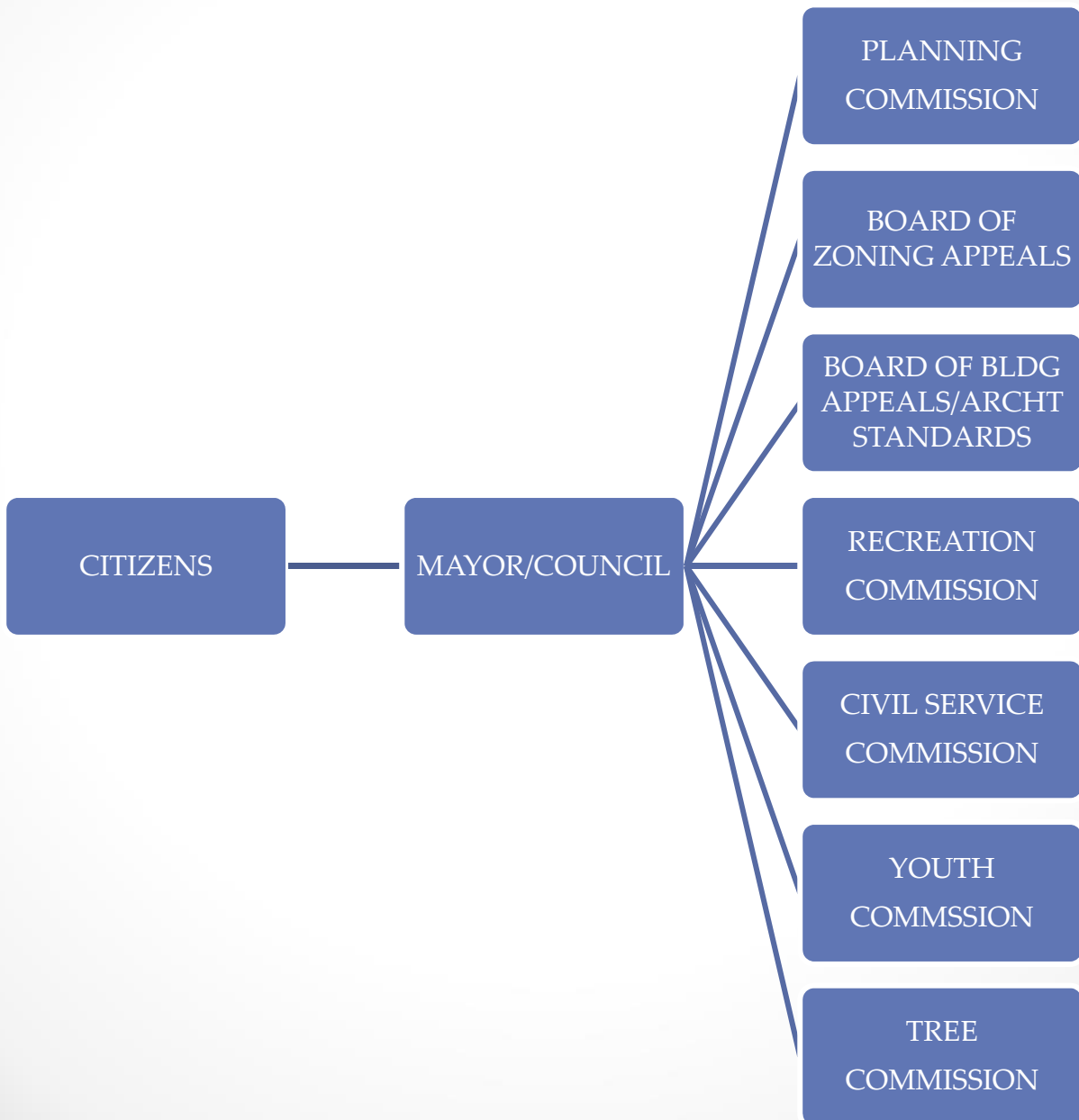


Prashant R. Shah, CPA
Director of Finance

CITY OF WESTLAKE ORGANIZATIONAL CHART DEPARTMENTS



CITY OF WESTLAKE COMMISSIONS



CITY OF WESTLAKE, OHIO

**PRINCIPAL OFFICIALS
DECEMBER 31, 2017**

ELECTED OFFICIALS

Mayor Dennis M. Clough, CPA
President of Council..... Michael F. Killeen
Council Members
 Ward 1Lynda Appel
 Ward 2.....Nick Nunnari
 Ward 3..... Dennis Sullivan
 Ward 4..... Michael O’Donnell
 Ward 5..... Kenneth Brady
 Ward 6.....Mark Getsay

APPOINTED OFFICIALS

Director of Engineering Robert Kelly
Director of Finance Prashant R. Shah, CPA
Director of Inspections..... Donald Grayem
Director of Law..... John Wheeler
Director of Planning..... James Bedell
Director of Purchasing Larry Surber
Director of Recreation..... Robert DeMinico
Director of Community Services Lydia Gadd
Director of Service..... Paul Quinn III
Chief of Police Kevin Bielozer
Chief of Fire James Hughes



Government Finance Officers Association

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City of Westlake
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

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Independent Auditor's Report

Members of the City Council
City of Westlake, Ohio

Report on the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 19, and the schedules of the City's proportionate share of the net pension liability, schedules of the City's contributions, and note to the required supplementary information on pages 79 through 84 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Members of the City Council
City of Westlake, Ohio

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

Cimini + Panichi, Inc.

Cleveland, Ohio
June 27, 2018

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City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

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

Financial Highlights

Key Financial highlights for 2017 are as follows:

- Overall, governmental activities revenues of \$63.3 million exceeded the expenses and transfers which came in at \$60.0 million, consequently increasing the net position by \$3.3 million for 2017. The increase primarily resulted from higher income tax revenues, payments in lieu of taxes, and interest.
- During 2017, the City's revenues and expenditures continued to trend positively and on a cash basis the general fund ended with an unencumbered cash balance of \$47.8 million, which exceeded the City's informal policy of maintaining a reserve equal to 3 or 4 months of expenditures.
- Total fund balances for all governmental funds increased from \$82.2 million at the end of 2016 to \$83.4 million at the end of 2017.

Overview of the Financial Statements

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

Government-wide Financial Statements The government-wide financial statements are designed to provide readers with a broad overview of the City of Westlake's finances, in a manner similar to private-sector businesses. The statement of net position and statement of activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other funds presented in total in one column.

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

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

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

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

The government-wide financial statements can be found starting on page 21 of this report.

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

Governmental Funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, 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.

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

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances, for the general fund, TIF bond retirement fund and the American Greetings, the infrastructure tax and grants capital projects funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

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

The basic proprietary fund financial statements can be found on pages 29 through 31 of this report.

Notes to the Basic Financial Statements The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 33 through 78 of this report.

Other Information In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements and required supplementary information, the combining statements referred to earlier in connection with individual governmental funds are presented, as well as individual detailed budgetary comparisons for all governmental funds.

Government-wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2017?" The statement of net position and the statement of activities answer this question. These statements include all assets and deferred outflows of resources and all liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position (Assets and Deferred Outflows of Resources minus Liabilities and Deferred Inflows of Resources)
- Program Expenses and Revenues
- General Revenues
- Net Position Beginning and End of Year

The City of Westlake as a Whole

Recall that the statement of net position looks at the City as a whole. The following table 1 provides a summary of the City's net position for 2017 compared to 2016.

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

NET POSITION

TABLE 1

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and Other Assets	\$118,343,594	\$112,726,271	\$14,102,031	\$14,394,740	\$132,445,625	\$127,121,011
Capital Assets, Net	217,783,439	213,644,820	25,265,259	25,239,798	243,048,698	238,884,618
<i>Total Assets</i>	<u>336,127,033</u>	<u>326,371,091</u>	<u>39,367,290</u>	<u>39,634,538</u>	<u>375,494,323</u>	<u>366,005,629</u>
Deferred Outflows of Resources:						
Deferred Charge on Refunding Pension	103,625	135,280	0	0	103,625	135,280
	11,431,277	10,893,545	535,551	481,661	11,915,497	11,375,206
<i>Total Deferred Outflows of Resources</i>	<u>11,534,902</u>	<u>11,028,825</u>	<u>535,551</u>	<u>481,661</u>	<u>12,019,122</u>	<u>11,510,486</u>
Current and						
Other Liabilities:	9,767,532	9,718,378	262,438	224,368	10,029,970	9,942,746
Long-Term Liabilities:						
Due within One Year	3,799,281	2,962,648	0	0	3,799,281	2,962,648
Due in More than One Year:						
Net Pension Liability	42,863,248	38,355,849	1,234,189	918,119	44,097,437	39,273,968
Other Amounts	69,549,255	72,309,043	0	0	69,549,255	72,309,043
<i>Total Liabilities</i>	<u>125,979,316</u>	<u>123,345,918</u>	<u>1,496,627</u>	<u>1,142,487</u>	<u>127,475,943</u>	<u>124,488,405</u>
Deferred Inflows of Resources:						
Property Taxes	12,025,603	11,965,888	0	0	12,025,603	11,965,888
Payments in Lieu of Taxes	4,655,196	0	0	0	4,655,196	0
Pension	607,257	951,284	7,346	49,920	563,272	1,001,204
<i>Total Deferred Inflows of Resources</i>	<u>17,288,056</u>	<u>12,917,172</u>	<u>7,346</u>	<u>49,920</u>	<u>17,244,071</u>	<u>12,967,092</u>
Net Investment in Capital Assets	150,012,872	143,617,893	25,236,744	25,239,798	175,249,616	168,857,691
Restricted for:						
Capital Projects	19,831,002	25,796,704	0	0	19,831,002	25,796,704
Debt Service	485,887	506,873	0	0	485,887	506,873
Unclaimed Funds	228,462	253,869	0	0	228,462	253,869
Other Purposes	8,735,651	7,175,802	0	0	8,735,651	7,175,802
Unrestricted	25,100,689	23,785,685	13,162,124	13,683,994	38,262,813	37,469,679
<i>Total Net Position</i>	<u>\$204,394,563</u>	<u>\$201,136,826</u>	<u>\$38,398,868</u>	<u>\$38,923,792</u>	<u>\$242,793,431</u>	<u>\$240,060,618</u>

The net pension liability (NPL) is one of the largest liabilities reported by the City at December 31, 2017 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of Governmental Accounting Standards Board (GASB) Statement 27." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

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

GASB 68 requires the net pension liability to equal the City's proportionate share of each plan's collective:

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

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

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

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The largest portion of the City's net position reflects investments in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, furniture and fixtures, vehicles, and infrastructure), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Total assets in governmental activities increased by \$9,755,942 from the year 2016 to 2017. This is primarily due to the Payments in Lieu of Taxes Receivable for the new revenue the City now received as well as an increase in the net value of the City's capital assets due to continuation and start of several road projects within the City. The City's total liabilities in governmental activities increased \$2,633,398.

Net Position for business-type activities remained comparable to the prior year. Net position decreased compared to the prior year primarily due to an increase in the net pension liability.

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

CHANGES IN NET POSITION

TABLE 2

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charges for Services	\$5,890,450	\$6,263,907	\$2,957,472	\$3,054,700	\$8,847,922	\$9,318,607
Operating Grants and Contributions	1,837,505	1,608,091	0	0	1,837,505	1,608,091
Capital Grants and Contributions	3,908,156	5,251,537	58,952	121,829	3,967,108	5,373,366
Total Program Revenues	11,636,111	13,123,535	3,016,424	3,176,529	14,652,535	16,300,064
General Revenues:						
Property Taxes	12,054,274	12,071,578	0	0	12,054,274	12,071,578
Income Taxes	30,639,670	28,235,132	0	0	30,639,670	28,235,132
Admission Tax	155,861	312,085	0	0	155,861	312,085
Hotel Tax	624,085	684,544	0	0	624,085	684,544
Grants and Entitlements	1,601,753	1,557,287	0	0	1,601,753	1,557,287
Unrestricted Contributions	15,516	0	0	0	15,516	0
Franchise Taxes	608,919	650,093	0	0	608,919	650,093
Interest	762,066	487,239	52,958	34,581	815,024	521,820
Payment in Lieu of Taxes	3,706,657	2,124,325	0	0	3,706,657	2,124,325
Gain on Sale of Capital Assets	43,314	79,748	1,500	0	44,814	79,748
Gain in Joint Venture	0	0	0	316,387	0	316,387
Miscellaneous	1,407,551	488,275	5,593	5,689	1,413,144	493,964
Total General Revenues	51,619,666	46,690,306	60,051	356,657	51,679,717	47,046,963
Total Revenues	\$63,255,777	\$59,813,841	\$3,076,475	\$3,533,186	\$66,332,252	\$63,347,027

(continued)

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

CHANGES IN NET POSITION

TABLE 2 (continued)

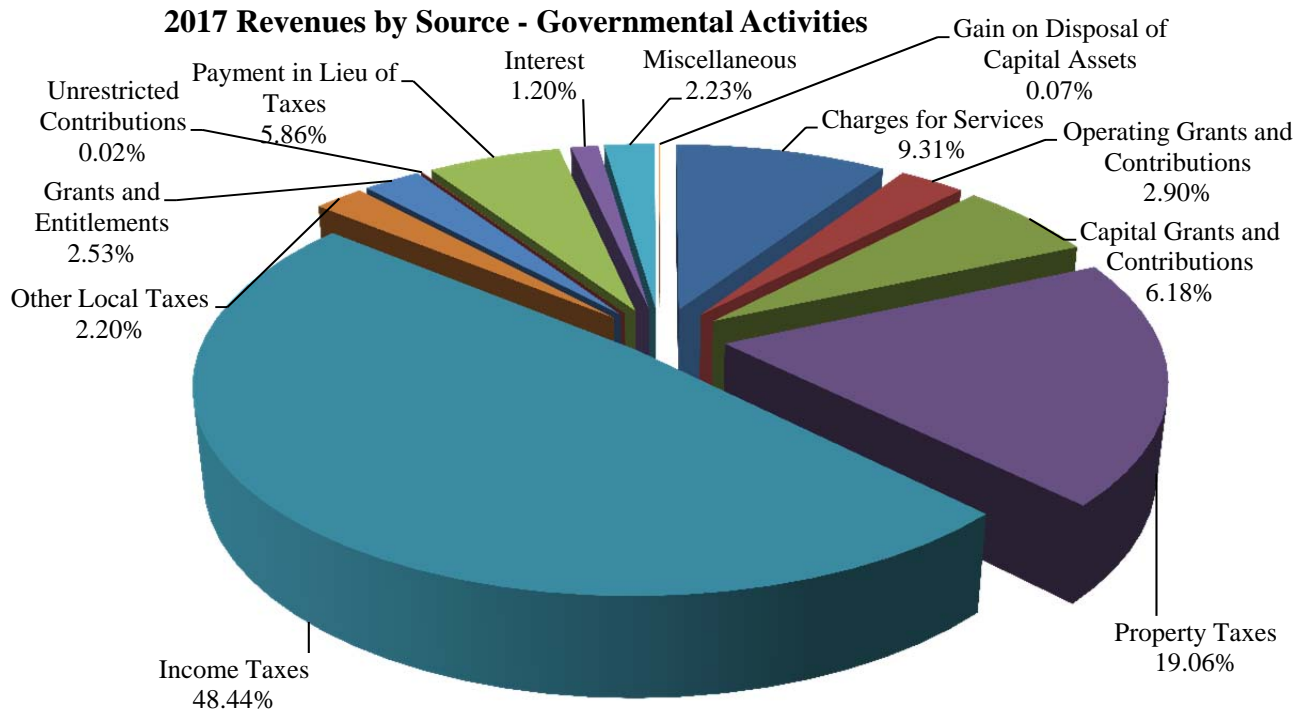
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Program Expenses						
General Government	\$10,794,762	\$8,160,095	\$0	\$0	\$10,794,762	\$8,160,095
Security of Persons and Property	18,414,710	19,024,502	0	0	18,414,710	19,024,502
Public Health Services	1,321,235	1,178,898	0	0	1,321,235	1,178,898
Transportation	15,562,035	14,176,484	0	0	15,562,035	14,176,484
Community Environment	3,417,017	2,045,702	0	0	3,417,017	2,045,702
Basic Utility Services	2,740,832	2,979,184	0	0	2,740,832	2,979,184
Leisure Time Activities	4,553,093	4,269,174	0	0	4,553,093	4,269,174
Interest and Fiscal Charges	2,570,868	3,034,994	0	0	2,570,868	3,034,994
Sewer	0	0	3,793,775	3,404,204	3,793,775	3,404,204
Golf Course	0	0	431,112	461,152	431,112	461,152
<i>Total Program Expenses</i>	<u>59,374,552</u>	<u>54,869,033</u>	<u>4,224,887</u>	<u>3,865,356</u>	<u>63,599,439</u>	<u>58,734,389</u>
<i>Increase (Decrease) in Net Position Before Transfers</i>	3,881,225	4,944,808	(1,148,412)	(332,170)	2,732,813	4,612,638
Transfers	(623,488)	(188,038)	623,488	188,038	0	0
<i>Change in Net Position</i>	<u>3,257,737</u>	<u>4,756,770</u>	<u>(524,924)</u>	<u>(144,132)</u>	<u>2,732,813</u>	<u>4,612,638</u>
<i>Net Position Beginning of Year</i>	<u>201,136,826</u>	<u>196,380,056</u>	<u>38,923,792</u>	<u>39,067,924</u>	<u>240,060,618</u>	<u>235,447,980</u>
<i>Net Position End of Year</i>	<u>\$204,394,563</u>	<u>\$201,136,826</u>	<u>\$38,398,868</u>	<u>\$38,923,792</u>	<u>\$242,793,431</u>	<u>\$240,060,618</u>

Governmental Activities

Governmental activities increased the City's net position by \$3,257,737 during 2017, as compared to \$4,756,770 during 2016. Total revenues in governmental activities increased by \$3,441,936, which was mainly due to an increase in income taxes, interest, and payments in lieu of taxes. Program expenses increased compared to 2016 due to increases in wages and benefits and also additional legal fees due to the Crocker Park litigation.

Several types of revenues fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate was 1.5 percent for 2017, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City provides 100 percent credit up to 1.5 percent for those who pay income tax to another city. City Council could by Ordinance, choose to vary that income tax credit and create additional revenues for the City.

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited



The income tax revenue for 2017 was \$30,639,670, an increase of \$2,404,538 or 8.52 percent from 2016. The increase was due to a turnaround in the overall economy and development within the local economy, which has sustained and even increased employment levels. Of the \$63,255,777 in total revenues, income tax accounted for 48.44 percent, as compared to 47.21 percent of the total during 2016. Property taxes for 2017 were \$12,054,274, a \$17,304 decrease from 2016.

Operating grants and contributions increased by \$229,414 compared to 2016. Capital grants and contributions decreased during 2017 largely due to grants for Signalization and Detroit Road resurfacing being received in 2016. Furthermore, charges for services decreased by \$373,457 during 2017 as compared to 2016, primarily due to decreased special assessment revenue, law enforcement fines and forfeitures and recreation charges for services.

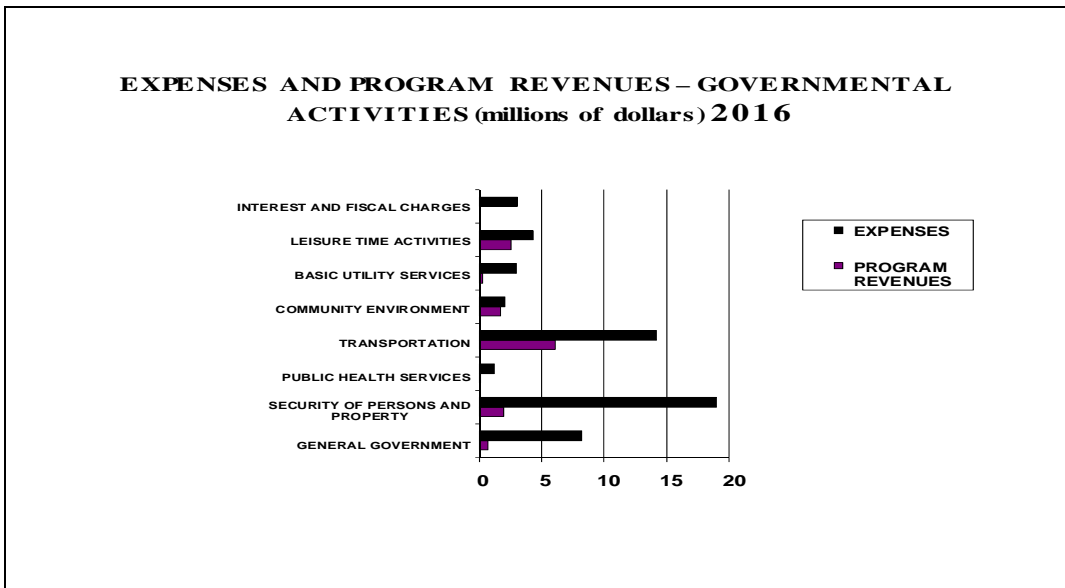
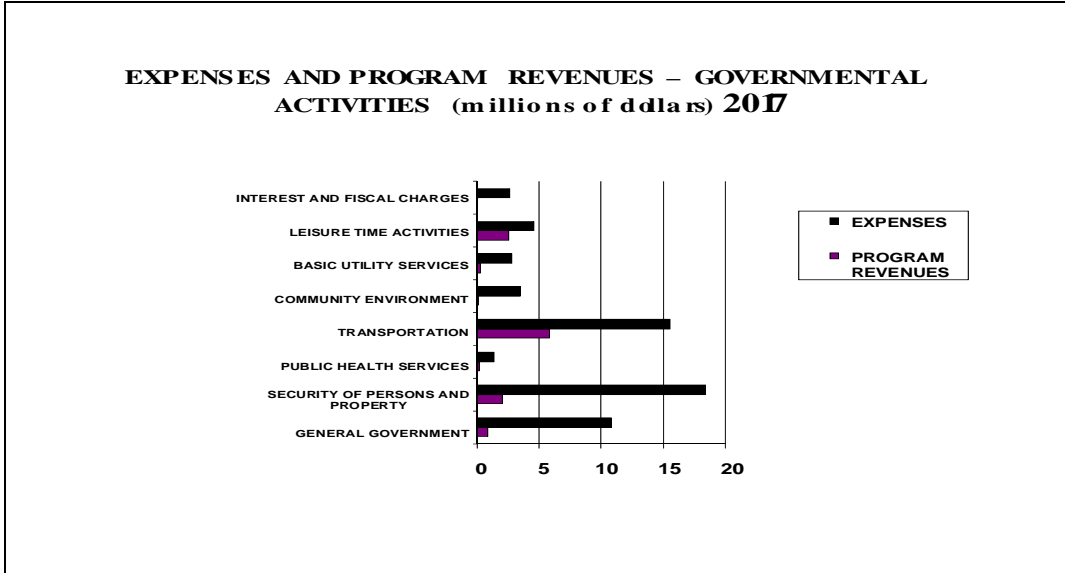
General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its source of revenues very closely for fluctuations. During 2017, the City received \$1,601,753 in grant and entitlement monies, compared to \$1,557,287 in 2016. Payment in lieu of taxes increased \$1,582,332 due to the City receiving additional collections from the American Greetings project. Miscellaneous revenues increased by \$919,276 during 2017.

The largest program function for the City for 2017 is security of persons and property, with program expenses of \$18,414,710 as compared to \$19,024,502 in 2016, a decrease of 3.21 percent. Transportation is the next largest program for 2017, with program expenses of \$15,562,035, as compared to \$14,176,484 in 2016, an increase of 9.77 percent. These increases are largely due to increases in wages and benefits as well as an increase in repairs and maintenance.

The next largest program is general government, which accounts for the basic operations of the City including council, mayor, finance, law, purchasing, civil service, engineering, building maintenance, among other services. General government expenses for 2017 were \$10,794,762 as compared to \$8,160,095 for 2016, an increase of 32.29 percent. This is attributable to increases in wages and benefits, insurance costs, legal fees, and workers' compensation.

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Leisure time activities expense increased 6.65 percent during 2017 and community environment expense increased 67.03 percent. The increase to the community environment expense can be attributed to the first year of full depreciation on the new American Greeting Parking Garage. Expenses for basic utility services decreased from 2016 to 2017 by 8.00 percent due to fewer repairs and maintenance expenses.



The charts above reflect how the City funds its programs, either through program or general revenues. As can be seen above, all programs have a heavy reliance on general revenues, with 81.60 percent of total 2017 revenues coming from general revenues. Leisure time activities received the most charges for services program revenue, primarily from the City's recreation center which is a membership-only facility.

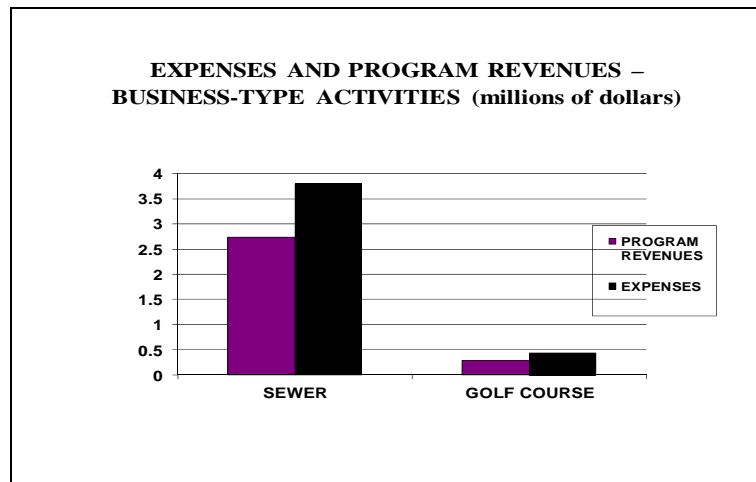
While security of persons and property is a large program expense, only a small portion of the total program expense is offset by program revenues. The primary program revenue is from police fines and forfeitures. The fire and emergency rescue department is partially funded with the EMS fee reimbursement which was initiated during mid-2008 and generates approximately \$900,000 per year.

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Transportation program expense is only partially funded through operating grants and contributions, which are the State-collected gasoline and motor vehicle license taxes. The remaining program expense must be funded through City general revenues. With the City's aggressive infrastructure program in place, transportation program expense will continue to make up a large portion of the City's overall expenses as the roadways are capitalized and depreciated over time.

Business-Type Activities and Enterprise Funds

The business-type activities of the City, which include the City's sewer operations and golf activities, decreased the City's net position by \$524,924 during 2017, as compared to a decrease of net position of \$144,132 during 2016.



Program expenses exceeded program revenues in the amount of \$1,061,023 for the sewer operations in 2017. This is due to increased contributions required for the City's share of operating expenses of the Rocky River Wastewater Treatment Plant, improved maintenance program for sewers through the public service department, as well as additional sewer depreciation for recently-replaced sewer lines.

Program expenses exceeded program revenues in the golf course activity in the amount of \$147,440 for the current year due to the charges for services not being sufficient to cover the cost of operations of the golf course due to poor weather conditions. This is comparable to the previous year and resulted in a decrease in net position at year-end.

Financial Analysis of the Government's Funds

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

Governmental Funds

Funds are created and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Resources that are not restricted, committed, or assigned are accounted for in the general fund.

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.

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Management's Discussion and Analysis
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In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins on page 24. These funds are accounted for by using the modified accrual basis of accounting.

As of the end of the current year, the City of Westlake's governmental funds reported combined ending fund balances of \$83,412,032. Nonspendable fund balance of \$2,872,940 includes interfund loans, prepaids, inventory and unclaimed funds. Fund balance in the amount of \$26,679,995 is restricted for road improvements, police and fire department operations, other restricted functions of the City and capital improvements. Fund balance in the amount of \$3,089,347 is committed to recreation and donations. Assigned fund balance includes \$23,530,553 for future severance payments, equipment replacement, cable television, cemetery operations, swimming pool operations, community services, safety town, service center construction, 2018 operations, and purchases on order. Unassigned fund balances of \$27,239,197 represents all balances not previously classified.

All governmental funds had total revenues of \$62,762,758 and expenditures of \$61,586,935, with revenues exceeding expenditures by \$1,233,867 after including other financing sources and uses, although revenues decreased slightly from the prior year.

General Fund

The general fund is the chief operating fund of the City. At the end of the current year, total fund balance for the general fund was \$56,629,542, of which \$2,871,500 was nonspendable because of advances, prepaids, inventory and unclaimed funds; \$23,492,946 was assigned to future severance payments, equipment replacement, cable television, cemetery operations, swimming pool operations, community services, safety town, 2018 operations, and purchases on order; and \$30,042,009 was unassigned for financial reporting purposes. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to annual fund expenditures. Unassigned general fund balance represents 100.75 percent of total general fund expenditures, while total fund balance represents 189.91 percent of that same amount. Total fund balance of the City's general fund increased by \$5,522,031. General fund revenues increased due to higher income tax and interest. Expenditures increased due to higher legal fees, insurance premiums, workers' comp and wages and benefits.

TIF Bond Retirement Fund

The TIF bond retirement fund accounts for payments in lieu of taxes used to make debt service payments for the debt related to the American Greeting Project. At the end of the current year, total fund balance for the TIF bond retirement fund was \$487,283, which was an increase from the prior year. Revenues increased due to the collection of a full year of payments in lieu of taxes compared to the prior year.

American Greetings Fund

The American Greetings capital projects fund accounts for resources used to finance the American Greetings move to the City and the Crocker Park expansion. At the end of the current year, total fund balance increased to \$920,247 as certain payments made were returned back to the City during 2017. American Greetings office building was placed in service and was fully operational in the later part of 2016.

Infrastructure Tax Fund

The infrastructure tax capital projects fund accounts for the infrastructure-related capital improvements which are funded through a 3/8 of one percent of dedicated income tax. During the current year, the

City of Westlake, Ohio
Management's Discussion and Analysis
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fund balance of the City's infrastructure tax fund decreased by \$5,629,333 resulting from project costs including water line rehabilitation and road construction. The dedicated 3/8 of one percent income tax for infrastructure used by this fund was renewed in November 2006, and was effective for another 15 years beginning January 1, 2008.

Grants Fund

The grants capital projects fund accounts for various State and Federal revenues which are used for historical site preservation and the construction of recreational facilities. At the end of the current year, total fund balance was (\$2,311,966), which was an increase from the prior year due to an increase in intergovernmental revenues from additional grants requested compared to 2016 as well as a decrease in current year capital outlay expenditures.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2017, the City amended its general fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within the accounting system which are within their appropriation category (salaries and other expenses). The general fund supports many of our major activities, such as our police and fire departments as well as most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the general fund, original budgeted revenues and other financing sources and final budgeted revenues and other financing sources were \$35,050,998. Original general fund budgeted expenditures and other financing uses were \$40,728,930, and the final budgeted expenditures and other financing uses were \$41,218,340. Actual general fund expenditures and other financing uses were \$34,014,530, or \$7,203,810 less than budgeted, due to all operating expenditures, especially general government, being less than originally estimated.

The primary reasons for the variance between the general fund's amended or final budget and the actual expenditures were as follows:

- Budgeted but unfilled vacant full-time and part-time positions accounted for \$1.5 million.
- Capital projects that were budgeted but postponed or that came in under budget accounted for \$2.8 million and included the Dover Ditch Retention project (\$1.2 million), Canterbury and Center Ridge project (\$0.6 million), and Bradley Water Phase II (\$.5 million).

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Capital Assets and Debt Administration

Capital Assets

Table 3 shows 2017 balances of capital assets as compared to 2016.

**CAPITAL ASSETS
(NET OF DEPRECIATION)**

TABLE 3

	Governmental Activities		Business-Type Activities	
	2017	2016	2017	2016
Land	\$14,321,982	\$14,737,021	\$1,499,176	\$1,499,176
Construction in Progress	25,120,556	20,693,800	388,561	32,183
Buildings and Improvements	72,714,070	70,895,378	1,127,571	1,162,800
Improvements	2,403,522	2,494,542	46,255	52,098
Machinery and Equipment	1,371,552	1,548,019	52,817	35,578
Furniture and Fixtures	648,295	446,727	31,342	35,863
Vehicles	2,938,957	2,918,308	93,199	120,873
Infrastructure:				
Roads	51,398,699	53,117,318	0	0
Water Mains	26,292,383	26,383,349	0	0
Storm Sewers	15,679,969	15,495,016	0	0
Sewer Lines	0	0	22,026,338	22,301,227
Culverts	202,090	277,557	0	0
Traffic Signals	3,810,806	3,722,293	0	0
Bridges	880,558	915,492	0	0
Total	\$217,783,439	\$213,644,820	\$25,265,259	\$25,239,798

Total capital assets for governmental activities increased largely due to the continuation of several road projects and improvements to the recreation center in 2017, while capital assets for business-type activities increased due to current year acquisitions outpacing current year depreciation.

The City is committed to a long-term goal of meeting the needs of its infrastructure and facilities. We have a five-year capital plan in place that provides for street improvements and adding additional facilities to complement our current structures. For additional information see Note 11 to the basic financial statements.

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Debt

As of December 31, 2017, the City of Westlake had \$66,693,840 in bonds and loans outstanding.

OUTSTANDING DEBT

TABLE 4

	Governmental Activities	
	2017	2016
General Obligation Bonds	\$6,373,209	\$8,103,778
Special Obligation Bonds	48,921,582	48,921,582
Special Assessment Bonds	200,000	245,000
OPWC Loans	2,998,355	3,075,873
State Infrastructure Bank Loan	8,200,694	8,579,893
Total	\$66,693,840	\$68,926,126

The general obligation bonds are composed of (1) 2008 Recreational Facilities voted issue for the construction of the City recreation center to be repaid from a dedicated 1/8 percent of the City's municipal income tax and (2) Infrastructure Various Purpose Bonds issued in 2011 for street improvements.

The non-tax revenue bonds (Special Obligation Bonds) will be repaid from payments in lieu of taxes from the newly declared TIF district within Crocker Park. The project includes the relocation of the world headquarters of American Greetings and further development of Crocker Park by adding new parking structures, apartments, restaurants, and retail stores.

The special assessment bonds consist of the various sewer construction projects, Ranney Parkway, various sidewalk improvements, and various other improvements. The principal and interest for these bonds are paid from the collection of special assessments by the County Fiscal Officer from the specific property owners who primarily benefited from the projects.

The OPWC loans are being paid semi-annually from the Issue II improvement capital project fund, funded by property taxes for various infrastructure projects being financed through the Ohio Public Works program.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10.5 percent of total assessed valuation. The City's overall legal debt margin was \$145,695,558 at December 31, 2017.

Additional information concerning the City's debt can be found in Note 18 to the basic financial statements.

Current Financial Related Activities

The City of Westlake maintained throughout 2017 a Moody's Investors Service and Fitch's Aaa rating, and Standard and Poor's AAA rating, and all ratings were affirmed in 2008. The City of Westlake remains the first suburb in Ohio to have been awarded all of the Aaa/AAA ratings.

The Administration and City Council developed a master plan for the acquisition of equipment and the building or upgrading of City facilities. As a result, we have seen a remarkable increase in our capital assets over that period of time and the expansion of all City services. The 2017 year is no different as the City completed street, water line, sewer line, and other infrastructure improvements.

City of Westlake, Ohio
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The Phase III construction of Crocker Park was completed in 2016 with American Greetings bringing approximately 1,500 new employees to its newly constructed world headquarters along with additional retail and commercial rental space which was developed by Crocker Park.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends, or invests. If you have any questions about this report or need additional information contact Director of Finance Prashant Shah, CPA, City of Westlake, 27700 Hilliard Blvd., Westlake, Ohio 44145, telephone 440-617-4252, or website at www.cityofwestlake.org.

Basic Financial Statements

City of Westlake, Ohio
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-Type Activities*	Total*
Assets			
Equity in Pooled Cash and Cash Equivalents	\$82,065,515	\$6,685,583	\$88,751,098
Cash and Cash Equivalents with Escrow Agents	5,144,196	0	5,144,196
Materials and Supplies Inventory	335,469	5,657	341,126
Accrued Interest Receivable	470,477	32,694	503,171
Accounts Receivable	1,919,918	603,401	2,523,319
Internal Balances	1,155,000	(1,155,000)	0
Intergovernmental Receivable	1,801,168	0	1,801,168
Prepaid Items	304,009	399	304,408
Municipal Income Taxes Receivable	7,746,558	0	7,746,558
Admission Taxes Receivable	44,897	0	44,897
Hotel Taxes Receivable	39,188	0	39,188
Permissive Motor Vehicle Taxes Receivable	41,520	0	41,520
Property Taxes Receivable	12,420,483	0	12,420,483
Payments in Lieu of Taxes Receivable	4,655,196	0	4,655,196
Special Assessments Receivable	200,000	0	200,000
Investment in Joint Venture	0	7,929,297	7,929,297
Nondepreciable Capital Assets	39,442,538	1,887,737	41,330,275
Depreciable Capital Assets, Net	178,340,901	23,377,522	201,718,423
<i>Total Assets</i>	<u>336,127,033</u>	<u>39,367,290</u>	<u>375,494,323</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	103,625	0	103,625
Pension	11,431,277	535,551	11,915,497
<i>Total Deferred Outflows of Resources</i>	<u>11,534,902</u>	<u>535,551</u>	<u>12,019,122</u>
Liabilities			
Accounts Payable	992,806	22,998	1,015,804
Contracts Payable	1,550,371	14,679	1,565,050
Accrued Wages	745,229	20,574	765,803
Matured Compensated Absences Payable	62,036	0	62,036
Retainage Payable	5,628,793	13,836	5,642,629
Accrued Interest Payable	288,179	0	288,179
Intergovernmental Payable	176,051	3,196	179,247
Unearned Revenue	0	187,155	187,155
Claims Payable	324,067	0	324,067
Long-Term Liabilities:			
Due within One Year	3,799,281	0	3,799,281
Due in More than One Year:			
Net Pension Liability (See Note 14)	42,863,248	1,234,189	44,097,437
Other Amounts Due in More than One Year	69,549,255	0	69,549,255
<i>Total Liabilities</i>	<u>125,979,316</u>	<u>1,496,627</u>	<u>127,475,943</u>
Deferred Inflows of Resources			
Property Taxes	12,025,603	0	12,025,603
Payments in Lieu of Taxes	4,655,196	0	4,655,196
Pension	607,257	7,346	563,272
<i>Total Deferred Inflows of Resources</i>	<u>17,288,056</u>	<u>7,346</u>	<u>17,244,071</u>
Net Position			
Net Investment in Capital Assets	150,012,872	25,236,744	175,249,616
Restricted for:			
Capital Projects	19,831,002	0	19,831,002
Debt Service	485,887	0	485,887
Streets and Highways	4,379,104	0	4,379,104
Police and Fire	1,457,376	0	1,457,376
Emergency Medical Service	2,181,732	0	2,181,732
Cemetery	626,378	0	626,378
Recycling	91,061	0	91,061
Unclaimed Funds	228,462	0	228,462
Unrestricted	25,100,689	13,162,124	38,262,813
<i>Total Net Position</i>	<u>\$204,394,563</u>	<u>\$38,398,868</u>	<u>\$242,793,431</u>

*After Deferred Outflows and Inflows of Resources related to the change in internal proportionate share of pension-related items have been eliminated

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Activities
For the Year Ended December 31, 2017

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$10,794,762	\$851,366	\$0	\$0
Security of Persons and Property	18,414,710	1,799,719	220,837	0
Public Health Services	1,321,235	141,390	0	0
Transportation	15,562,035	343,883	1,572,320	3,908,156
Community Environment	3,417,017	32,105	44,348	0
Basic Utility Services	2,740,832	206,818	0	0
Leisure Time Activities	4,553,093	2,515,169	0	0
Interest and Fiscal Charges	2,570,868	0	0	0
<i>Total Governmental Activities</i>	<u>59,374,552</u>	<u>5,890,450</u>	<u>1,837,505</u>	<u>3,908,156</u>
Business-Type Activities				
Sewer	3,793,775	2,673,800	0	58,952
Golf Course	431,112	283,672	0	0
<i>Total Business-Type Activities</i>	<u>4,224,887</u>	<u>2,957,472</u>	<u>0</u>	<u>58,952</u>
<i>Total</i>	<u>\$63,599,439</u>	<u>\$8,847,922</u>	<u>\$1,837,505</u>	<u>\$3,967,108</u>

General Revenues

Property Taxes Levied for:

General Purposes

Police Pension

Fire Pension

Police and Fire Operating

Municipal Income Taxes Levied for:

General Purposes

Recreation

Debt Service

Capital Outlay

Admissions Tax

Hotel Tax

Grants and Entitlements not Restricted
to Specific Purposes

Unrestricted Contributions

Franchise Taxes

Interest

Payments in Lieu of Taxes

Gain on Sale of Capital Assets

Miscellaneous

Total General Revenues

Transfers

Change in Net Position

Net Position Beginning of Year - Restated (See Note 3)

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$9,943,396)	\$0	(\$9,943,396)
(16,394,154)	0	(16,394,154)
(1,179,845)	0	(1,179,845)
(9,737,676)	0	(9,737,676)
(3,340,564)	0	(3,340,564)
(2,534,014)	0	(2,534,014)
(2,037,924)	0	(2,037,924)
(2,570,868)	0	(2,570,868)
(47,738,441)	0	(47,738,441)
0	(1,061,023)	(1,061,023)
0	(147,440)	(147,440)
0	(1,208,463)	(1,208,463)
(47,738,441)	(1,208,463)	(48,946,904)
10,154,907	0	10,154,907
379,884	0	379,884
379,884	0	379,884
1,139,599	0	1,139,599
20,243,282	0	20,243,282
247,096	0	247,096
1,977,163	0	1,977,163
8,172,129	0	8,172,129
155,861	0	155,861
624,085	0	624,085
1,601,753	0	1,601,753
15,516	0	15,516
608,919	0	608,919
762,066	52,958	815,024
3,706,657	0	3,706,657
43,314	1,500	44,814
1,407,551	5,593	1,413,144
51,619,666	60,051	51,679,717
(623,488)	623,488	0
3,257,737	(524,924)	2,732,813
201,136,826	38,923,792	240,060,618
<u>\$204,394,563</u>	<u>\$38,398,868</u>	<u>\$242,793,431</u>

City of Westlake, Ohio

Balance Sheet

Governmental Funds

December 31, 2017

	General	TIF Bond Retirement	American Greetings	Infrastructure Tax	Grants
Assets					
Equity in Pooled Cash and Cash Equivalents	\$51,006,044	\$340,886	\$0	\$7,107,595	\$1,472,165
Cash and Cash Equivalents:					
with Escrow Agents	0	171,607	4,723,655	0	0
Materials and Supplies Inventory	334,689	0	0	0	0
Accrued Interest Receivable	401,296	0	0	39,625	0
Accounts Receivable	278,315	0	0	0	0
Interfund Receivable	0	0	0	3,666,900	0
Intergovernmental Receivable	813,915	0	0	0	204,405
Prepaid Items	303,349	0	0	0	0
Municipal Income Taxes Receivable	5,122,134	0	0	1,757,379	0
Admission Taxes Receivable	44,897	0	0	0	0
Hotel Taxes Receivable	39,188	0	0	0	0
Permissive Motor Vehicle Taxes Receivable	0	0	0	0	0
Property Taxes Receivable	10,463,473	0	0	0	0
Payments in Lieu of Taxes Receivable	0	4,655,196	0	0	0
Special Assessments Receivable	0	0	0	0	0
Advances to Other Funds	2,005,000	0	0	0	0
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	228,462	0	0	0	0
Total Assets	\$71,040,762	\$5,167,689	\$4,723,655	\$12,571,499	\$1,676,570
Liabilities					
Accounts Payable	\$838,090	\$25,210	\$0	\$3,473	\$0
Contracts Payable	152,073	0	0	934,630	162,824
Accrued Wages	623,699	0	0	1,469	964
Matured Compensated Absences Payable	62,036	0	0	0	0
Retainage Payable	83,345	0	3,803,408	921,850	157,699
Interfund Payable	0	0	0	0	3,666,900
Intergovernmental Payable	88,257	0	0	227	149
Advances From Other Funds	0	0	0	0	0
Total Liabilities	1,847,500	25,210	3,803,408	1,861,649	3,988,536
Deferred Inflows of Resources					
Property Taxes	10,130,813	0	0	0	0
Payments in Lieu of Taxes	0	4,655,196	0	0	0
Unavailable Revenue	2,432,907	0	0	362,052	0
Total Deferred Inflows of Resources	12,563,720	4,655,196	0	362,052	0
Fund Balances					
Nonspendable	2,871,500	0	0	0	0
Restricted	0	487,283	920,247	10,347,798	0
Committed	223,087	0	0	0	0
Assigned	23,492,946	0	0	0	0
Unassigned (Deficit)	30,042,009	0	0	0	(2,311,966)
Total Fund Balances (Deficit)	56,629,542	487,283	920,247	10,347,798	(2,311,966)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$71,040,762	\$5,167,689	\$4,723,655	\$12,571,499	\$1,676,570

See accompanying notes to the basic financial statements

City of Westlake, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2017*

Other Governmental Funds	Total Governmental Funds		
\$17,939,270	\$77,865,960	Total Governmental Fund Balances	\$83,412,032
248,934	5,144,196	<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
780	335,469	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	217,783,439
29,556	470,477	Other long-term assets are not available to pay for current- period expenditures and therefore are reported as unavailable revenue in the funds:	
1,463,477	1,741,792	Charges for Services	1,137,217
0	3,666,900	Licenses, Permits and Fees	14,653
782,848	1,801,168	Delinquent Property Taxes	394,880
660	304,009	Municipal Income Taxes	1,782,292
867,045	7,746,558	Intergovernmental	1,274,087
0	44,897	Special Assessments	200,000
0	39,188	Contributions and Donations	185
41,520	41,520	Franchise Taxes	63,091
1,957,010	12,420,483	Miscellaneous	79,853
0	4,655,196	Total	4,946,258
200,000	200,000	An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	3,825,152
0	2,005,000	Deferred Outflows of Resources that represent deferred charges on refunding are not reported in the funds.	103,625
0	228,462	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(288,179)
\$23,531,100	\$118,711,275	Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
\$126,033	\$992,806	General Obligation Bonds	(6,373,209)
300,844	1,550,371	Special Obligation Bonds	(48,921,582)
119,097	745,229	Special Assessment Bonds	(200,000)
0	62,036	OPWC Loans	(2,998,355)
662,491	5,628,793	State Infrastructure Bank Loan	(8,200,694)
0	3,666,900	Compensated Absences Payable	(6,292,698)
87,418	176,051	Capital Lease Obligation Payable	(5,130)
850,000	850,000	Landfill Postclosure Costs	(356,868)
2,145,883	13,672,186	Total	(73,348,536)
1,894,790	12,025,603	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 the funds:	
0	4,655,196	Deferred Outflows - Pension	11,431,277
2,151,299	4,946,258	Net Pension Liability	(42,863,248)
4,046,089	21,627,057	Deferred Inflows - Pension	(607,257)
1,440	2,872,940	Total	(32,039,228)
14,924,667	26,679,995	<i>Net Position of Governmental Activities</i>	\$204,394,563
2,866,260	3,089,347		
37,607	23,530,553		
(490,846)	27,239,197		
17,339,128	83,412,032		
\$23,531,100	\$118,711,275		

City of Westlake, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General	TIF Bond Retirement	American Greetings	Infrastructure Tax	Grants
Revenues					
Property Taxes	\$10,180,209	\$0	\$0	\$0	\$0
Municipal Income Taxes	20,550,455	0	0	7,101,408	0
Admissions Tax	155,861	0	0	0	0
Hotel Tax	624,085	0	0	0	0
Permissive Motor Vehicle Taxes	0	0	0	0	0
Charges for Services	316,413	0	0	0	0
Licenses, Permits and Fees	908,723	0	0	0	0
Fines and Forfeitures	166,217	0	0	0	0
Intergovernmental	1,570,524	0	0	0	3,360,855
Special Assessments	0	0	0	0	0
Payments in Lieu of Taxes	0	3,706,657	0	0	0
Interest	665,082	25	5,719	51,043	0
Rentals	172,977	0	0	0	0
Contributions and Donations	15,331	0	0	0	0
Franchise Taxes	611,169	0	0	0	0
Miscellaneous	567,642	0	758,253	1,250	250
<i>Total Revenues</i>	<u>36,504,688</u>	<u>3,706,682</u>	<u>763,972</u>	<u>7,153,701</u>	<u>3,361,105</u>
Expenditures					
Current:					
General Government	8,178,769	1,177,642	0	0	0
Security of Persons and Property	11,610,729	0	0	0	0
Public Health Services	1,060,834	0	0	0	0
Transportation	5,533,707	0	0	0	0
Community Environment	1,671,557	0	0	0	0
Basic Utility Services	787,713	0	0	0	0
Leisure Time Activities	975,803	0	0	0	0
Capital Outlay	0	0	6,960	12,783,034	3,015,864
Debt Service:					
Principal Retirement	0	379,199	0	0	0
Interest and Fiscal Charges	0	2,266,643	0	0	0
<i>Total Expenditures</i>	<u>29,819,112</u>	<u>3,823,484</u>	<u>6,960</u>	<u>12,783,034</u>	<u>3,015,864</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>6,685,576</u>	<u>(116,802)</u>	<u>757,012</u>	<u>(5,629,333)</u>	<u>345,241</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	45,155	0	0	0	0
Transfers In	0	168,515	0	0	0
Transfers Out	(1,208,700)	0	(168,515)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,163,545)</u>	<u>168,515</u>	<u>(168,515)</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	5,522,031	51,713	588,497	(5,629,333)	345,241
<i>Fund Balances (Deficit) Beginning of Year - Restated (See Note 3)</i>	<u>51,107,511</u>	<u>435,570</u>	<u>331,750</u>	<u>15,977,131</u>	<u>(2,657,207)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$56,629,542</u>	<u>\$487,283</u>	<u>\$920,247</u>	<u>\$10,347,798</u>	<u>(\$2,311,966)</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2017*

Other Governmental Funds	Total Governmental Funds																																																																										
		Net Change in Fund Balances - Total Governmental Funds	\$1,233,867																																																																								
		<i>Amounts reported for governmental activities in the statement of activities are different because:</i>																																																																									
<table border="0" style="width: 100%;"> <tr><td>\$1,904,100</td><td>\$12,084,309</td></tr> <tr><td>3,464,857</td><td>31,116,720</td></tr> <tr><td>0</td><td>155,861</td></tr> <tr><td>0</td><td>624,085</td></tr> <tr><td>235,343</td><td>235,343</td></tr> <tr><td>3,638,817</td><td>3,955,230</td></tr> <tr><td>155,059</td><td>1,063,782</td></tr> <tr><td>79,079</td><td>245,296</td></tr> <tr><td>1,547,236</td><td>6,478,615</td></tr> <tr><td>41,843</td><td>41,843</td></tr> <tr><td>0</td><td>3,706,657</td></tr> <tr><td>40,197</td><td>762,066</td></tr> <tr><td>63,579</td><td>236,556</td></tr> <tr><td>44,348</td><td>59,679</td></tr> <tr><td>0</td><td>611,169</td></tr> <tr><td>58,152</td><td>1,385,547</td></tr> <tr><td style="border-top: 1px solid black;">11,272,610</td><td style="border-top: 1px solid black;">62,762,758</td></tr> <tr><td>0</td><td>9,356,411</td></tr> <tr><td>4,061,840</td><td>15,672,569</td></tr> <tr><td>1,275</td><td>1,062,109</td></tr> <tr><td>712,813</td><td>6,246,520</td></tr> <tr><td>54,559</td><td>1,726,116</td></tr> <tr><td>189,549</td><td>977,262</td></tr> <tr><td>2,440,836</td><td>3,416,639</td></tr> <tr><td>2,538,680</td><td>18,344,538</td></tr> <tr><td>1,830,930</td><td>2,210,129</td></tr> <tr><td>307,999</td><td>2,574,642</td></tr> <tr><td style="border-top: 1px solid black;">12,138,481</td><td style="border-top: 1px solid black;">61,586,935</td></tr> <tr><td>(865,871)</td><td>1,175,823</td></tr> <tr><td>12,889</td><td>58,044</td></tr> <tr><td>1,208,700</td><td>1,377,215</td></tr> <tr><td>0</td><td>(1,377,215)</td></tr> <tr><td style="border-top: 1px solid black;">1,221,589</td><td style="border-top: 1px solid black;">58,044</td></tr> <tr><td>355,718</td><td>1,233,867</td></tr> <tr><td style="border-top: 1px solid black;">16,983,410</td><td style="border-top: 1px solid black;">82,178,165</td></tr> <tr><td style="border-top: 1px solid black; border-bottom: 3px double black;">\$17,339,128</td><td style="border-top: 1px solid black; border-bottom: 3px double black;">\$83,412,032</td></tr> </table>	\$1,904,100	\$12,084,309	3,464,857	31,116,720	0	155,861	0	624,085	235,343	235,343	3,638,817	3,955,230	155,059	1,063,782	79,079	245,296	1,547,236	6,478,615	41,843	41,843	0	3,706,657	40,197	762,066	63,579	236,556	44,348	59,679	0	611,169	58,152	1,385,547	11,272,610	62,762,758	0	9,356,411	4,061,840	15,672,569	1,275	1,062,109	712,813	6,246,520	54,559	1,726,116	189,549	977,262	2,440,836	3,416,639	2,538,680	18,344,538	1,830,930	2,210,129	307,999	2,574,642	12,138,481	61,586,935	(865,871)	1,175,823	12,889	58,044	1,208,700	1,377,215	0	(1,377,215)	1,221,589	58,044	355,718	1,233,867	16,983,410	82,178,165	\$17,339,128	\$83,412,032		Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:	
\$1,904,100	\$12,084,309																																																																										
3,464,857	31,116,720																																																																										
0	155,861																																																																										
0	624,085																																																																										
235,343	235,343																																																																										
3,638,817	3,955,230																																																																										
155,059	1,063,782																																																																										
79,079	245,296																																																																										
1,547,236	6,478,615																																																																										
41,843	41,843																																																																										
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40,197	762,066																																																																										
63,579	236,556																																																																										
44,348	59,679																																																																										
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58,152	1,385,547																																																																										
11,272,610	62,762,758																																																																										
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4,061,840	15,672,569																																																																										
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54,559	1,726,116																																																																										
189,549	977,262																																																																										
2,440,836	3,416,639																																																																										
2,538,680	18,344,538																																																																										
1,830,930	2,210,129																																																																										
307,999	2,574,642																																																																										
12,138,481	61,586,935																																																																										
(865,871)	1,175,823																																																																										
12,889	58,044																																																																										
1,208,700	1,377,215																																																																										
0	(1,377,215)																																																																										
1,221,589	58,044																																																																										
355,718	1,233,867																																																																										
16,983,410	82,178,165																																																																										
\$17,339,128	\$83,412,032																																																																										
		Capital Asset Additions:																																																																									
		Capital Outlays	14,640,081																																																																								
		Capital Contributions	547,301																																																																								
		Current Year Depreciation	(9,343,666)																																																																								
		Total	5,843,716																																																																								
		Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(1,705,097)																																																																								
		Revenues in the statement of activities that do not provide current financial resources are not reported as revenues within the governmental funds:																																																																									
		Delinquent Property Taxes	(30,035)																																																																								
		Municipal Income Taxes	(477,050)																																																																								
		Licenses, Permits and Fees	14,653																																																																								
		Intergovernmental	41,807																																																																								
		Special Assessments	(45,000)																																																																								
		Charges for Services	378,090																																																																								
		Contributions and Donations	185																																																																								
		Franchise Taxes	(2,250)																																																																								
		Miscellaneous	22,004																																																																								
		Total	(97,596)																																																																								
		Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:																																																																									
		General Obligation Bonds	1,705,000																																																																								
		Special Assessment Bonds	45,000																																																																								
		OPWC Loans Payable	77,518																																																																								
		State Infrastructure Bank Loan Payable	379,199																																																																								
		Capital Lease	3,412																																																																								
		Total	2,210,129																																																																								
		Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:																																																																									
		Accrued Interest	9,860																																																																								
		Amortization of Bond Premium	25,569																																																																								
		Amortization of Loss on Refunding	(31,655)																																																																								
		Total	3,774																																																																								
		Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:																																																																									
		Compensated Absences	(360,221)																																																																								
		Landfill	47,678																																																																								
		Total	(312,543)																																																																								
		The internal service fund used by management to charge the costs of insurance to individual funds is not reported in entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	(292,873)																																																																								
		Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	3,094,206																																																																								
		Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(6,719,846)																																																																								
		<i>Change in Net Position of Governmental Activities</i>	\$3,257,737																																																																								

City of Westlake, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$10,056,239	\$10,056,239	\$10,180,209	\$123,970
Municipal Income Taxes	20,021,400	20,021,400	20,069,656	48,256
Admissions Tax	200,000	200,000	157,499	(42,501)
Hotel Tax	700,000	700,000	627,460	(72,540)
Charges for Services	59,000	59,000	81,027	22,027
Licenses, Permits and Fees	743,700	743,700	908,723	165,023
Fines and Forfeitures	175,200	175,200	168,158	(7,042)
Intergovernmental	1,640,749	1,640,749	1,596,898	(43,851)
Interest	450,000	450,000	903,097	453,097
Rentals	166,210	166,210	171,777	5,567
Contributions and Donations	0	0	166	166
Franchise Taxes	625,000	625,000	622,297	(2,703)
Miscellaneous	163,500	163,500	553,361	389,861
<i>Total Revenues</i>	<u>35,000,998</u>	<u>35,000,998</u>	<u>36,040,328</u>	<u>1,039,330</u>
Expenditures				
Current:				
General Government	11,311,361	11,121,388	7,838,473	3,282,915
Security of Persons and Property	14,208,967	14,152,240	12,418,211	1,734,029
Public Health Services	1,073,400	1,066,820	852,395	214,425
Transportation	7,383,219	7,323,773	6,209,761	1,114,012
Community Environment	1,930,367	1,904,331	1,702,046	202,285
Basic Utility Services	1,149,373	1,136,749	825,105	311,644
Leisure Time Activities	1,013,543	1,004,339	834,839	169,500
<i>Total Expenditures</i>	<u>38,070,230</u>	<u>37,709,640</u>	<u>30,680,830</u>	<u>7,028,810</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,069,232)</u>	<u>(2,708,642)</u>	<u>5,359,498</u>	<u>8,068,140</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	50,000	50,000	45,155	(4,845)
Advances Out	(150,000)	(1,000,000)	(1,000,000)	0
Transfers Out	(2,508,700)	(2,508,700)	(2,333,700)	175,000
<i>Total Other Financing Sources (Uses)</i>	<u>(2,608,700)</u>	<u>(3,458,700)</u>	<u>(3,288,545)</u>	<u>170,155</u>
<i>Net Change in Fund Balance</i>	(5,677,932)	(6,167,342)	2,070,953	8,238,295
<i>Fund Balance Beginning of Year</i>	43,691,078	43,691,078	43,691,078	0
Prior Year Encumbrances Appropriated	2,070,135	2,070,135	2,070,135	0
<i>Fund Balance End of Year</i>	<u>\$40,083,281</u>	<u>\$39,593,871</u>	<u>\$47,832,166</u>	<u>\$8,238,295</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2017

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Nonmajor - Golf Course	Total	
Assets				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$6,552,137	\$133,446	\$6,685,583	\$3,971,093
Materials and Supplies Inventory	0	5,657	5,657	0
Accrued Interest Receivable	32,694	0	32,694	0
Accounts Receivable	603,401	0	603,401	178,126
Prepaid Items	168	231	399	0
<i>Total Current Assets</i>	<u>7,188,400</u>	<u>139,334</u>	<u>7,327,734</u>	<u>4,149,219</u>
<i>Noncurrent Assets</i>				
Investment in Joint Venture	7,929,297	0	7,929,297	0
Nondepreciable Capital Assets	388,561	1,499,176	1,887,737	0
Depreciable Capital Assets, Net	22,748,249	629,273	23,377,522	0
<i>Total Noncurrent Assets</i>	<u>31,066,107</u>	<u>2,128,449</u>	<u>33,194,556</u>	<u>0</u>
<i>Total Assets</i>	<u>38,254,507</u>	<u>2,267,783</u>	<u>40,522,290</u>	<u>4,149,219</u>
Deferred Outflows of Resources				
Pension	439,897	112,985	552,882	0
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	20,964	2,034	22,998	0
Contracts Payable	14,679	0	14,679	0
Claims Payable	0	0	0	324,067
Accrued Wages	14,622	5,952	20,574	0
Retainage Payable	13,836	0	13,836	0
Intergovernmental Payable	2,225	971	3,196	0
Unearned Revenue	187,155	0	187,155	0
<i>Total Current Liabilities</i>	<u>253,481</u>	<u>8,957</u>	<u>262,438</u>	<u>324,067</u>
<i>Long-Term Liabilities</i>				
Advances from Other Funds	0	1,155,000	1,155,000	0
Net Pension Liability	946,213	287,976	1,234,189	0
<i>Total Long-Term Liabilities</i>	<u>946,213</u>	<u>1,442,976</u>	<u>2,389,189</u>	<u>0</u>
<i>Total Liabilities</i>	<u>1,199,694</u>	<u>1,451,933</u>	<u>2,651,627</u>	<u>324,067</u>
Deferred Inflows of Resources				
Pension	5,631	19,046	24,677	0
Net Position				
Net Investment in Capital Assets	23,108,295	2,128,449	25,236,744	0
Unrestricted (Deficit)	14,380,784	(1,218,660)	13,162,124	3,825,152
<i>Total Net Position</i>	<u>\$37,489,079</u>	<u>\$909,789</u>	<u>\$38,398,868</u>	<u>\$3,825,152</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017*

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities -
	Sewer	Nonmajor - Golf Course	Total	Internal Service Fund
Operating Revenues				
Charges for Services	\$2,552,098	\$239,871	\$2,791,969	\$3,465,241
Tap-In-Fees	121,702	0	121,702	0
Rentals	0	43,801	43,801	0
Miscellaneous	0	5,593	5,593	0
<i>Total Operating Revenues</i>	<u>2,673,800</u>	<u>289,265</u>	<u>2,963,065</u>	<u>3,465,241</u>
Operating Expenses				
Personal Services	424,455	221,464	645,919	0
Fringe Benefits	355,542	73,161	428,703	0
Contractual Services	1,583,463	54,953	1,638,416	465,131
Materials and Supplies	26,192	36,372	62,564	0
Depreciation	1,146,365	34,834	1,181,199	0
Other	64,197	10,328	74,525	0
Claims	0	0	0	3,292,983
<i>Total Operating Expenses</i>	<u>3,600,214</u>	<u>431,112</u>	<u>4,031,326</u>	<u>3,758,114</u>
<i>Operating (Loss) Income</i>	<u>(926,414)</u>	<u>(141,847)</u>	<u>(1,068,261)</u>	<u>(292,873)</u>
Nonoperating Revenues (Expenses)				
Interest	52,958	0	52,958	0
Gain on Disposal of Capital Assets	0	1,500	1,500	0
Loss on Transfer of Capital Assets	0	(1,063)	(1,063)	0
Loss in Joint Venture	(193,561)	0	(193,561)	0
<i>Total Nonoperating Revenues (Expenses)</i>	<u>(140,603)</u>	<u>437</u>	<u>(140,166)</u>	<u>0</u>
<i>(Loss) Income Before Capital Contributions and Transfers</i>	<u>(1,067,017)</u>	<u>(141,410)</u>	<u>(1,208,427)</u>	<u>(292,873)</u>
Capital Contributions	683,373	130	683,503	0
<i>Change in Net Position</i>	<u>(383,644)</u>	<u>(141,280)</u>	<u>(524,924)</u>	<u>(292,873)</u>
<i>Net Position Beginning of Year</i>	<u>37,872,723</u>	<u>1,051,069</u>	<u>38,923,792</u>	<u>4,118,025</u>
<i>Net Position End of Year</i>	<u>\$37,489,079</u>	<u>\$909,789</u>	<u>\$38,398,868</u>	<u>\$3,825,152</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer	Nonmajor - Golf Course	Total	Activities - Internal Service Fund
<i>Increase (Decrease) in Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities				
Cash Received from Customers	\$2,684,106	\$283,672	\$2,967,778	\$3,287,115
Cash Received from Other Operating Sources	0	5,593	5,593	0
Cash Received from Tap-In Fees	121,702	0	121,702	0
Cash Payments to Suppliers for Goods and Services	(1,565,455)	(91,085)	(1,656,540)	(465,131)
Cash Payments for Claims	0	0	0	(3,224,595)
Cash Payments for Employee Services and Benefits	(588,615)	(267,370)	(855,985)	0
Cash Payments for Other Operating Expenses	(63,251)	(10,276)	(73,527)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>588,487</u>	<u>(79,466)</u>	<u>509,021</u>	<u>(402,611)</u>
Cash Flows from Noncapital Financing Activities				
Advance In	0	150,000	150,000	0
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(492,434)	(31,786)	(524,220)	0
Sale of Capital Assets	0	1,500	1,500	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(492,434)</u>	<u>(30,286)</u>	<u>(522,720)</u>	<u>0</u>
Cash Flows from Investing Activities				
Interest	52,486	0	52,486	0
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>148,539</u>	<u>40,248</u>	<u>188,787</u>	<u>(402,611)</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>6,403,598</u>	<u>93,198</u>	<u>6,496,796</u>	<u>4,373,704</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$6,552,137</u>	<u>\$133,446</u>	<u>\$6,685,583</u>	<u>\$3,971,093</u>
Reconciliation of Operating (Loss) Income to Net Cash Provided by (Used for) Operating Activities				
<i>Operating (Loss) Income</i>	(\$926,414)	(\$141,847)	(\$1,068,261)	(\$292,873)
Adjustments:				
Depreciation	1,146,365	34,834	1,181,199	0
(Increase)/Decrease in Assets:				
Materials and Supplies Inventory	0	(66)	(66)	0
Accounts Receivable	138,411	0	138,411	(178,126)
Prepaid Items	5	57	62	0
(Increase)/Decrease in Deferred Outflows of Resources - Pension	184,738	38,322	223,060	0
Increase/(Decrease) in Liabilities:				
Accounts Payable	16,626	249	16,875	0
Contracts Payable	14,679	0	14,679	0
Claims Payable	0	0	0	68,388
Accrued Wages	(1,813)	972	(841)	0
Retainage Payable	13,836	0	13,836	0
Intergovernmental Payable	(279)	203	(76)	0
Unearned Revenue	(6,403)	0	(6,403)	0
Net Pension Liability	21,181	6,446	27,627	0
Increase/(Decrease) in Deferred Inflows of Resources - Pension	(12,445)	(18,636)	(31,081)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$588,487</u>	<u>(\$79,466)</u>	<u>\$509,021</u>	<u>(\$402,611)</u>

Noncash Capital Financing and Investing Activities

During 2017, the sewer enterprise fund received sewer lines from developers valued at \$58,952.

During 2017, the sewer enterprise fund received assets from governmental funds with a net book value of \$624,421.

During 2017, the net decrease in fair value of the sewer enterprise funds investments was \$19,571.

During 2017, the golf course enterprise fund received assets from governmental funds with a net book value of \$130.

During 2017, the golf course enterprise fund transferred assets to governmental funds with a net book value of \$1,063.

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2017

Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,834,106
Accounts Receivable	<u>147,367</u>
<i>Total Assets</i>	<u><u>\$1,981,473</u></u>
 Liabilities	
Deposits Held and Due to Others	<u><u>\$1,981,473</u></u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 1 – Reporting Entity

The City of Westlake is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a Council/Mayor form of government, was adopted in 1956.

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

The City of Westlake’s primary government consists of all funds and departments which are not legally separate from the City. They include a police force, a fire fighting force, and a street maintenance and sanitation force, planning and zoning departments, parks and a recreation system, a sewer system, one golf course, and a staff to provide essential support to these service providers.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burden on, the primary government. The reporting entity of the City does not include any component units.

The Rocky River Wastewater Treatment Plant is a joint venture, owned and operated by the cities of Westlake, Rocky River, Bay Village and Fairview Park. The mayors of each city serve during their term in office as members of the Management Committee of the Rocky River Wastewater Treatment Plant. Each City is responsible for a percentage of the operating expenses of the plant based on volume of flow into the plant (See Note 22).

The City is associated with four jointly governed organizations, the West Shore Council of Governments, Tri-City Park, Safe Air For Environment (S.A.F.E) Council of Governments, and West Shore Area Rescue Association. These organizations are presented in Note 23 to the basic financial statements.

The City is also associated with the Westlake Community Improvement Corporation (WCIC). The WCIC is a not-for-profit corporation which was founded in 1976. The seven-member Board, which consists of three elected officials of the City and four members appointed by the trustees, promotes industrial, commercial, distribution and research activities within the City. The City does not have a majority control in the Board and therefore, WCIC has been excluded from the reporting entity.

Note 2 – Summary of Significant Accounting Policies

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Basis of Presentation

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

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

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

Fund Financial Statements During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

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

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

The following are the City's major governmental funds:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of Westlake and/or the general laws of Ohio.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

TIF Bond Retirement Fund The TIF Bond Retirement fund accounts for and reports payment in lieu of taxes restricted for the payment of principal and interest and fiscal charges related to debt issued to finance American Greetings project.

American Greetings Fund The American Greetings fund accounts for and reports bond proceeds and payments in lieu of taxes restricted for the costs of all capital projects for the American Greetings construction project.

Infrastructure Tax Fund The infrastructure tax fund accounts for and reports the receipt of a 3/8 of one percent voted increase in the municipal income tax restricted for general municipal infrastructure costs.

Grants Fund This fund accounts for and reports various State and Federal monies which are restricted for historical site preservation and the construction of recreation facilities.

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

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

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

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

Golf Course Fund The golf course fund accounts for and reports the operations of the City owned golf course.

Internal Service Funds Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's only internal service fund reports on a self-insurance program for employee hospital/medical, prescription, dental and vision insurance benefits.

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 agency funds account for central dispatching services for the West Shore Council of Governments, deposits held for contractors and developers and assessments due to other governments.

Measurement Focus

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

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 and the statements presented for proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlement and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 9). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Unearned Revenue Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

On enterprise fund financial statements, revenue received as of December 31, 2017, for 2018 services, has been recorded as unearned revenue.

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 a deferred charge on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 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 the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes charges for services, licenses, permits and fees, delinquent property taxes, municipal income taxes, intergovernmental grants, special assessments, contributions and donations, franchise taxes and miscellaneous revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 25. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 14).

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

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

Budgetary Data

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and set annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level (salaries and other expenses) within each department in the general fund and at the object level (salaries and other expenses) for all other funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

During 2017, the Crocker Park Block K capital projects fund had no budgetary activity; therefore, budgetary information is not provided for this fund.

Pooled Cash and Cash Equivalents

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

During 2017, investments were limited to municipal bonds, bond anticipation notes, federal farm credit bank bonds, federal home loan bank bonds, and STAR Ohio. Investments are reported at fair value, which is based on quoted market price or current price.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

Interest earnings are allocated to City funds according to state statutes, City Charter, grant requirements, or debt related restrictions. Interest revenue credited to the general fund during 2017 was \$665,082, which includes \$228,880 assigned from other City funds.

Cash and cash equivalents that are held separately by the City for payment of retainage to contractors upon project completion are recorded as "cash and cash equivalents with escrow agents." The City also utilizes a financial institute to service various American Greetings and Market Square construction and debt payments. The balances in these accounts are presented on the statement of net position as "cash and cash equivalents with escrow agents."

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

Materials and Supplies Inventory

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent money set aside for unclaimed monies.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e. estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). The City maintains a capitalization threshold of \$1,000 dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using a straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and Improvements	50 years	50 years
Improvements	10 - 50 years	20 years
Machinery and Equipment	5 years	5 years
Furniture and Fixtures	10 years	10 years
Vehicles	2 - 15 years	2 - 15 years
Infrastructure	20 - 50 years	50 years

The City's infrastructure consists of roads, water mains, storm sewers, culverts, traffic signals, sewer lines and bridges and includes infrastructure acquired prior to December 31, 1980.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables.” Interfund loans which do not represent available expendable resources are classified as nonspendable fund balance. Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

On fund financial statements, long-term interfund loans, reported as “advances to/from other funds”, are classified as nonspendable fund balance, which indicate that they are not in spendable form even though it is a component of net current assets. Repayment is expected to be made within a reasonable period of time.

Deferred inflows of resources and deferred outflows of resources from the change in internal proportionate share related to pension items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position.

Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future (those employees who will be eligible to receive termination payments in the next 20 years). The amount is based on accumulated sick leave and employee wage rates at year-end taking into consideration any limits specified in the City’s termination policy.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “matured compensated absences payable” in the fund(s) from which the employees who have resigned or retired will be paid.

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 Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining

City of Westlake, Ohio
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For the Year Ended December 31, 2017

amount that is not restricted or committed. These amounts are assigned by council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State statute. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. Council assigned fund balance to cover a gap between estimated revenue and appropriations in 2018's appropriated budget. All remaining assigned amounts in the general fund were established by City Council.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net Position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any 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 constitutional provisions or enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sewer services, golf and self-insurance programs. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for a repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are presented on the financial statements.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Contributions of Capital

Contributions of capital in the governmental activities and proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction. Contributions of capital in proprietary fund financial statements also arise from contributions of capital assets from governmental funds.

Bond Premium

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the effective-interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On the governmental fund statements, bond premiums are received in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Deferred Charges on Refunding

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

Estimates

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

Note 3 – Change in Accounting Principles and Restatement of Fund Balance and Net Position

For 2017, the City implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2016-1*. These changes were incorporated in the City's 2017 financial statements; however, there was no effect on beginning net position/fund balance.

For 2017, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 86, "Certain Debt Extinguishment Issues." GASB Statement No. 86 establishes standards of accounting and financial reporting for in-substance defeasance transactions in which cash and other monetary assets acquired with only existing resources—that is, resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the purpose of extinguishing debt. These changes were incorporated in the City's 2017 financial statements.

During 2017, it was determined that accounts payable was classified to the incorrect fund and special assessment receivable, contracts payable, deferred inflows unavailable revenue and long-term liabilities were overstated. This restatement had the following effect on Fund Balance and Net Position as reported December 31, 2016:

City of Westlake, Ohio
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For the Year Ended December 31, 2017

	General	TIF Bond Retirement	American Greetings	Infrastructure Tax	Grants	Other Governmental Funds	Total Governmental Funds
Fund Balances (Deficit), December 31, 2016	\$51,107,511	\$459,570	(\$960,443)	\$15,977,131	(\$2,657,207)	\$16,983,410	\$80,909,972
Special Assessment Receivable	0	0	0	0	0	(2,565,000)	(2,565,000)
Deferred Inflows - Unavailable Revenue	0	0	0	0	0	2,565,000	2,565,000
Accounts Payable	0	(24,000)	24,000	0	0	0	0
Contracts Payable	0	0	1,268,193	0	0	0	1,268,193
Adjusted Fund Balances (Deficit), December 31, 2016	<u>\$51,107,511</u>	<u>\$435,570</u>	<u>\$331,750</u>	<u>\$15,977,131</u>	<u>(\$2,657,207)</u>	<u>\$16,983,410</u>	<u>\$82,178,165</u>

	Governmental Activities
Net Position, December 31, 2016	\$199,683,250
Special Assessment Receivable	(2,565,000)
Contracts Payable	1,268,193
Accrued Interest Payable	10,758
Long-Term Liabilities	<u>2,739,625</u>
Adjusted Net Position, December 31, 2016	<u>\$201,136,826</u>

Note 4 – Accountability

The grants, Crocker Park Block K and sidewalks capital projects funds had deficit fund balances at December 31, 2017, in the amounts of \$2,311,966, \$176,644 and \$314,202, respectively. The deficit in the Crocker Park Block K capital projects fund is the result of the recognition of expenditures on the modified basis of accounting. The deficit in the grants and sidewalks capital projects funds are due to advances made for construction projects until revenue is received. The general fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur.

Note 5 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

	General	TIF Bond Retirement	American Greetings	Infrastructure Tax	Grants	Other Governmental Funds	Total Governmental Activities
<u>Fund Balances</u>							
<u>Nonspendable:</u>							
Interfund loans	\$2,005,000	\$0	\$0	\$0	\$0	\$0	\$2,005,000
Prepays	303,349	0	0	0	0	660	304,009
Inventory	334,689	0	0	0	0	780	335,469
Unclaimed Monies	228,462	0	0	0	0	0	228,462
<u>Total Nonspendable</u>	<u>\$2,871,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,440</u>	<u>\$2,872,940</u>

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Fund Balances	General	TIF Bond Retirement	American Greetings	Infrastructure Tax	Grants	Other Governmental Funds	Total Governmental Activities
Restricted for:							
Road Improvements	\$0	\$0	\$0	\$0	\$0	\$3,937,404	\$3,937,404
Police and Fire Departments	0	0	0	0	0	621,644	621,644
Law Enforcement	0	0	0	0	0	568,347	568,347
Drug and Alcohol Enforcement	0	0	0	0	0	84,511	84,511
Juvenile Diversion	0	0	0	0	0	11,973	11,973
Cemetery Maintenance	0	0	0	0	0	626,378	626,378
West/Bay Ecological	0	0	0	0	0	85,763	85,763
Emergency Medical Services	0	0	0	0	0	1,108,210	1,108,210
Storm Drainage	0	0	0	0	0	869,342	869,342
Construction and Improvement of City Facilities	0	0	0	0	0	6,297,134	6,297,134
Debt Service Payments	0	487,283	0	0	0	636,432	1,123,715
American Greetings Construction	0	0	920,247	0	0	0	920,247
Issue II Improvements	0	0	0	10,347,798	0	77,529	10,425,327
Total Restricted	0	487,283	920,247	10,347,798	0	14,924,667	26,679,995
Committed to:							
Recreation	0	0	0	0	0	2,657,535	2,657,535
City Donations	0	0	0	0	0	208,725	208,725
Street Department	47,586	0	0	0	0	0	47,586
Recreation Department	17,901	0	0	0	0	0	17,901
Basic Utilities	13,992	0	0	0	0	0	13,992
Police and Fire Departments	125,403	0	0	0	0	0	125,403
Other	18,205	0	0	0	0	0	18,205
Total Committed	223,087	0	0	0	0	2,866,260	3,089,347
Assigned to:							
Compensated Absences	1,123,130	0	0	0	0	0	1,123,130
Equipment Replacement	10,480,966	0	0	0	0	0	10,480,966
Cable Television	3,269,106	0	0	0	0	0	3,269,106
Cemetery Operations	75,802	0	0	0	0	0	75,802
Swimming Pool Operations	16,581	0	0	0	0	0	16,581
Community Services	60,477	0	0	0	0	0	60,477
Safety Town	6,620	0	0	0	0	0	6,620
Service Center Construction	0	0	0	0	0	37,607	37,607
2018 Operations	7,738,057	0	0	0	0	0	7,738,057
Purchases on Order							
Building Maintenance	63,044	0	0	0	0	0	63,044
Street Department	236,690	0	0	0	0	0	236,690
Police Department	118,320	0	0	0	0	0	118,320
Fire Department	58,282	0	0	0	0	0	58,282
Recreation Department	21,201	0	0	0	0	0	21,201
Other	224,670	0	0	0	0	0	224,670
Total Assigned	23,492,946	0	0	0	0	37,607	23,530,553
Unassigned (Deficit)	30,042,009	0	0	0	(2,311,966)	(490,846)	27,239,197
Total Fund Balances (Deficit)	56,629,542	487,283	920,247	10,347,798	(2,311,966)	17,339,128	83,412,032

Note 6 – Budgetary Basis of Accounting

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

City of Westlake, Ohio
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For the Year Ended December 31, 2017

- 1 Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- 2 Investments are reported at fair value (GAAP basis) rather than cost (budget basis).
- 3 Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- 4 Budgetary revenues and expenditures of the swimming pool operation fund, senior/community service fund, cemetery operating fund and reserve for compensated absences fund are reclassified to the general fund for GAAP Reporting.
- 5 Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
- 6 Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP basis).

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

	General
GAAP Basis	\$5,522,031
Net Adjustment for Revenue Accruals	729,494
Beginning Fair Value Adjustment for Investments	264,311
Ending Fair Value Adjustment for Investments	(19,657)
Net Adjustment for Expenditure Accruals	(738,563)
Advances Out	(1,000,000)
Perspective Difference:	
Swimming Pool Operation	6,722
Senior/Community Service	(15,938)
Cemetery Operating	29,714
Reserve for Compensated Absences	(670,234)
Encumbrances	(2,036,927)
Budget Basis	\$2,070,953

Note 7 – Deposits and Investments

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

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

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

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

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, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in securities described in (1) or (2) provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed 30 days.

The City has passed an ordinance allowing the City to invest monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;

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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.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short-selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments

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

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percentage of Total Investments
Net Asset Value Per Share				
STAR Ohio	\$7,430,532	Average 52.1 Days	AAAm	8.31%
Fair Value - Level Two Inputs				
Federal Farm Credit Bank Bonds	4,486,275	Less than one year	AA+	
Federal Farm Credit Bank Bonds	5,696,675	Less than two years	AA+	
Federal Farm Credit Bank Bonds	9,949,471	Less than five years	AA+	
Total Federal Farm Credit Bank Bonds	<u>20,132,421</u>			22.52
Federal Home Loan Bank Bonds	6,381,908	Less than one year	AA+	
Federal Home Loan Bank Bonds	2,480,349	Less than two years	AA+	
Federal Home Loan Bank Bonds	9,631,617	Less than five years	AA+	
Total Federal Farm Credit Bank Bonds	<u>18,493,874</u>			20.69
Bond Anticipation Notes:				
City of Painesville	1,050,494	Less than one year	N/A	1.18
City of Pickerington	1,000,410	Less than one year	N/A	1.12
City of Shaker Heights	2,006,920	Less than one year	N/A	2.25
City of South Euclid	1,600,976	Less than one year	N/A	1.79
City of Stow	2,503,050	Less than one year	N/A	2.80
Total Bond Anticipation Notes	<u>8,161,850</u>			
Municipal Bonds:				
City of Avon	1,025,454	Less than one year	N/A	1.15
City of Cincinnati	738,406	Less than one year	N/A	0.83
City of Columbus	1,387,651	Less than one year	N/A	1.55

(continued)

City of Westlake, Ohio
Notes to the Basic Financial Statements
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Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percentage of Total Investments
Fair Value - Level Two Inputs				
Municipal Bonds: (continued)				
City of Berea	\$1,754,300	Less than one year	N/A	1.96%
City of Brecksville	2,092,320	Less than one year	N/A	2.34
City of Dublin	308,130	Less than one year	N/A	0.34
City of Huron	3,303,892	Less than one year	N/A	3.70
City of Lakewood	310,908	Less than one year	N/A	0.35
City of Lyndhurst	1,099,736	Less than one year	N/A	1.23
City of North Olmstead	735,182	Less than one year	N/A	0.82
City of Vandalia	515,280	Less than one year	N/A	0.58
City of Westerville	2,001,900	Less than one year	N/A	2.24
Medina City School District	513,870	Less than one year	N/A	0.57
Olentangy Local School District	513,915	Less than one year	N/A	0.57
Westerville City School District	319,153	Less than one year	N/A	0.36
Cuyahoga County	199,762	Less than one year	N/A	0.22
Montgomery County	249,718	Less than one year	N/A	0.28
Trumbull County	1,928,049	Less than one year	N/A	2.16
State of Ohio	505,160	Less than one year	N/A	0.57
City of Dublin	416,006	Less than two years	N/A	0.47
Celina City School District	529,067	Less than two years	N/A	0.59
Columbus City School District	2,007,900	Less than two years	N/A	2.25
Little Miami Local School District	407,870	Less than two years	N/A	0.46
Upper Arlington City School District	527,460	Less than two years	N/A	0.59
Cuyahoga County	497,613	Less than two years	N/A	0.56
Greene County	1,251,312	Less than two years	N/A	1.40
Ohio State Higher Education	479,103	Less than two years	N/A	0.54
City of Wadsworth	808,369	Less than five years	N/A	0.90
City of Cleveland	851,184	Less than five years	N/A	0.95
City of Columbus	2,787,911	Less than five years	N/A	3.12
Avon Lake City School District	438,502	Less than five years	N/A	0.49
Columbus City School District	2,705,267	Less than five years	N/A	3.03
Columbus Metropolitan Library	445,707	Less than five years	N/A	0.50
Cuyahoga County	248,250	Less than five years	N/A	0.28
State of Ohio	742,410	Less than five years	N/A	0.83
Ohio State Higher Education	525,000	Less than five years	N/A	0.59
Total Municipal Bonds	<u>35,171,717</u>			
Total Fair Value - Level Two Inputs	<u>81,959,862</u>			
	<u>\$89,390,394</u>			

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2017. The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids,

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offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

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

Credit Risk The Bond Anticipation Notes and Municipal Bonds are unrated. The Federal Farm Credit Bank Bonds and the Federal Home Loan Bank Bonds carry a rating of AA+ by Standard and Poor’s. STAR Ohio carries a credit rating of AAAm by Standard & Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

Concentration of Credit Risk The City places no limit on the amount it may invest in any one issuer.

Note 8 – Interfund Balances and Transfers

Interfund Balances

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

	Receivable		Payable	
	Interfund	Advance to Other Funds	Interfund	Advance from Other Funds
Major Governmental Funds:				
General Fund	\$0	\$2,005,000	\$0	\$0
Infrastructure Tax	3,666,900	0	0	0
Grants	0	0	3,666,900	0
Other Governmental Fund:				
Sidewalks	0	0	0	850,000
<i>Total Governmental Activities</i>	3,666,900	2,005,000	3,666,900	850,000
Business-Type Activity:				
Golf Course	0	0	0	1,155,000
Total	\$3,666,900	\$2,005,000	\$3,666,900	\$2,005,000

Advances to other funds at December 31, 2017, consisted of a general fund advance of \$1,155,000 to the golf course enterprise fund due to the timing of the operating revenues, and an advance to the sidewalks capital projects fund due to the timing of special assessment collections. The interfund balances at December 31, 2017, result from a difference in timing of when expenses are recognized in accordance with generally accepted accounting principles and when the related interfund subsidies are budgeted for payment on a cash basis. Interfund balances are expected to be repaid within one year. Advances to other funds are not expected to be repaid within one year.

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Internal Balances – Changes in Proportionate Share

The City uses an internal proportionate share to allocate its net pension liability and corresponding deferred outflows/inflows of resources and pension expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension deferred outflows/inflows of resources in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position, thus allowing the total column to present the change in proportionate share for the City as a whole.

Eliminations made in the business type activities column include a deferred outflow of resources for the sewer enterprise fund and a deferred inflow of resources for the golf course enterprise fund in the amount of \$17,331.

Eliminations made in the total column of the entity wide statement of net position include deferred outflows of resources for the business-type activities (related to the sewer enterprise fund) and deferred inflows of resources for the governmental type activities in the amount of \$51,331.

Interfund Transfers

At December 31, 2017, interfund transfers were as follows:

<u>Transfers To</u>	<u>Transfers From</u>		<u>Total</u>
	<u>General</u>	<u>American Greetings</u>	
Major Governmental Funds:			
TIF Bond Retirement	\$0	\$168,515	\$168,515
Other Governmental Funds:			
Police Pension	600,000	0	600,000
Fire Pension	450,000	0	450,000
Issue II Improvement	158,700	0	158,700
Total Other Governmental Funds	<u>1,208,700</u>	<u>0</u>	<u>1,208,700</u>
Total Governmental Funds	<u>\$1,208,700</u>	<u>\$168,515</u>	<u>\$1,377,215</u>

The general fund transfers to the other governmental funds were made to provide additional resources for capital improvements and current operations. The transfer of \$168,515 from the American Greetings capital projects funds to the TIF Bond Retirement fund was made to provide additional resources for debt service payments.

Note 9 – Receivables

Receivables at December 31, 2017, consisted primarily of municipal income taxes, property and hotel taxes, payments in lieu of taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments, and accounts (billings for utility service).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables, except for delinquent property taxes and special assessments, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

City of Westlake, Ohio
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For the Year Ended December 31, 2017

Special assessments expected to be collected in more than one year amount to \$150,000 in the special assessment bond retirement fund. At December 31, 2017, the amount of delinquent special assessments was \$100,834.

Property Taxes

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

2017 real property taxes are levied after October 1, 2017, on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2017, was \$9.52 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2017 property tax receipts were based are as follows:

<u>Category</u>	<u>Amount</u>
Real Estate:	
Residential/Agricultural	\$1,029,030,270
Other Real Estate	386,811,130
Public Utility Tangible Property	<u>27,951,630</u>
Total Assessed Valuation	<u><u>\$1,443,793,030</u></u>

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City of Westlake and periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility taxes and outstanding delinquencies which are measurable as of December 31, 2017, and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable levied to finance 2018 operations is offset to deferred inflows of resources – property taxes. On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

The City levies an income tax of 1.5 percent on all income earned within the City as well as income of residents earned outside the City. The City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

City of Westlake, Ohio
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For the Year Ended December 31, 2017

The Regional Income Tax Agency administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of 3 percent. Taxes collected by RITA in one month are remitted to the City on the first and tenth business days of the following month. Income tax revenue is credited to the general fund, recreation special revenue fund, general obligation and Issue II bond retirement funds, and the infrastructure tax and recreation center construction capital projects funds.

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities:	
Homestead and Rollback	\$689,734
Gas Excise Tax	361,375
Ohio Department of Transportation	191,814
Highway Distribution	185,000
Local Government	175,558
Auto Registration	109,655
Ohio Department of Public Safety Grants	31,930
Westlake City School District	17,527
City of North Olmsted	12,591
Estate Tax	8,890
City of Fairview Park	5,298
City of Rocky River	5,298
City of Lakewood	5,298
City of Cleveland	1,200
Total Intergovernmental Receivables	\$1,801,168

Payments in Lieu of Taxes

According to State law, the City has established several tax incremental financing districts within the City under which the City has granted property tax exemptions and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the City to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if the property had not been declared exempt. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by these owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners.

Note 10 – Tax Abatements

As of December 31, 2017, the City provides tax abatements through Community Reinvestment Area programs. Pursuant to Ohio Revised Code Chapter 5709, the City has established a Community Reinvestment Area to provide property tax abatements to encourage revitalization of existing buildings and the construction of new structures. Abatements are obtained through application by the property owner, including proof that the improvements have been made, and equal 50 percent of the additional property tax resulting from the increase in assessed value as a result of the improvement. The amount of the abatement is deducted from the recipient's tax bill. The City also contracts with the overlapping school district for payments in lieu of taxes when required by Ohio Revised Code. For 2017, the value of the taxes being abated was \$370,232.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 11 – Capital Assets

A summary of changes in capital assets during 2017 follows:

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
Business-Type Activities:				
<i>Nondepreciable Capital Assets</i>				
Land	\$1,499,176	\$0	\$0	\$1,499,176
Construction in Progress	32,183	356,378	0	388,561
<i>Total Nondepreciable Capital Assets</i>	<u>1,531,359</u>	<u>356,378</u>	<u>0</u>	<u>1,887,737</u>
<i>Depreciable Capital Assets</i>				
Buildings and Improvements	1,768,427	0	0	1,768,427
Improvements	264,339	0	0	264,339
Machinery and Equipment	316,753	31,786	(9,541)	338,998
Furniture and Fixtures	70,691	0	0	70,691
Vehicles	887,154	37,637	0	924,791
Infrastructure				
Sewer Lines	52,543,229	781,792	0	53,325,021
<i>Total Depreciable Capital Assets</i>	<u>55,850,593</u>	<u>851,215</u>	<u>(9,541)</u>	<u>56,692,267</u>
<i>Less Accumulated Depreciation</i>				
Buildings and Improvements	(605,627)	(35,229)	0	(640,856)
Improvements	(212,241)	(5,843)	0	(218,084)
Machinery and Equipment	(281,175)	(13,614)	8,608	(286,181)
Furniture and Fixtures	(34,828)	(4,521)	0	(39,349)
Vehicles	(766,281)	(65,311)	0	(831,592)
Infrastructure				
Sewer Lines	(30,242,002)	(1,056,681)	0	(31,298,683)
<i>Total Accumulated Depreciation</i>	<u>(32,142,154)</u>	<u>(1,181,199)</u>	<u>8,608</u>	<u>(33,314,745)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>23,708,439</u>	<u>(329,984)</u>	<u>(933)</u>	<u>23,377,522</u>
<i>Total Business-Type Activities Capital Assets, Net</i>	<u>\$25,239,798</u>	<u>\$26,394</u>	<u>(\$933)</u>	<u>\$25,265,259</u>

During 2017, the sewer enterprise fund received sewer lines from developers valued at \$58,952.

During 2017, the golf course enterprise fund received equipment from governmental activities in the amount of \$130 and the golf course enterprise fund transferred equipment to governmental activities in the amount of \$1,063.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
Governmental Activities:				
<i>Nondepreciable Capital Assets</i>				
Land	\$14,737,021	\$1,266,161	(\$1,681,200)	\$14,321,982
Construction in Progress	20,693,800	12,137,402	(7,710,646)	25,120,556
<i>Total Nondepreciable Capital Assets</i>	<u>35,430,821</u>	<u>13,403,563</u>	<u>(9,391,846)</u>	<u>39,442,538</u>
<i>Depreciable Capital Assets</i>				
Buildings and Improvements	85,313,112	4,099,374	0	89,412,486
Improvements	6,980,499	155,429	(64,465)	7,071,463
Machinery and Equipment	7,165,668	366,097	(312,137)	7,219,628
Furniture and Fixtures	1,953,412	288,837	(7,779)	2,234,470
Vehicles	10,037,097	843,883	(234,750)	10,646,230
Infrastructure				
Roads	144,515,254	1,988,917	0	146,504,171
Water Mains	45,195,592	702,492	0	45,898,084
Storm Sewers	31,234,406	792,841	0	32,027,247
Culverts	3,320,916	0	0	3,320,916
Traffic Signals	5,078,187	256,595	0	5,334,782
Bridges	1,980,831	0	0	1,980,831
<i>Total Depreciable Capital Assets</i>	<u>342,774,974</u>	<u>9,494,465</u>	<u>(619,131)</u>	<u>351,650,308</u>
<i>Less Accumulated Depreciation</i>				
Buildings and Improvements	(14,417,734)	(2,280,682)	0	(16,698,416)
Improvements	(4,485,957)	(246,449)	64,465	(4,667,941)
Machinery and Equipment	(5,617,649)	(522,702)	292,275	(5,848,076)
Furniture and Fixtures	(1,506,685)	(87,269)	7,779	(1,586,175)
Vehicles	(7,118,789)	(819,199)	230,715	(7,707,273)
Infrastructure				
Roads	(91,397,936)	(3,707,536)	0	(95,105,472)
Water Mains	(18,812,243)	(793,458)	0	(19,605,701)
Storm Sewers	(15,739,390)	(607,888)	0	(16,347,278)
Culverts	(3,043,359)	(75,467)	0	(3,118,826)
Traffic Signals	(1,355,894)	(168,082)	0	(1,523,976)
Bridges	(1,065,339)	(34,934)	0	(1,100,273)
<i>Total Accumulated Depreciation</i>	<u>(164,560,975)</u>	<u>(9,343,666)*</u>	<u>595,234</u>	<u>(173,309,407)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>178,213,999</u>	<u>150,799</u>	<u>(23,897)</u>	<u>178,340,901</u>
<i>Total Governmental Capital Assets, Net</i>	<u>\$213,644,820</u>	<u>\$13,554,362</u>	<u>(\$9,415,743)</u>	<u>\$217,783,439</u>

During 2017, governmental activities received land, machinery and equipment roads, water mains and storm sewers from developers valued at \$547,301.

The City and Westlake City School District entered into a land and building exchange agreement in June 2017. The City transferred ownership of approximately 29.41 acres of land on Center Ridge Road. The School District transferred in return Parkside Elementary School as well as approximately 41.9 acre of land on Bradley Road and property known as the former School Administration Building on Hilliard Road. The

City of Westlake, Ohio
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School District plans to construct a new PK-4 school facility upon the Center Ridge Property. As part of the agreement, the City agreed to Lease with the option to purchase the Parkside Elementary School Property back to the School District.

* Depreciation expense was charged to governmental functions as follows:

General Government	\$298,752
Security of Persons and Property	861,983
Public Health Services	82,537
Transportation	4,500,988
Community Environment	1,412,443
Basic Utility Services	1,477,011
Leisure Time Activities	709,952
Total	\$9,343,666

Note 12 – Risk Management

The City is exposed to various risks of loss related to torts; theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year the City contracted with various companies for all its commercial insurance.

The types of coverage and deductibles are as follows:

Type of Coverage	Coverage	Deductible
U.S. Specialty Insurance Company		
Blanket Property and Contents, Replacement	\$77,517,128	\$2,500
Inland Marine	6,224,545	1,000
General Liability	1,000,000/3,000,000	0
Automobile Liability	1,000,000	0
Public Officials Liability	1,000,000/1,000,000	10,000
Police Professional Liability	1,000,000/1,000,000	5,000
Employment Practices Liability	1,000,000/1,000,000	10,000
Computer - Hardware	2,381,769	1,000
Computer - Software	25,000	1,000
Umbrella Excess Liability	10,000,000	No SIR
Travelers Property & Casualty Insurance Company		
Forgery or Alteration	1,000,000	5,000
Employee Theft - Per Loss	1,000,000	5,000
On Premises	1,000,000	5,000
In Transit	1,000,000	5,000
Money Orders & Counterfeit Money	1,000,000	5,000
Computer Fraud	1,000,000	5,000
Funds Transfer Fraud	1,000,000	5,000

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

The City has elected to provide employee hospital/medical, prescription, dental and vision insurance benefits through a partially self-insured program. The City established a hospitalization internal service fund to account for and finance the cost of this program.

City of Westlake, Ohio
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The City utilizes the services of America’s Choice Healthplans, the third party administrator, to review, process, and pay employee claims. The City purchased stop-loss coverage for claims in excess of \$80,000 per individual and \$2,803,841 aggregate per year. For each employee, the City paid monthly into the hospitalization internal service fund \$554 for single, \$929 for single-plus-one and \$1,313 for family coverage. These rates are paid by the fund from which the employees’ salary is paid.

The claims liability of \$324,067 as estimated by the third-party administrator and reported in the hospitalization internal service fund at December 31, 2017, is based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund claims liability amount in 2016 and 2017 were as follows:

	<u>Beginning of Year</u>	<u>Claims</u>	<u>Payments</u>	<u>End of Year</u>
2016	\$208,856	\$2,584,920	\$2,538,097	\$255,679
2017	255,679	3,292,983	3,224,595	324,067

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

Note 13 – Significant Commitments

Contractual Commitments

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

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
2017 Street Maintenance	\$2,335,529	\$1,891,358	\$444,171
Bradley Road Waterline Improvements	5,617,552	4,870,579	746,973
Canterbury/Detroit Roads			
Intersection Improvements	3,451,610	2,399,893	1,051,717
Dover Ditch Restoration	2,026,150	1,413,722	612,428
Columbia Resurfacing	899,923	767,317	132,606
Sidewalk Repair	639,400	436,739	202,661
Total	\$14,970,164	\$11,779,608	\$3,190,556

\$3,190,556 of the remaining commitments were encumbered at year-end. The amounts of \$1,550,371 and \$5,628,793 in contracts and retainage payable for governmental activities, respectively, have been capitalized as well as \$14,679 and \$13,836 in contracts and retainage payable for business-type activities.

City of Westlake, Ohio
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Encumbrances

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

Governmental Funds:		Proprietary Funds:	
General	\$2,036,927	Enterprise:	
Infrastructure Tax	3,944,791	Sewer	\$186,420
Grants	785,437	Nonmajor - Golf Course	4,312
Other Governmental Funds	1,069,680	Total Enterprise Funds	190,732
Total Governmental Funds	\$7,836,835	Internal Service Fund	568,451
		Total Proprietary Funds	\$759,183

Note 14 – Defined Benefit Pension Plan

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not

City of Westlake, Ohio
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For the Year Ended December 31, 2017

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:

	State and Local
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	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,387,440 for 2017. Of this amount, \$52,679 is reported as an intergovernmental payable.

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

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

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

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

City of Westlake, Ohio
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service credit. (See OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits.)

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,798,337 for 2017. Of this amount, \$75,269 is reported as an intergovernmental payable.

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

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

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	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.082348%	0.4009790%	
Prior Measurement Date	<u>0.080311%</u>	<u>0.3942610%</u>	
Change in Proportionate Share	<u>0.0020370%</u>	<u>0.0067180%</u>	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$18,699,830	\$25,397,607	\$44,097,437
Pension Expense	\$3,984,440	\$3,046,583	\$7,031,023

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$25,346	\$7,185	\$32,531
Changes of assumptions	2,966,022	0	2,966,022
Net difference between projected and actual earnings on pension plan investments	2,784,836	2,469,805	5,254,641
Changes in proportion and differences between City contributions and proportionate share of contributions	172,994	303,532	476,526
City contributions subsequent to the measurement date	<u>1,387,440</u>	<u>1,798,337</u>	<u>3,185,777</u>
Total Deferred Outflows of Resources	<u>\$7,336,638</u>	<u>\$4,578,859</u>	<u>\$11,915,497</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$111,292	\$58,476	\$169,768
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>74,919</u>	<u>318,585</u>	<u>393,504</u>
Total Deferred Inflows of Resources	<u>\$186,211</u>	<u>\$377,061</u>	<u>\$563,272</u>

\$3,185,777 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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Year Ending December 31:	OPERS	OP&F	Total
2018	\$2,355,437	\$920,733	\$3,276,170
2019	2,492,131	920,733	3,412,864
2020	997,050	696,915	1,693,965
2021	(81,631)	(184,841)	(266,472)
2022	0	43,829	43,829
Thereafter	0	6,092	6,092
Total	<u>\$5,762,987</u>	<u>\$2,403,461</u>	<u>\$8,166,448</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the OPERS' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates 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 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2016, compared with December 31, 2015, are presented below.

	December 31, 2016	December 31, 2015
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2016, mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on

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the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

For 2015, mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

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

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

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

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.75 %
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 %

Discount Rate The discount rate used to measure the total pension liability for 2016 was 7.5 percent. The discount rate for 2015 was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the City’s proportionate share of the net pension 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 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 liability	\$28,568,168	\$18,699,830	\$10,476,313

Actuarial Assumptions – OP&F

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

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

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Valuation Date	January 1, 2016, with actuarial liabilities rolled forward to December 31, 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
	plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

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 average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2016, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 Securities*	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
	120.00 %	

Note: Assumptions are geometric.

* levered 2x

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

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$33,826,604	\$25,397,607	\$18,253,919

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 percent. Although the exact amount of these changes is not known, it has the potential to impact to the City's net pension liability.

Note 15 – Post-Employment Benefits

Ohio Public Employees Retirement System

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

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 plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. 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 determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4.0 percent.

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2017, 2016, and 2015 were \$106,726, \$212,906, and \$200,040, respectively. For 2017, 96.20 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

Ohio Police and Fire Pension Fund

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

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

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

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

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 19.5 percent and 24 percent of covered payroll for police and fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2017, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contribution to OP&F for the years ended December 31, 2017, 2016, and 2015 were \$1,841,387, \$1,793,361, and \$1,728,106, respectively, of which \$43,050, \$40,136, and \$40,139, respectively, was allocated to the healthcare plan. For 2017, 95.81 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

Note 16 – Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Current policy permits vacation leave to be accumulated up to two years. City employees are paid for earned, unused vacation leave at the time of termination of employment.

Sick leave is earned at the rate of four and sixth-tenths hours for every 80 hours worked. A maximum of 2,500 hours may be accumulated by each employee. Those employees whose accumulation exceeds 2,500 hours are paid, in December of each year, one-fourth of those hours at their current rate. Each employee with 10 or more years of service with the City is paid for one-half of the employee's earned unused sick leave upon termination with the City, transfer to another governmental agency, or retirement, 60 percent after 17 years of service, 68 percent after 20 years of service and 75 percent after 25 years of service.

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Note 17 – Contingent Liabilities

Litigation

The City of Westlake is a party to legal proceedings seeking damages. The City management is of opinion that ultimate disposition of these claims and legal proceeding will not have a material effect, if any, on the financial condition of the City.

Federal and State Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require 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 the overall financial position of the City at December 31, 2017.

Note 18 – Long-Term Obligations

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

	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
General Obligation Bonds:				
Recreational Facilities Refunding Bonds	2008	2020	3.75-3.88 %	\$9,990,000
Infrastructure Various Purpose Bonds	2011	2021	3.13-4.00	7,350,000
Special Obligation Bond:				
American Greetings/Crocker Park Improvements	2014	2044	1.17-4.33	48,330,000
Special Assessment Bonds:				
Various Purpose Improvements	2001	2021	5.00	765,000
OPWC Loans:				
Hilliard Boulevard Watermain Replacement	2003	2025	0	806,235
Detroit/Bradley Road Intersection	2014	2041	0	2,868,104
State Infrastructure Bank Loan:				
State Route 254/Crocker Road Improvements	2015	2034	3.00	8,765,300

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

	Balance 12/31/2016	Increase	Decrease	Balance 12/31/2017	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds:					
Recreational Facilities					
Refunding Bonds	\$4,295,000	\$0	\$1,005,000	\$3,290,000	\$1,030,000
Unamortized Premiums	2,053	0	480	1,573	0
Infrastructure Various					
Purpose Bonds	3,675,000	0	700,000	2,975,000	725,000
Unamortized Premiums	131,725	0	25,089	106,636	0
<i>Total General Obligation Bonds</i>	<u>8,103,778</u>	<u>0</u>	<u>1,730,569</u>	<u>6,373,209</u>	<u>1,755,000</u>
Special Obligation Bond:					
American Greetings/ Crocker Park Improvements:					
Serial Portion	18,190,000	0	0	18,190,000	775,000
Term Portion	30,140,000	0	0	30,140,000	0
Unamortized Premiums	591,582	0	0	591,582	0
<i>Total Special Obligation Bond</i>	<u>48,921,582</u>	<u>0</u>	<u>0</u>	<u>48,921,582</u>	<u>775,000</u>
Special Assessment Bonds:					
Various Purpose Improvements	245,000	0	45,000	200,000	50,000
OPWC Loans					
Hilliard Boulevard Watermain Replacement	322,492	0	20,156	302,336	40,312
Detroit/Bradley Road Intersection	2,753,381	0	57,362	2,696,019	114,724
<i>Total OPWC Loans</i>	<u>3,075,873</u>	<u>0</u>	<u>77,518</u>	<u>2,998,355</u>	<u>155,036</u>
State Infrastructure Bank Loan					
State Route 254/ Crocker Road Improvements	8,579,893	0	379,199	8,200,694	390,661
Other Long-Term Obligations					
Compensated Absences Payable	5,932,477	685,366	325,145	6,292,698	600,000
Capital Lease	8,542	0	3,412	5,130	3,584
Landfill Postclosure Costs	404,546	3,303	50,981	356,868	70,000
<i>Total Other Long-Term Obligations</i>	<u>6,345,565</u>	<u>688,669</u>	<u>379,538</u>	<u>6,654,696</u>	<u>673,584</u>
Net Pension Liability:					
OPERS	12,992,761	4,472,880	0	17,465,641	0
OP&F	25,363,088	34,519	0	25,397,607	0
<i>Total Net Pension Liability</i>	<u>38,355,849</u>	<u>4,507,399</u>	<u>0</u>	<u>42,863,248</u>	<u>0</u>
Total Governmental Long-Term Liabilities	<u>\$113,627,540</u>	<u>\$5,196,068</u>	<u>\$2,611,824</u>	<u>\$116,211,784</u>	<u>\$3,799,281</u>
Business-Type Activities					
Net Pension Liability:					
Sewer	\$703,892	\$242,321	\$0	\$946,213	\$0
Golf Course	214,227	73,749	0	287,976	0
Total Business-Type Long-Term Liabilities	<u>\$918,119</u>	<u>\$316,070</u>	<u>\$0</u>	<u>\$1,234,189</u>	<u>\$0</u>

City of Westlake, Ohio
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General Obligation Bonds General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from both voted and unvoted general property taxes levied on all taxable property located within the City as well as municipal income taxes. Tax monies will be received in and the debt will be retired from the general obligation bond retirement and Issue II bond retirement debt service funds.

On April 13, 2011, the City issued infrastructure various purpose bonds in the amount of \$7,350,000, at the interest rates varying from 1.50 percent to 4.00 percent. The bonds were issued for an eleven-year period with final maturity during fiscal year 2021. The bonds will be retired through the infrastructure tax improvement capital projects fund.

Special Obligation Bond Special obligation bonds are special obligations of the City and will not represent or constitute a debt of pledge of the full faith and credit of the City or the State of Ohio and will not be secured by an obligation or pledge of any moneys raised by taxation. Special obligation bonds are to be repaid from City non-tax revenues (including the project revenues) pledged and assigned to secure payment thereof by the bond legislation and the indenture. As of December 31, 2017, \$5,305,724 of the proceeds was unspent.

The City has pledged a portion of tax incremental financing revenue to repay the special obligation bonds. The bonds are paid solely from tax incremental financing revenue and payable through 2044. Annual principal and interest payments on the bonds are to require less than 100 percent of tax incremental financing revenue. The total principal and interest remaining to be paid on the bonds is \$83,588,665. Interest paid for the current year was \$1,980,569 and tax incremental financing revenue was \$3,706,657 with shortfall payments from the beneficiaries of the bonds covering the difference.

The term bonds maturing on December 1, 2037, 2041, and 2044 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on August 1 in the years and in the respective principal amounts as follows:

Year	Issue		
	\$9,275,000	\$11,210,000	\$9,655,000
2034	\$1,950,000	\$0	\$0
2035	2,345,000	0	0
2036	2,440,000	0	0
2038	0	2,640,000	0
2039	0	2,745,000	0
2040	0	2,855,000	0
2042	0	0	3,090,000
2043	0	0	3,215,000
Total	\$6,735,000	\$8,240,000	\$6,305,000
<i>Stated Maturity</i>	<i>12/1/2037</i>	<i>12/1/2041</i>	<i>12/1/2044</i>

The remaining principal amount of the term bonds (\$2,540,000, \$2,970,000, and \$3,350,000) will mature at the stated maturity.

City of Westlake, Ohio
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Special Assessment Bonds Special assessment bonds are payable from the proceeds of assessments against the specific property owners who primarily benefited from the project. Special assessment monies will be received in and the debt will be retired from the special assessment debt service fund. In the event that property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments.

In 2016, the City defeased the 2005 Street Improvement special assessment bond using assessments collected from the developer. These existing resources were placed with an escrow agent to provide for all future debt service payments on the old bonds. Accordingly, the escrow account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2017, \$2,330,000 of the defeased bonds are still outstanding.

Refunded Bonds In 2008, the City defeased a 1997 Recreation Center and Marview Waterline general obligation bond issue in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2017, \$3,400,000 of the defeased bonds are still outstanding.

Other Long-Term Obligations The capital lease will be paid from the recreation special revenue fund. There is no repayment schedule for the net pension liability. However, employer pension contributions are made from the following funds: general fund, police and fire operating and emergency medical service special revenue funds. For additional information related to the net pension liability see Note 14. Compensated absences will be paid from the general fund. The OPWC loans are payable semiannually from the Issue II improvements capital projects fund. The loans are interest-free.

The City has entered into contractual agreements for construction loans from the Ohio Public Works Commission (OPWC). Under the terms of these agreements, the OPWC will reimburse, advance or directly pay the construction costs of approved projects.

The City acquired a loan in the amount of \$8,765,300 from the Ohio Department of Transportation for the Public Private Partnership project involving the construction of the American Greetings world headquarters and additional development of the Crocker Park complex which is a mixed-use development in the City. All proceeds of the loan were received in 2015. The loan will be paid from the TIF bond retirement fund with tax incremental financing revenues and shortfall payments from Crocker Park and American Greetings. In the event there are not sufficient revenues to repay the loan, permissive license tax, motor vehicle license tax and motor vehicle gasoline tax funds received by the City will be used. The loan will be repaid over 20 years at an interest rate of 3.0 percent per annum.

The City's overall legal debt margin was \$145,695,558 and the unvoted legal debt margin was \$73,505,907 at December 31, 2017. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2017, are as follows:

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Year	General Obligation Bonds		Special Obligation Bonds			
	Serial		Serial		Term	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$1,755,000	\$237,474	\$775,000	\$1,980,569	\$0	\$0
2019	1,830,000	176,194	895,000	1,957,319	0	0
2020	1,905,000	105,756	915,000	1,939,419	0	0
2021	775,000	31,000	930,000	1,921,119	0	0
2022	0	0	970,000	1,883,919	0	0
2023-2027	0	0	5,380,000	8,889,394	0	0
2028-2032	0	0	6,770,000	7,496,694	0	0
2033-2037	0	0	1,555,000	1,295,419	9,275,000	4,351,475
2038-2042	0	0	0	0	14,300,000	3,134,344
2043-2044	0	0	0	0	6,565,000	408,994
Total	\$6,265,000	\$550,424	\$18,190,000	\$27,363,852	\$30,140,000	\$7,894,813

Year	Special Assessment Bonds		OPWC	State Infrastructure	
	Principal	Interest	Loans	Bond Loan	
	Principal	Interest	Principal	Principal	Interest
2018	\$50,000	\$10,000	\$155,036	\$390,661	\$243,113
2019	50,000	7,500	155,036	402,468	231,305
2020	50,000	5,000	155,036	414,633	219,140
2021	50,000	2,500	155,036	427,165	206,608
2022	0	0	155,036	440,076	193,697
2023-2027	0	0	674,398	2,408,125	760,741
2028-2032	0	0	573,620	2,794,728	374,138
2033-2037	0	0	573,620	922,838	27,821
2038-2041	0	0	401,537	0	0
Total	\$200,000	\$25,000	\$2,998,355	\$8,200,694	\$2,256,563

Note 19 – Leases

Capital Lease

In a prior year, the City entered into a lease agreement for a copier for the recreation center. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital asset acquired by the lease currently being paid has been capitalized and depreciated as follows as of December 31, 2017:

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Governmental Activities:

Equipment	\$13,612
Less Accumulated Depreciation	<u>(7,032)</u>
Carrying Value	<u><u>\$6,580</u></u>

Amortization of capital lease is included in depreciation expense. The lease is secured by the related property.

The lease provides for minimum, annual lease payments as follows:

	<u>Equipment</u>
2018	\$3,757
2019	<u>1,565</u>
Total Minimum Lease Payment	5,322
Less: Amount Representing Interest	<u>(192)</u>
Present Value of Minimum Lease Payment	<u><u>\$5,130</u></u>

Operating Lease

The City entered into an agreement to lease with the option to purchase the Parkside Elementary School Property to Westlake City School District (School District) beginning July 19, 2017 for \$1 per year. The lease will expire on the earlier of either two years after the School District discontinues the use of the leased property for school or administrative purposes or July 18, 2027. The School District has the option at any time during the term of the lease to purchase the leased property for \$700,000.

Note 20 – Industrial Development Revenue Bonds

At December 31, 2017, the City has one remaining series of industrial development revenue bonds in the aggregate outstanding principal amount of \$18,915,000 for facilities used by private corporations or other entities. The City is not obligated in any way to pay debt-related charges on the bonds from any of its funds, and therefore, they have been excluded entirely from the City’s debt presentation. There has not been, and there is not currently, any condition of default under the bonds or the related financing documents.

Note 21 – Landfill Closure and Post-closure Care Cost

State and Federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The City’s landfill placed its final cover in 1989. The \$356,868 reported as landfill post-closure costs in the long-term liabilities due in one year and due in more than one year lines of the governmental activities column of the statement of net position at December 31, 2017, represents the estimated cost of maintenance and monitoring through 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The City is required by State and Federal laws and regulations to provide assurances that financial resources will be available to provide for post-closure care and remediation or containment of environmental hazards at the landfill. Financial assurance may take the form of a financial test and corporate guarantee. The financial test was performed on the 2017 audited financial statements and the City was in compliance.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 22 – Joint Venture – Rocky River Wastewater Treatment Plant

The Rocky River Wastewater Treatment Plant (the “Plant”) is a joint venture among the cities of Fairview Park, Bay Village, Rocky River and Westlake. The plant is governed by a Management Committee consisting of the elected mayors of the four member cities and a fifth person nominated and elected by the mayors. The Management Committee has authority over all aspects of the Plant’s operation, however, all employees are employees of the City of Rocky River. The Plant supplies all participating residents of the member cities with sewer services. Each city owns the sewage lines located in its city and bills its residents for usage.

Continued existence of the Plant is dependent on the City’s continued participation, and the City has an equity interest in the Plant. The City’s equity interest is \$7,929,297, which represents 39.67 percent of the total equity in the Plant. The Plant is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116.

Note 23 – Jointly Governed Organizations

West Shore Council of Governments

The West Shore Council of Governments (Council) helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The board is comprised of one member from each of the six participating entities. The board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the board. Each City’s degree of control is limited to its representation on the board. In 2017, the City contributed \$67,069, which represented 20.30 percent of total contributions. Complete financial statements can be obtained from the City of Bay Village, 350 Dover Center Road, Bay Village, Ohio 44140.

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

Tri-City Park

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

Budgets are adopted by the Board. Each City’s degree of control is limited to its representation on the Board. The City of Westlake contributed \$5,000 to Tri-City Park in 2017. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116.

S.A.F.E Council of Governments

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board. The City of Westlake did not make any contributions to the S.A.F.E. in 2017. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116.

West Shore Area Rescue Association

The West Shore Area Rescue Association (Weshare) helps foster cooperation between municipalities and hospitals to provide optimum emergency medical services. The Board is comprised of one member from each of the ten participating entities. The Board exercises total control over the operation of Weshare including budgeting, appropriating, contracting, and designating management.

Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. In 2017, the City contributed \$500, which represented 13 percent of total contributions. Complete financial statements can be obtained from Fairview General Hospital, 18101 Lorain Road, Cleveland, Ohio 44111.

Required Supplementary Information

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

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.08234800%	0.08031100%	0.08205900%	0.08205900%
City's Proportionate Share of the Net Pension Liability	\$18,699,830	\$13,910,880	\$9,897,235	\$9,673,688
City's Covered Payroll	\$10,645,275	\$10,001,992	\$10,060,433	\$10,064,662
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	175.66%	139.08%	98.38%	96.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

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

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

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

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.40097900%	0.39426100%	0.40449850%	0.40449850%
City's Proportionate Share of the Net Pension Liability	\$25,397,607	\$25,363,088	\$20,954,709	\$19,700,346
City's Covered Payroll	\$8,401,302	\$8,027,897	\$8,071,930	\$7,542,074
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	302.31%	315.94%	259.60%	261.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	71.71%	73.00%

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

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

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

	2017	2016	2015	2014	2013
Contractually Required Contribution	\$1,387,440	\$1,277,433	\$1,200,239	\$1,207,252	\$1,308,406
Contributions in Relation to the Contractually Required Contribution	<u>(1,387,440)</u>	<u>(1,277,433)</u>	<u>(1,200,239)</u>	<u>(1,207,252)</u>	<u>(1,308,406)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$10,672,615	\$10,645,275	\$10,001,992	\$10,060,433	\$10,064,662
Contributions as a Percentage of Covered Payroll	13.00%	12.00%	12.00%	12.00%	13.00%

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$1,798,337	\$1,753,225	\$1,687,967	\$1,692,800
Contributions in Relation to the Contractually Required Contribution	<u>(1,798,337)</u>	<u>(1,753,225)</u>	<u>(1,687,967)</u>	<u>(1,692,800)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$8,610,097	\$8,401,302	\$8,027,897	\$8,071,930
Contributions as a Percentage of Covered Payroll	20.89%	20.87%	21.03%	20.97%

2013	2012	2011	2010	2009	2008
\$1,348,367	\$1,068,217	\$1,054,439	\$1,008,946	\$1,049,180	\$1,030,852
(1,348,367)	(1,068,217)	(1,054,439)	(1,008,946)	(1,049,180)	(1,030,852)
\$0	\$0	\$0	\$0	\$0	\$0
\$7,542,074	\$7,241,299	\$7,158,237	\$6,851,043	\$7,116,282	\$6,990,990
17.88%	14.75%	14.73%	14.73%	14.74%	14.75%

City of Westlake, Ohio
Note to the Required Supplementary Information
For the Year Ended December 31, 2017

Changes in Assumptions - OPERS

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

	December 31, 2017	December 31, 2016 and Prior
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Amounts reported for 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Combining and Individual Fund Statements and Schedules

Fund Descriptions - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

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

Permissive Motor Vehicle License Fund - To account for and report the additional motor vehicle registration fees restricted for maintenance and repair of streets within the City.

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

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

Police and Fire Operating Fund - To account for and report accumulated levied property taxes restricted for the payment of salaries and related expenditures for the safety forces. This is in addition to expenditures made from the general fund.

Law Enforcement Fund - To account for and report monies seized from criminals by law enforcement officials in the course of their work and restricted, by State statute, for expenditures that would enhance the police department.

Mandatory Drug Fines Fund - To account for and report the resources obtained from confiscated monies from criminal offenses and restricted, by State statute, for expenditures that would enhance the police department.

Alcohol Education Fund - To account for and report court fees obtained from D.W.I. cases and restricted by State statute for expenditures that would promote education about driving while intoxicated.

Juvenile Diversion Fund - To account for and report monies received from Cuyahoga County restricted for establishing or expanding community policing programs.

Federal Equitable Fund - To account for and report Federal forfeiture monies returned to the City and restricted for certain law enforcement purposes.

Recreation Fund - To account for and report membership and program fees and 1/8 of one percent voted income tax committed for the operation and maintenance of recreation programs and the recreation center.

(continued)

Fund Descriptions - Nonmajor Governmental Funds (continued)

Emergency Medical Service Fund - To account for and report monies received from emergency medical services billing restricted for equipment and training within the fire department.

Cemetery Investment Fund - To account for and report the restricted proceeds from the sale of cemetery lots which will be used for maintaining the columbarium.

Westlake/Bay Ecological Fund - To account for and report proceeds from the sale of humus that is restricted to expenditures that promote recycling of yard waste materials and maintain and improve the appearance of the landfill.

City Donations Fund - To account for and report contributions and donations from private sources to various City departments. The City has passed legislation committing the resources to the needs of the departments that received them.

Swimming Pool Operation Fund - To account for and report membership fee monies used for the operation of the public swimming pool. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Senior/Community Service Fund - To account for and report money paid from participants in the City Office on Aging Programs. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Cemetery Operating Fund - To account for and report the operation and maintenance of two public cemeteries. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Reserve for Compensated Absences Fund - To account for and report the accumulation of resources for accumulated sick leave and vacation leave, upon the termination of employment of employees in the City. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Nonmajor Debt Service Funds

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

General Obligation Bond Retirement Fund - To account for and report resources restricted for the payment of principal and interest and fiscal charges on general obligation debt.

Special Assessment Bond Retirement Fund - To account for and report resources restricted for the retirement of debt issued to finance public improvements deemed to benefit the properties against which special assessments are levied.

Issue II Bond Retirement Fund - To account for and report resources from a 3/8 percent voted increase in the income tax levy restricted for the retirement of debt issued to finance capital projects within the City.

(continued)

Fund Descriptions - Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Funds

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

Storm Drainage Fund - To account for and report fees to developers which are restricted by enabling legislation to finance the City's cost of installing or cleaning ditches.

Crocker Park Block K Fund -To account for and report restricted subsidies from the Cuyahoga County Port Authority for the construction of infrastructure and facilities related to the Block K area. This fund did not have any budgetary activity in 2017, therefore, budgetary information is not provided.

Market Square Fund - To account for and report transfers made from the general fund and Issue II improvement fund and proceeds transferred from the American Greetings fund restricted for improvements related to the Market Square area.

Issue II Improvement Fund – To account for and report the receipt of State grants restricted to pay contractor's costs on the Issue II infrastructure project.

Impact Fees Fund - To account for and report impact fees charged to developers restricted for new park facilities.

Sidewalks Fund - To account for and report special assessments restricted for the construction of sidewalks throughout the City.

Service Center Construction Fund - To account for and report transfers made from the general fund assigned for the construction a new service center.

Recreation Center Construction Fund - To account for and report voted income tax proceeds restricted for improvements to the recreation center.

City of Westlake, Ohio
Combining Balance Sheet
Other Governmental Funds
December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$9,643,408	\$274,142	\$8,021,720	\$17,939,270
Cash and Cash Equivalents with Escrow Agents	0	0	248,934	248,934
Materials and Supplies Inventory	780	0	0	780
Accrued Interest Receivable	24,146	0	5,410	29,556
Accounts Receivable	1,302,735	0	160,742	1,463,477
Intergovernmental Receivable	782,848	0	0	782,848
Prepaid Items	660	0	0	660
Municipal Income Taxes Receivable	63,804	510,859	292,382	867,045
Permissive Motor Vehicle Taxes Receivable	41,520	0	0	41,520
Property Taxes Receivable	1,957,010	0	0	1,957,010
Special Assessments Receivable	0	200,000	0	200,000
<i>Total Assets</i>	<u>\$13,816,911</u>	<u>\$985,001</u>	<u>\$8,729,188</u>	<u>\$23,531,100</u>
Liabilities				
Accounts Payable	\$91,346	\$0	\$34,687	\$126,033
Contracts Payable	9,235	0	291,609	300,844
Accrued Wages	118,529	0	568	119,097
Retainage Payable	0	0	662,491	662,491
Intergovernmental Payable	87,418	0	0	87,418
Advances From Other Funds	0	0	850,000	850,000
<i>Total Liabilities</i>	<u>306,528</u>	<u>0</u>	<u>1,839,355</u>	<u>2,145,883</u>
Deferred Inflows of Resources				
Property Taxes	1,894,790	0	0	1,894,790
Unavailable Revenue	1,703,663	348,569	99,067	2,151,299
<i>Total Deferred Inflows of Resources</i>	<u>3,598,453</u>	<u>348,569</u>	<u>99,067</u>	<u>4,046,089</u>
Fund Balances				
Nonspendable	1,440	0	0	1,440
Restricted	7,044,230	636,432	7,244,005	14,924,667
Committed	2,866,260	0	0	2,866,260
Assigned	0	0	37,607	37,607
Unassigned (Deficit)	0	0	(490,846)	(490,846)
<i>Total Fund Balances</i>	<u>9,911,930</u>	<u>636,432</u>	<u>6,790,766</u>	<u>17,339,128</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$13,816,911</u>	<u>\$985,001</u>	<u>\$8,729,188</u>	<u>\$23,531,100</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
Revenues				
Property Taxes	\$1,904,100	\$0	\$0	\$1,904,100
Municipal Income Taxes	250,001	1,999,992	1,214,864	3,464,857
Permissive Motor Vehicle Taxes	235,343	0	0	235,343
Charges for Services	3,494,749	0	144,068	3,638,817
Licenses, Permits and Fees	0	0	155,059	155,059
Fines and Forfeitures	79,079	0	0	79,079
Intergovernmental	1,547,236	0	0	1,547,236
Special Assessments	0	41,843	0	41,843
Interest	36,529	0	3,668	40,197
Rentals	63,579	0	0	63,579
Contributions and Donations	44,348	0	0	44,348
Miscellaneous	35,512	0	22,640	58,152
<i>Total Revenues</i>	<u>7,690,476</u>	<u>2,041,835</u>	<u>1,540,299</u>	<u>11,272,610</u>
Expenditures				
Current:				
Security of Persons and Property	4,061,840	0	0	4,061,840
Public Health Services	1,275	0	0	1,275
Transportation	712,813	0	0	712,813
Community Environment	54,559	0	0	54,559
Basic Utility Services	108,441	0	81,108	189,549
Leisure Time Activities	2,440,836	0	0	2,440,836
Capital Outlay	0	0	2,538,680	2,538,680
Debt Service:				
Principal Retirement	3,412	1,750,000	77,518	1,830,930
Interest and Fiscal Charges	345	307,654	0	307,999
<i>Total Expenditures</i>	<u>7,383,521</u>	<u>2,057,654</u>	<u>2,697,306</u>	<u>12,138,481</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>306,955</u>	<u>(15,819)</u>	<u>(1,157,007)</u>	<u>(865,871)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	12,889	0	0	12,889
Transfers In	1,050,000	0	158,700	1,208,700
<i>Total Other Financing Sources (Uses)</i>	<u>1,062,889</u>	<u>0</u>	<u>158,700</u>	<u>1,221,589</u>
<i>Net Change in Fund Balances</i>	1,369,844	(15,819)	(998,307)	355,718
<i>Fund Balances Beginning of Year</i>	<u>8,542,086</u>	<u>652,251</u>	<u>7,789,073</u>	<u>16,983,410</u>
<i>Fund Balances End of Year</i>	<u>\$9,911,930</u>	<u>\$636,432</u>	<u>\$6,790,766</u>	<u>\$17,339,128</u>

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Street Maintenance	State Highway	Permissive Motor Vehicle License	Police Pension	Fire Pension
Assets					
Equity in Pooled Cash and Cash Equivalents	\$2,076,334	\$818,964	\$782,250	\$106,407	\$213,597
Materials and Supplies Inventory	0	0	0	0	0
Accrued Interest Receivable	11,487	4,559	4,361	0	0
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	609,072	49,202	0	21,737	21,737
Prepaid Items	0	0	0	0	0
Municipal Income Taxes Receivable	0	0	0	0	0
Permissive Motor Vehicle Taxes Receivable	0	0	41,520	0	0
Property Taxes Receivable	0	0	0	391,402	391,402
<i>Total Assets</i>	<u>\$2,696,893</u>	<u>\$872,725</u>	<u>\$828,131</u>	<u>\$519,546</u>	<u>\$626,736</u>
Liabilities					
Accounts Payable	\$9,131	\$0	\$0	\$0	\$0
Contracts Payable	8,318	917	0	0	0
Accrued Wages	8,244	0	0	0	0
Intergovernmental Payable	1,270	0	0	41,171	35,902
<i>Total Liabilities</i>	<u>26,963</u>	<u>917</u>	<u>0</u>	<u>41,171</u>	<u>35,902</u>
Deferred Inflows of Resources					
Property Taxes	0	0	0	378,958	378,958
Unavailable Revenue	398,856	33,609	0	34,181	34,181
<i>Total Deferred Inflows of Resources</i>	<u>398,856</u>	<u>33,609</u>	<u>0</u>	<u>413,139</u>	<u>413,139</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	2,271,074	838,199	828,131	65,236	177,695
Committed	0	0	0	0	0
<i>Total Fund Balances</i>	<u>2,271,074</u>	<u>838,199</u>	<u>828,131</u>	<u>65,236</u>	<u>177,695</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,696,893</u>	<u>\$872,725</u>	<u>\$828,131</u>	<u>\$519,546</u>	<u>\$626,736</u>

Police and Fire Operating	Law Enforcement	Mandatory Drug Fines	Alcohol Education	Juvenile Diversion	Federal Equitable	Recreation
\$418,489	\$502,237	\$51,325	\$31,310	\$10,773	\$44,769	\$2,696,109
0	0	0	0	0	0	780
0	0	0	0	0	250	0
0	23,127	1,596	280	1,200	0	35,817
65,207	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	63,804
0	0	0	0	0	0	0
1,174,206	0	0	0	0	0	0
<u>\$1,657,902</u>	<u>\$525,364</u>	<u>\$52,921</u>	<u>\$31,590</u>	<u>\$11,973</u>	<u>\$45,019</u>	<u>\$2,796,510</u>
\$0	\$495	\$0	\$0	\$0	\$1,541	\$61,416
0	0	0	0	0	0	0
39,220	0	0	0	0	0	46,711
556	0	0	0	0	0	7,931
39,776	495	0	0	0	1,541	116,058
1,136,874	0	0	0	0	0	0
102,539	0	0	0	0	0	22,137
1,239,413	0	0	0	0	0	22,137
0	0	0	0	0	0	780
378,713	524,869	52,921	31,590	11,973	43,478	0
0	0	0	0	0	0	2,657,535
378,713	524,869	52,921	31,590	11,973	43,478	2,658,315
<u>\$1,657,902</u>	<u>\$525,364</u>	<u>\$52,921</u>	<u>\$31,590</u>	<u>\$11,973</u>	<u>\$45,019</u>	<u>\$2,796,510</u>

(continued)

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2017

	Emergency Medical Service	Cemetery Investment	Westlake/ Bay Ecological	City Donations	Total Nonmajor Special Revenue Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$977,821	\$622,889	\$79,137	\$210,997	\$9,643,408
Materials and Supplies Inventory	0	0	0	0	780
Accrued Interest Receivable	0	3,489	0	0	24,146
Accounts Receivable	1,240,715	0	0	0	1,302,735
Intergovernmental Receivable	0	0	15,893	0	782,848
Prepaid Items	660	0	0	0	660
Municipal Income Taxes Receivable	0	0	0	0	63,804
Permissive Motor Vehicle Taxes Receivable	0	0	0	0	41,520
Property Taxes Receivable	0	0	0	0	1,957,010
<i>Total Assets</i>	<u>\$2,219,196</u>	<u>\$626,378</u>	<u>\$95,030</u>	<u>\$210,997</u>	<u>\$13,816,911</u>
Liabilities					
Accounts Payable	\$14,561	\$0	\$1,930	\$2,272	\$91,346
Contracts Payable	0	0	0	0	9,235
Accrued Wages	22,587	0	1,767	0	118,529
Intergovernmental Payable	316	0	272	0	87,418
<i>Total Liabilities</i>	<u>37,464</u>	<u>0</u>	<u>3,969</u>	<u>2,272</u>	<u>306,528</u>
Deferred Inflows of Resources					
Property Taxes	0	0	0	0	1,894,790
Unavailable Revenue	1,072,862	0	5,298	0	1,703,663
<i>Total Deferred Inflows of Resources</i>	<u>1,072,862</u>	<u>0</u>	<u>5,298</u>	<u>0</u>	<u>3,598,453</u>
Fund Balances					
Nonspendable	660	0	0	0	1,440
Restricted	1,108,210	626,378	85,763	0	7,044,230
Committed	0	0	0	208,725	2,866,260
<i>Total Fund Balances</i>	<u>1,108,870</u>	<u>626,378</u>	<u>85,763</u>	<u>208,725</u>	<u>9,911,930</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,219,196</u>	<u>\$626,378</u>	<u>\$95,030</u>	<u>\$210,997</u>	<u>\$13,816,911</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017

	Street Maintenance	State Highway	Permissive Motor Vehicle License	Police Pension	Fire Pension
Revenues					
Property Taxes	\$0	\$0	\$0	\$380,831	\$380,831
Municipal Income Taxes	0	0	0	0	0
Permissive Motor Vehicle Taxes	0	0	235,343	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	1,227,871	98,979	0	43,474	43,474
Interest	20,804	7,468	8,124	0	0
Rentals	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>1,248,675</u>	<u>106,447</u>	<u>243,467</u>	<u>424,305</u>	<u>424,305</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	0	1,024,714	898,171
Public Health Services	0	0	0	0	0
Transportation	697,730	15,083	0	0	0
Community Environment	0	0	0	0	0
Basic Utility Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>697,730</u>	<u>15,083</u>	<u>0</u>	<u>1,024,714</u>	<u>898,171</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>550,945</u>	<u>91,364</u>	<u>243,467</u>	<u>(600,409)</u>	<u>(473,866)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	0	0	0	0
Transfers In	0	0	0	600,000	450,000
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>600,000</u>	<u>450,000</u>
<i>Net Change in Fund Balances</i>	550,945	91,364	243,467	(409)	(23,866)
<i>Fund Balances Beginning of Year</i>	<u>1,720,129</u>	<u>746,835</u>	<u>584,664</u>	<u>65,645</u>	<u>201,561</u>
<i>Fund Balances End of Year</i>	<u>\$2,271,074</u>	<u>\$838,199</u>	<u>\$828,131</u>	<u>\$65,236</u>	<u>\$177,695</u>

(continued)

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2017

	Police and Fire Operating	Law Enforcement	Mandatory Drug Fines	Alcohol Education	Juvenile Diversion
Revenues					
Property Taxes	\$1,142,438	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0	0
Permissive Motor Vehicle Taxes	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	52,005	15,117	7,757	4,200
Intergovernmental	130,413	0	0	0	0
Interest	0	0	0	0	0
Rentals	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>1,272,851</u>	<u>52,005</u>	<u>15,117</u>	<u>7,757</u>	<u>4,200</u>
Expenditures					
Current:					
Security of Persons and Property	1,216,474	23,262	30,000	0	1,210
Public Health Services	0	0	0	0	0
Transportation	0	0	0	0	0
Community Environment	0	0	0	0	0
Basic Utility Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>1,216,474</u>	<u>23,262</u>	<u>30,000</u>	<u>0</u>	<u>1,210</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>56,377</u>	<u>28,743</u>	<u>(14,883)</u>	<u>7,757</u>	<u>2,990</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	9,401	0	0	0
Transfers In	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>9,401</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	56,377	38,144	(14,883)	7,757	2,990
<i>Fund Balances Beginning of Year</i>	<u>322,336</u>	<u>486,725</u>	<u>67,804</u>	<u>23,833</u>	<u>8,983</u>
<i>Fund Balances End of Year</i>	<u>\$378,713</u>	<u>\$524,869</u>	<u>\$52,921</u>	<u>\$31,590</u>	<u>\$11,973</u>

Federal Equitable	Recreation	Emergency Medical Service	Cemetery Investment	Westlake/ Bay Ecological	City Donations	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$1,904,100
0	250,001	0	0	0	0	250,001
0	0	0	0	0	0	235,343
0	2,227,466	1,158,718	11,025	97,540	0	3,494,749
0	0	0	0	0	0	79,079
0	0	3,025	0	0	0	1,547,236
133	0	0	0	0	0	36,529
0	63,579	0	0	0	0	63,579
0	0	0	0	0	44,348	44,348
0	24,653	264	0	10,595	0	35,512
133	2,565,699	1,162,007	11,025	108,135	44,348	7,690,476
63,992	0	804,017	0	0	0	4,061,840
0	0	0	1,275	0	0	1,275
0	0	0	0	0	0	712,813
0	0	0	0	0	54,559	54,559
0	0	0	0	108,441	0	108,441
0	2,440,836	0	0	0	0	2,440,836
0	3,412	0	0	0	0	3,412
0	345	0	0	0	0	345
63,992	2,444,593	804,017	1,275	108,441	54,559	7,383,521
(63,859)	121,106	357,990	9,750	(306)	(10,211)	306,955
0	3,488	0	0	0	0	12,889
0	0	0	0	0	0	1,050,000
0	3,488	0	0	0	0	1,062,889
(63,859)	124,594	357,990	9,750	(306)	(10,211)	1,369,844
107,337	2,533,721	750,880	616,628	86,069	218,936	8,542,086
\$43,478	\$2,658,315	\$1,108,870	\$626,378	\$85,763	\$208,725	\$9,911,930

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2017

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Issue II Bond Retirement	Total Nonmajor Debt Service Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$274,142	\$0	\$274,142
Municipal Income Taxes Receivable	297,648	0	213,211	510,859
Special Assessments Receivable	0	200,000	0	200,000
<i>Total Assets</i>	<u>\$297,648</u>	<u>\$474,142</u>	<u>\$213,211</u>	<u>\$985,001</u>
Deferred Inflows of Resources				
Unavailable Revenue	\$87,668	\$200,000	\$60,901	\$348,569
Fund Balances				
Restricted	209,980	274,142	152,310	636,432
<i>Total Deferred Inflows of Resources and Fund Balances</i>	<u>\$297,648</u>	<u>\$474,142</u>	<u>\$213,211</u>	<u>\$985,001</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2017

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Issue II Bond Retirement	Total Nonmajor Debt Service Funds
Revenues				
Municipal Income Taxes	\$1,164,176	\$0	\$835,816	\$1,999,992
Special Assessments	0	41,843	0	41,843
<i>Total Revenues</i>	<u>1,164,176</u>	<u>41,843</u>	<u>835,816</u>	<u>2,041,835</u>
Expenditures				
Debt Service:				
Principal Retirement	1,005,000	45,000	700,000	1,750,000
Interest and Fiscal Charges	161,402	10,846	135,406	307,654
<i>Total Expenditures</i>	<u>1,166,402</u>	<u>55,846</u>	<u>835,406</u>	<u>2,057,654</u>
<i>Net Change in Fund Balances</i>	(2,226)	(14,003)	410	(15,819)
<i>Fund Balances Beginning of Year</i>	<u>212,206</u>	<u>288,145</u>	<u>151,900</u>	<u>652,251</u>
<i>Fund Balances End of Year</i>	<u>\$209,980</u>	<u>\$274,142</u>	<u>\$152,310</u>	<u>\$636,432</u>

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017

	Storm Drainage	Crocker Park Block K	Market Square	Issue II Improvement	Impact Fees
Assets					
Equity in Pooled Cash and Cash Equivalents	\$970,418	\$0	\$10,378	\$77,529	\$1,469,847
Cash and Cash Equivalents with Escrow Agents	0	0	248,934	0	0
Accrued Interest Receivable	5,410	0	0	0	0
Accounts Receivable	0	0	0	0	0
Municipal Income Taxes Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$975,828</u>	<u>\$0</u>	<u>\$259,312</u>	<u>\$77,529</u>	<u>\$1,469,847</u>
Liabilities					
Accounts Payable	\$3,100	\$0	\$0	\$0	\$0
Contracts Payable	0	0	0	0	27,737
Accrued Wages	0	0	0	0	0
Retainage Payable	103,386	176,644	248,129	0	14,496
Advances From Other Funds	0	0	0	0	0
<i>Total Liabilities</i>	<u>106,486</u>	<u>176,644</u>	<u>248,129</u>	<u>0</u>	<u>42,233</u>
Deferred Inflows of Resources					
Unavailable Revenue	0	0	0	0	0
Fund Balances					
Restricted	869,342	0	11,183	77,529	1,427,614
Assigned	0	0	0	0	0
Unassigned (Deficit)	0	(176,644)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>869,342</u>	<u>(176,644)</u>	<u>11,183</u>	<u>77,529</u>	<u>1,427,614</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$975,828</u>	<u>\$0</u>	<u>\$259,312</u>	<u>\$77,529</u>	<u>\$1,469,847</u>

Sidewalks	Service Center Construction	Recreation Center Construction	Total Nonmajor Capital Projects Funds
\$649,411	\$37,607	\$4,806,530	\$8,021,720
0	0	0	248,934
0	0	0	5,410
160,742	0	0	160,742
0	0	292,382	292,382
<u>\$810,153</u>	<u>\$37,607</u>	<u>\$5,098,912</u>	<u>\$8,729,188</u>
\$0	\$0	\$31,587	\$34,687
171,455	0	92,417	291,609
568	0	0	568
37,977	0	81,859	662,491
850,000	0	0	850,000
<u>1,060,000</u>	<u>0</u>	<u>205,863</u>	<u>1,839,355</u>
<u>64,355</u>	<u>0</u>	<u>34,712</u>	<u>99,067</u>
0	0	4,858,337	7,244,005
0	37,607	0	37,607
(314,202)	0	0	(490,846)
<u>(314,202)</u>	<u>37,607</u>	<u>4,858,337</u>	<u>6,790,766</u>
<u>\$810,153</u>	<u>\$37,607</u>	<u>\$5,098,912</u>	<u>\$8,729,188</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017

	Storm Drainage	Crocker Park Block K	Market Square	Issue II Improvement
Revenues				
Municipal Income Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Licenses, Permits and Fees	75,825	0	0	0
Interest	2,863	0	805	0
Miscellaneous	500	0	0	0
<i>Total Revenues</i>	<u>79,188</u>	<u>0</u>	<u>805</u>	<u>0</u>
Expenditures				
Current:				
Basic Utility Services	81,108	0	0	0
Capital Outlay	840,249	0	80,934	3,653
Debt Service:				
Principal Retirement	0	0	0	77,518
<i>Total Expenditures</i>	<u>921,357</u>	<u>0</u>	<u>80,934</u>	<u>81,171</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(842,169)	0	(80,129)	(81,171)
Other Financing Sources (Uses)				
Transfers In	0	0	0	158,700
<i>Net Change in Fund Balances</i>	(842,169)	0	(80,129)	77,529
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,711,511</u>	<u>(176,644)</u>	<u>91,312</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$869,342</u></u>	<u><u>(\$176,644)</u></u>	<u><u>\$11,183</u></u>	<u><u>\$77,529</u></u>

Impact Fees	Sidewalks	Service Center Construction	Recreation Center Construction	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$1,214,864	\$1,214,864
0	144,068	0	0	144,068
79,234	0	0	0	155,059
0	0	0	0	3,668
0	140	22,000	0	22,640
<u>79,234</u>	<u>144,208</u>	<u>22,000</u>	<u>1,214,864</u>	<u>1,540,299</u>
0	0	0	0	81,108
142,065	574,489	0	897,290	2,538,680
0	0	0	0	77,518
<u>142,065</u>	<u>574,489</u>	<u>0</u>	<u>897,290</u>	<u>2,697,306</u>
(62,831)	(430,281)	22,000	317,574	(1,157,007)
0	0	0	0	158,700
(62,831)	(430,281)	22,000	317,574	(998,307)
<u>1,490,445</u>	<u>116,079</u>	<u>15,607</u>	<u>4,540,763</u>	<u>7,789,073</u>
<u>\$1,427,614</u>	<u>(\$314,202)</u>	<u>\$37,607</u>	<u>\$4,858,337</u>	<u>\$6,790,766</u>

Fund Descriptions - Fiduciary Fund

Fiduciary Fund

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

Agency Funds

Central Dispatch Fund - To account for monies received for the West Shore Council of Governments dispatching services and distributed to the City of Bay Village which is the fiscal agent.

Deposits Fund - This fund accounts for deposits from various contractors, developers or individuals to ensure compliance with City Ordinances. These monies are returned when the work is completed.

City of Westlake, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017

	Balance 12/31/16	Additions	Reductions	Balance 12/31/17
<i>Central Dispatch</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$273,300	\$965,474	\$833,632	\$405,142
Accounts Receivable	157,614	147,367	157,614	147,367
Total Assets	\$430,914	\$1,112,841	\$991,246	\$552,509
Liabilities				
Deposits Held and Due to Others	\$430,914	\$1,112,841	\$991,246	\$552,509
 <i>Deposits</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,310,373	\$600,552	\$481,961	\$1,428,964
Liabilities				
Deposits Held and Due to Others	\$1,310,373	\$600,552	\$481,961	\$1,428,964
 <i>Total All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,583,673	\$1,566,026	\$1,315,593	\$1,834,106
Accounts Receivable	157,614	147,367	157,614	147,367
Total Assets	\$1,741,287	\$1,713,393	\$1,473,207	\$1,981,473
Liabilities				
Deposits Held and Due to Others	\$1,741,287	\$1,713,393	\$1,473,207	\$1,981,473

**Individual Fund Schedules of Revenues,
Expenditures/Expenses and Changes in
Fund Balances/Fund Equity**

Budget (Non-GAAP Basis) and Actual

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$10,056,239	\$10,056,239	\$10,180,209	\$123,970
Municipal Income Taxes	20,021,400	20,021,400	20,069,656	48,256
Admissions Tax	200,000	200,000	157,499	(42,501)
Hotel Tax	700,000	700,000	627,460	(72,540)
Charges for Services	59,000	59,000	81,027	22,027
Licenses, Permits and Fees	743,700	743,700	908,723	165,023
Fines and Forfeitures	175,200	175,200	168,158	(7,042)
Intergovernmental	1,640,749	1,640,749	1,596,898	(43,851)
Interest	450,000	450,000	903,097	453,097
Rentals	166,210	166,210	171,777	5,567
Contributions and Donations	0	0	166	166
Franchise Taxes	625,000	625,000	622,297	(2,703)
Miscellaneous	163,500	163,500	553,361	389,861
<i>Total Revenues</i>	<u>35,000,998</u>	<u>35,000,998</u>	<u>36,040,328</u>	<u>1,039,330</u>
Expenditures				
Current:				
General Government:				
Council:				
Salaries	186,800	187,300	186,471	829
Fringe Benefits	35,535	35,535	35,205	330
Contractual Services	26,307	24,668	19,252	5,416
Materials and Supplies	2,000	2,000	933	1,067
Capital Outlay	2,635	2,635	2,630	5
Other	3,500	3,500	2,655	845
Total Council	<u>256,777</u>	<u>255,638</u>	<u>247,146</u>	<u>8,492</u>
Mayor:				
Salaries	263,100	263,100	228,986	34,114
Fringe Benefits	64,200	64,200	43,928	20,272
Contractual Services	36,345	31,752	18,882	12,870
Materials and Supplies	4,862	4,862	4,687	175
Other	8,832	7,632	3,338	4,294
Total Mayor	<u>377,339</u>	<u>371,546</u>	<u>299,821</u>	<u>71,725</u>
Finance Department:				
Salaries	713,300	713,300	615,361	97,939
Fringe Benefits	227,500	227,500	176,491	51,009
Contractual Services	992,501	978,647	908,676	69,971
Materials and Supplies	18,082	18,082	8,557	9,525
Capital Outlay	231,270	231,270	44,020	187,250
Other	6,599	5,723	2,759	2,964
Total Finance Department	<u>\$2,189,252</u>	<u>\$2,174,522</u>	<u>\$1,755,864</u>	<u>\$418,658</u>

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Communications:				
Salaries	\$133,300	\$133,300	\$33,830	\$99,470
Fringe Benefits	52,900	52,900	5,227	47,673
Contractual Services	27,400	27,400	23,299	4,101
Materials and Supplies	15,073	15,073	15,072	1
Capital Outlay	15,000	15,000	9,195	5,805
Other	11,800	11,800	11,709	91
Total Communications	255,473	255,473	98,332	157,141
Law Department:				
Salaries	402,000	402,000	357,542	44,458
Fringe Benefits	106,500	106,500	97,227	9,273
Contractual Services	51,388	50,904	27,372	23,532
Materials and Supplies	2,027	2,027	387	1,640
Other	2,050	2,050	106	1,944
Total Law Department	563,965	563,481	482,634	80,847
Purchasing:				
Salaries	150,400	151,400	150,673	727
Fringe Benefits	46,450	46,450	45,060	1,390
Contractual Services	14,405	14,405	4,153	10,252
Materials and Supplies	2,000	2,000	1,091	909
Capital Outlay	1,316	1,316	1,315	1
Other	1,030	1,030	233	797
Total Purchasing	215,601	216,601	202,525	14,076
Civil Service:				
Salaries	149,600	149,600	103,896	45,704
Fringe Benefits	46,000	46,000	38,797	7,203
Contractual Services	60,240	60,240	41,273	18,967
Material and Supplies	2,155	2,155	1,002	1,153
Capital Outlay	7,400	7,400	7,342	58
Other	11,070	11,055	7,283	3,772
Total Civil Service	276,465	276,450	199,593	76,857
Engineering:				
Salaries	547,000	547,000	411,409	135,591
Fringe Benefits	206,450	206,450	145,518	60,932
Contractual Services	69,303	68,800	52,158	16,642
Material and Supplies	20,114	20,035	13,301	6,734
Capital Outlay	28,381	28,303	26,222	2,081
Other	5,558	5,558	3,573	1,985
Total Engineering	\$876,806	\$876,146	\$652,181	\$223,965

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Building Maintenance:				
Salaries	\$71,600	\$71,600	\$26,911	\$44,689
Fringe Benefits	39,000	39,000	26,849	12,151
Contractual Services	322,705	253,804	219,259	34,545
Material and Supplies	13,257	13,250	7,373	5,877
Capital Outlay	81,565	81,300	44,115	37,185
Other	17,260	17,260	5,547	11,713
Total Building Maintenance	545,387	476,214	330,054	146,160
Miscellaneous:				
Salaries	139,300	139,300	77,920	61,380
Fringe Benefits	633,044	525,660	486,086	39,574
Contractual Services	1,902,923	1,899,872	1,677,525	222,347
Material and Supplies	90,246	90,240	70,978	19,262
Capital Outlay	21,073	21,073	13,423	7,650
Other	46,931	46,931	13,148	33,783
Total Miscellaneous	2,833,517	2,723,076	2,339,080	383,996
Cable TV:				
Salaries	0	20,000	5,677	14,323
Fringe Benefits	0	3,100	875	2,225
Capital Outlay	511,193	511,173	408,789	102,384
Other	7,866	7,866	1,281	6,585
Total Cable TV	519,059	542,139	416,622	125,517
Contracts:				
Contractual Services	897,520	885,902	808,989	76,913
Capital Outlay	1,504,200	1,504,200	5,632	1,498,568
Total Contracts	2,401,720	2,390,102	814,621	1,575,481
Total General Government	11,311,361	11,121,388	7,838,473	3,282,915
Security of Persons and Property:				
Police Department:				
Salaries	6,285,700	6,285,700	5,822,435	463,265
Fringe Benefits	1,304,400	1,304,400	1,114,855	189,545
Contractual Services	697,682	673,865	545,959	127,906
Materials and Supplies	266,082	266,082	203,160	62,922
Capital Outlay	676,667	685,467	613,140	72,327
Other	51,595	51,210	44,945	6,265
Total Police Department	\$9,282,126	\$9,266,724	\$8,344,494	\$922,230

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fire Department:				
Salaries	\$3,041,200	\$3,041,200	\$2,746,640	\$294,560
Fringe Benefits	706,100	706,100	594,099	112,001
Contractual Services	365,910	352,665	290,573	62,092
Materials and Supplies	128,628	127,493	102,090	25,403
Capital Outlay	614,887	610,094	302,739	307,355
Other	47,064	25,064	18,212	6,852
Total Fire Department	4,903,789	4,862,616	4,054,353	808,263
Safety Town:				
Salaries	11,500	11,500	11,046	454
Fringe Benefits	1,900	1,900	1,707	193
Other	9,652	9,500	6,611	2,889
Total Safety Town	23,052	22,900	19,364	3,536
<i>Total Security of Persons and Property</i>	<i>14,208,967</i>	<i>14,152,240</i>	<i>12,418,211</i>	<i>1,734,029</i>
Public Health Services:				
Community Services:				
Salaries	576,600	576,600	546,984	29,616
Fringe Benefits	188,650	188,650	177,837	10,813
Contractual Services	195,229	189,459	99,895	89,564
Materials and Supplies	21,971	21,161	15,792	5,369
Capital Outlay	84,200	84,200	8,600	75,600
Other	6,750	6,750	3,287	3,463
Total Public Health Services	1,073,400	1,066,820	852,395	214,425
Transportation:				
Service Director:				
Salaries	201,000	201,000	194,682	6,318
Fringe Benefits	53,900	53,900	50,318	3,582
Contractual Services	13,706	13,590	2,952	10,638
Materials and Supplies	6,129	6,129	2,858	3,271
Capital Outlay	1,600	1,600	0	1,600
Other	3,026	3,026	1,104	1,922
Total Service Director	\$279,361	\$279,245	\$251,914	\$27,331

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
City Service:				
Salaries	\$1,840,000	\$1,840,000	\$1,601,144	\$238,856
Fringe Benefits	761,250	761,250	653,606	107,644
Contractual Services	2,643,951	2,589,080	2,390,779	198,301
Materials and Supplies	313,976	311,683	249,729	61,954
Capital Outlay	1,180,361	1,180,361	885,824	294,537
Other	18,135	16,705	13,902	2,803
Total City Service	6,757,673	6,699,079	5,794,984	904,095
Snow Removal:				
Salaries	265,000	265,000	115,036	149,964
Fringe Benefits	41,000	41,000	17,647	23,353
Contractual Services	39,185	38,449	30,180	8,269
Other	1,000	1,000	0	1,000
Total Snow Removal	346,185	345,449	162,863	182,586
Total Transportation	7,383,219	7,323,773	6,209,761	1,114,012
Community Environment:				
Planning:				
Salaries	371,400	371,400	360,009	11,391
Fringe Benefits	91,400	91,400	89,810	1,590
Contractual Services	50,657	50,215	31,543	18,672
Materials and Supplies	5,000	5,000	2,548	2,452
Capital Outlay	4,560	4,560	1,160	3,400
Other	350	350	23	327
Total Planning	523,367	522,925	485,093	37,832
Zoning:				
Contractual Services	3,800	3,800	1,533	2,267
Materials and Supplies	900	900	610	290
Total Zoning	4,700	4,700	2,143	2,557
Board of Building Standards:				
Contractual Services	100	100	0	100
Materials and Supplies	200	200	0	200
Other	100	100	0	100
Total Board of Building Standards	\$400	\$400	\$0	\$400

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Inspection:				
Salaries	\$763,300	\$763,300	\$728,136	\$35,164
Fringe Benefits	242,000	242,000	234,547	7,453
Contractual Services	54,585	54,585	36,089	18,496
Materials and Supplies	15,378	15,378	13,491	1,887
Capital Outlay	18,345	18,345	0	18,345
Other	2,873	2,320	1,262	1,058
Total Inspection	1,096,481	1,095,928	1,013,525	82,403
Architect:				
Contractual Services	242,069	217,028	167,028	50,000
Unclaimed Monies:				
Salaries	5,000	5,000	0	5,000
Fringe Benefits	750	750	0	750
Contractual Services	1,500	1,500	1,500	0
Other	56,100	56,100	32,757	23,343
Total Unclaimed Monies	63,350	63,350	34,257	29,093
Total Community Environment	1,930,367	1,904,331	1,702,046	202,285
Basic Utility Services:				
Forester:				
Salaries	270,500	270,500	201,816	68,684
Fringe Benefits	91,200	91,200	79,505	11,695
Contractual Services	32,098	32,024	29,179	2,845
Capital Outlay	40,000	40,000	40,000	0
Other	9,578	9,276	4,735	4,541
Total Forester	443,376	443,000	355,235	87,765
Storm Drainage:				
Salaries	195,000	195,000	93,866	101,134
Fringe Benefits	30,200	30,200	14,361	15,839
Contractual Services	62,879	56,740	26,540	30,200
Materials and Supplies	58,016	51,907	36,688	15,219
Capital Outlay	33,411	33,411	8,981	24,430
Other	5,289	5,289	2,725	2,564
Total Storm Drainage	\$384,795	\$372,547	\$183,161	\$189,386

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Leaf Pick-Up:				
Salaries	\$210,000	\$210,000	\$181,816	\$28,184
Fringe Benefits	32,500	32,500	27,861	4,639
Contractual Services	62,002	62,002	61,828	174
Capital Outlay	16,000	16,000	14,544	1,456
Other	700	700	660	40
Total Leaf Pick-Up	<u>321,202</u>	<u>321,202</u>	<u>286,709</u>	<u>34,493</u>
<i>Total Basic Utility Services</i>	<u>1,149,373</u>	<u>1,136,749</u>	<u>825,105</u>	<u>311,644</u>
Leisure Time Activities:				
Recreation:				
Salaries	193,200	196,200	189,354	6,846
Fringe Benefits	52,200	52,200	51,883	317
Contractual Services	111,262	108,025	65,935	42,090
Materials and Supplies	40,215	40,215	37,117	3,098
Capital Outlay	118,100	118,100	65,870	52,230
Other	2,000	2,000	630	1,370
Total Recreation	<u>516,977</u>	<u>516,740</u>	<u>410,789</u>	<u>105,951</u>
Park:				
Salaries	\$167,000	\$167,000	\$149,699	\$17,301
Fringe Benefits	59,000	59,000	56,703	2,297
Contractual Services	206,315	197,802	174,970	22,832
Materials and Supplies	16,626	16,626	13,926	2,700
Capital Outlay	27,123	27,026	11,526	15,500
Other	20,502	20,145	17,226	2,919
Total Park	<u>496,566</u>	<u>487,599</u>	<u>424,050</u>	<u>63,549</u>
<i>Total Leisure Time Activities</i>	<u>1,013,543</u>	<u>1,004,339</u>	<u>834,839</u>	<u>169,500</u>
<i>Total Expenditures</i>	<u>38,070,230</u>	<u>37,709,640</u>	<u>30,680,830</u>	<u>7,028,810</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,069,232)</u>	<u>(2,708,642)</u>	<u>5,359,498</u>	<u>8,068,140</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	50,000	50,000	45,155	(4,845)
Advances Out	(150,000)	(1,000,000)	(1,000,000)	0
Transfers Out	(2,508,700)	(2,508,700)	(2,333,700)	175,000
Total Other Financing Sources (Uses)	<u>(2,608,700)</u>	<u>(3,458,700)</u>	<u>(3,288,545)</u>	<u>170,155</u>
<i>Net Change in Fund Balance</i>	<u>(5,677,932)</u>	<u>(6,167,342)</u>	<u>2,070,953</u>	<u>8,238,295</u>
<i>Fund Balance Beginning of Year</i>	43,691,078	43,691,078	43,691,078	0
Prior Year Encumbrances Appropriated	2,070,135	2,070,135	2,070,135	0
Fund Balance End of Year	<u>\$40,083,281</u>	<u>\$39,593,871</u>	<u>\$47,832,166</u>	<u>\$8,238,295</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
TIF Bond Retirement Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Payment in Lieu of Taxes	\$1,624,550	\$3,433,350	\$3,706,657	\$273,307
Interest	0	0	25	25
<i>Total Revenues</i>	<u>1,624,550</u>	<u>3,433,350</u>	<u>3,706,682</u>	<u>273,332</u>
Expenditures				
Current:				
General Government:				
Other	0	1,344,546	1,176,432	168,114
Debt Service:				
Principal Retirement	0	379,199	379,199	0
Interest and Fiscal Charges	1,980,700	2,266,644	2,266,643	1
<i>Total Expenditures</i>	<u>1,980,700</u>	<u>3,990,389</u>	<u>3,822,274</u>	<u>168,115</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(356,150)	(557,039)	(115,592)	441,447
Other Financing Sources (Uses)				
Transfers In	0	168,515	168,515	0
<i>Net Change in Fund Balance</i>	(356,150)	(388,524)	52,923	441,447
<i>Fund Balance Beginning of Year</i>	<u>459,570</u>	<u>459,570</u>	<u>459,570</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$103,420</u>	<u>\$71,046</u>	<u>\$512,493</u>	<u>\$441,447</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
American Greetings Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Payments in Lieu of Taxes	\$428,181	\$428,181	\$0	(\$428,181)
Interest	0	0	5,719	5,719
<i>Total Revenues</i>	<u>428,181</u>	<u>428,181</u>	<u>5,719</u>	<u>(422,462)</u>
Expenditures				
Capital Outlay:				
American Greetings:				
Contractual Services	7,710	7,710	7,468	242
Capital Outlay	2,850,000	4,492,168	889,710	3,602,458
Other	455,000	455,000	0	455,000
Total Capital Outlay	3,312,710	4,954,878	897,178	4,057,700
Debt Service:				
Principal Retirement	633,800	633,800	0	633,800
Interest and Fiscal Charges	31,500	31,500	0	31,500
<i>Total Expenditures</i>	<u>3,978,010</u>	<u>5,620,178</u>	<u>897,178</u>	<u>4,723,000</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,549,829)	(5,191,997)	(891,459)	4,300,538
Other Financing Sources (Uses)				
Transfers Out	0	(168,515)	(168,515)	0
<i>Net Change in Fund Balance</i>	(3,549,829)	(5,360,512)	(1,059,974)	4,300,538
<i>Fund Balance Beginning of Year</i>	5,775,919	5,775,919	5,775,919	0
Prior Year Encumbrances Appropriated	7,710	7,710	7,710	0
<i>Fund Balance End of Year</i>	<u>\$2,233,800</u>	<u>\$423,117</u>	<u>\$4,723,655</u>	<u>\$4,300,538</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Infrastructure Tax Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$6,832,700	\$7,392,700	\$6,885,798	(\$506,902)
Interest	70,000	70,000	90,705	20,705
Miscellaneous	1,000	1,000	1,250	250
<i>Total Revenues</i>	<u>6,903,700</u>	<u>7,463,700</u>	<u>6,977,753</u>	<u>(485,947)</u>
Expenditures				
Capital Outlay:				
Infrastructure Improvements:				
Salaries	140,000	185,000	178,390	6,610
Fringe Benefits	21,600	27,800	27,523	277
Contractual Services	235,000	235,000	230,691	4,309
Capital Outlay	16,223,603	15,033,547	13,065,708	1,967,839
Other	3,414,466	3,407,327	2,971,194	436,133
<i>Total Expenditures</i>	<u>20,034,669</u>	<u>18,888,674</u>	<u>16,473,506</u>	<u>2,415,168</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(13,130,969)</u>	<u>(11,424,974)</u>	<u>(9,495,753)</u>	<u>1,929,221</u>
Other Financing Sources (Uses)				
Advances In	7,274,500	7,274,500	7,274,500	0
Advances Out	(2,180,000)	(3,220,900)	(3,186,900)	34,000
<i>Total Other Financing Sources (Uses)</i>	<u>5,094,500</u>	<u>4,053,600</u>	<u>4,087,600</u>	<u>34,000</u>
<i>Net Change in Fund Balance</i>	<u>(8,036,469)</u>	<u>(7,371,374)</u>	<u>(5,408,153)</u>	<u>1,963,221</u>
<i>Fund Balance Beginning of Year</i>	4,843,570	4,843,570	4,843,570	0
Prior Year Encumbrances Appropriated	<u>3,725,446</u>	<u>3,725,446</u>	<u>3,725,446</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$532,547</u>	<u>\$1,197,642</u>	<u>\$3,160,863</u>	<u>\$1,963,221</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Grants Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$3,254,100	\$3,254,100	\$3,220,540	(\$33,560)
Miscellaneous	0	0	250	250
<i>Total Revenues</i>	<u>3,254,100</u>	<u>3,254,100</u>	<u>3,220,790</u>	<u>(33,310)</u>
Expenditures				
Capital Outlay:				
Grants:				
Salaries	50,000	60,000	35,668	24,332
Fringe Benefits	9,250	9,250	5,502	3,748
Capital Outlay	3,093,896	4,124,713	4,045,536	79,177
Other	30,750	30,750	4,912	25,838
<i>Total Expenditures</i>	<u>3,183,896</u>	<u>4,224,713</u>	<u>4,091,618</u>	<u>133,095</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>70,204</u>	<u>(970,613)</u>	<u>(870,828)</u>	<u>99,785</u>
Other Financing Sources (Uses)				
Advances In	2,180,000	2,760,000	3,186,900	426,900
Advances Out	(7,274,500)	(7,274,500)	(7,274,500)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(5,094,500)</u>	<u>(4,514,500)</u>	<u>(4,087,600)</u>	<u>426,900</u>
<i>Net Change in Fund Balance</i>	<u>(5,024,296)</u>	<u>(5,485,113)</u>	<u>(4,958,428)</u>	<u>526,685</u>
<i>Fund Balance Beginning of Year</i>	4,641,260	4,641,260	4,641,260	0
Prior Year Encumbrances Appropriated	1,003,896	1,003,896	1,003,896	0
<i>Fund Balance End of Year</i>	<u>\$620,860</u>	<u>\$160,043</u>	<u>\$686,728</u>	<u>\$526,685</u>

City of Westlake, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$2,590,000	\$2,590,000	\$2,684,106	\$94,106
Tap-In Fees	50,000	50,000	121,702	71,702
Interest	40,000	40,000	72,057	32,057
<i>Total Revenues</i>	<u>2,680,000</u>	<u>2,680,000</u>	<u>2,877,865</u>	<u>197,865</u>
Expenses				
Personal Services	445,000	465,000	426,547	38,453
Fringe Benefits	180,950	180,950	162,068	18,882
Contractual Services	1,763,628	1,758,594	1,609,231	149,363
Materials and Supplies	39,060	39,060	35,857	3,203
Capital Outlay	1,044,916	1,044,916	577,138	467,778
Other	98,911	101,650	85,334	16,316
<i>Total Expenses</i>	<u>3,572,465</u>	<u>3,590,170</u>	<u>2,896,175</u>	<u>693,995</u>
<i>Net Change in Fund Equity</i>	(892,465)	(910,170)	(18,310)	891,860
<i>Fund Equity Beginning of Year</i>	5,914,060	5,914,060	5,914,060	0
Prior Year Encumbrances Appropriated	468,365	468,365	468,365	0
<i>Fund Equity End of Year</i>	<u>\$5,489,960</u>	<u>\$5,472,255</u>	<u>\$6,364,115</u>	<u>\$891,860</u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,204,000	\$1,204,000	\$1,240,446	\$36,446
Interest	10,000	10,000	23,210	13,210
<i>Total Revenues</i>	<u>1,214,000</u>	<u>1,214,000</u>	<u>1,263,656</u>	<u>49,656</u>
Expenditures				
Current:				
Transportation:				
Street Maintenance and Repair:				
Salaries	283,700	283,700	226,035	57,665
Fringe Benefits	89,300	89,300	58,326	30,974
Contractual Services	105,963	76,181	37,038	39,143
Materials and Supplies	770,262	719,603	423,925	295,678
Capital Outlay	90,000	90,000	0	90,000
Other	42,270	38,486	30,147	8,339
<i>Total Expenditures</i>	<u>1,381,495</u>	<u>1,297,270</u>	<u>775,471</u>	<u>521,799</u>
<i>Net Change in Fund Balance</i>	(167,495)	(83,270)	488,185	571,455
<i>Fund Balance Beginning of Year</i>	1,298,500	1,298,500	1,298,500	0
Prior Year Encumbrances Appropriated	<u>226,545</u>	<u>226,545</u>	<u>226,545</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,357,550</u>	<u>\$1,441,775</u>	<u>\$2,013,230</u>	<u>\$571,455</u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$97,000	\$97,000	\$100,577	\$3,577
Interest	3,000	3,000	9,568	6,568
<i>Total Revenues</i>	<u>100,000</u>	<u>100,000</u>	<u>110,145</u>	<u>10,145</u>
Expenditures				
Current:				
Transportation:				
State Highway				
Materials and Supplies	55,651	55,651	17,400	38,251
Other	5,000	5,000	0	5,000
<i>Total Expenditures</i>	<u>60,651</u>	<u>60,651</u>	<u>17,400</u>	<u>43,251</u>
<i>Net Change in Fund Balance</i>	39,349	39,349	92,745	53,396
<i>Fund Balance Beginning of Year</i>	711,345	711,345	711,345	0
Prior Year Encumbrances Appropriated	14,651	14,651	14,651	0
<i>Fund Balance End of Year</i>	<u><u>\$765,345</u></u>	<u><u>\$765,345</u></u>	<u><u>\$818,741</u></u>	<u><u>\$53,396</u></u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Motor Vehicle License Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Permissive Motor Vehicle Taxes	\$240,000	\$240,000	\$236,303	(\$3,697)
Interest	2,500	2,500	8,640	6,140
<i>Total Revenues</i>	242,500	242,500	244,943	2,443
Expenditures				
Current:				
Transportation:				
Permissive Motor Vehicle License:				
Other	1,470	1,000	500	500
<i>Net Change in Fund Balance</i>	241,030	241,500	244,443	2,943
<i>Fund Balance Beginning of Year</i>	536,623	536,623	536,623	0
Prior Year Encumbrances Appropriated	470	470	470	0
<i>Fund Balance End of Year</i>	<u>\$778,123</u>	<u>\$778,593</u>	<u>\$781,536</u>	<u>\$2,943</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$376,112	\$376,112	\$380,831	\$4,719
Intergovernmental	44,031	44,031	43,474	(557)
<i>Total Revenues</i>	420,143	420,143	424,305	4,162
Expenditures				
Current:				
Security of Persons and Property:				
Police Pension:				
Fringe Benefits	1,052,000	1,052,000	983,543	68,457
<i>Excess of Revenues Over (Under) Expenditures</i>	(631,857)	(631,857)	(559,238)	72,619
Other Financing Sources (Uses)				
Transfers In	600,000	600,000	600,000	0
<i>Net Change in Fund Balance</i>	(31,857)	(31,857)	40,762	72,619
<i>Fund Balance Beginning of Year</i>	65,645	65,645	65,645	0
<i>Fund Balance End of Year</i>	<u>\$33,788</u>	<u>\$33,788</u>	<u>\$106,407</u>	<u>\$72,619</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$376,112	\$376,112	\$380,831	\$4,719
Intergovernmental	44,031	44,031	43,474	(557)
<i>Total Revenues</i>	420,143	420,143	424,305	4,162
Expenditures				
Current:				
Security of Persons and Property:				
Fire Pension:				
Fringe Benefits	985,000	985,000	862,269	122,731
<i>Excess of Revenues Over (Under) Expenditures</i>	(564,857)	(564,857)	(437,964)	126,893
Other Financing Sources (Uses)				
Transfers In	500,000	500,000	450,000	(50,000)
<i>Net Change in Fund Balance</i>	(64,857)	(64,857)	12,036	76,893
<i>Fund Balance Beginning of Year</i>	201,561	201,561	201,561	0
<i>Fund Balance End of Year</i>	<u>\$136,704</u>	<u>\$136,704</u>	<u>\$213,597</u>	<u>\$76,893</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police and Fire Operating Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$1,128,388	\$1,128,388	\$1,142,438	\$14,050
Intergovernmental	132,043	132,043	130,413	(1,630)
<i>Total Revenues</i>	<u>1,260,431</u>	<u>1,260,431</u>	<u>1,272,851</u>	<u>12,420</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police and Fire Operating:				
Salaries	1,255,500	1,255,500	1,197,274	58,226
Fringe Benefits	33,900	33,900	32,324	1,576
<i>Total Expenditures</i>	<u>1,289,400</u>	<u>1,289,400</u>	<u>1,229,598</u>	<u>59,802</u>
<i>Net Change in Fund Balance</i>	(28,969)	(28,969)	43,253	72,222
<i>Fund Balance Beginning of Year</i>	<u>375,236</u>	<u>375,236</u>	<u>375,236</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$346,267</u>	<u>\$346,267</u>	<u>\$418,489</u>	<u>\$72,222</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$30,000	\$30,000	\$28,878	(\$1,122)
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Capital Outlay	25,000	25,000	14,209	10,791
Other	34,991	30,985	24,777	6,208
<i>Total Expenditures</i>	<u>59,991</u>	<u>55,985</u>	<u>38,986</u>	<u>16,999</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(29,991)	(25,985)	(10,108)	15,877
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	9,401	9,401
<i>Net Change in Fund Balance</i>	(29,991)	(25,985)	(707)	25,278
<i>Fund Balance Beginning of Year</i>	477,374	477,374	477,374	0
Prior Year Encumbrances Appropriated	9,991	9,991	9,991	0
<i>Fund Balance End of Year</i>	<u>\$457,374</u>	<u>\$461,380</u>	<u>\$486,658</u>	<u>\$25,278</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mandatory Drug Fines Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$5,000	\$5,000	\$14,461	\$9,461
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	30,000	30,000	30,000	0
<i>Net Change in Fund Balance</i>	(25,000)	(25,000)	(15,539)	9,461
<i>Fund Balance Beginning of Year</i>	66,864	66,864	66,864	0
<i>Fund Balance End of Year</i>	<u>\$41,864</u>	<u>\$41,864</u>	<u>\$51,325</u>	<u>\$9,461</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Alcohol Education Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$10,000	\$10,000	\$8,052	(\$1,948)
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	9,000	9,000	8,052	(948)
<i>Fund Balance Beginning of Year</i>	23,258	23,258	23,258	0
<i>Fund Balance End of Year</i>	<u>\$32,258</u>	<u>\$32,258</u>	<u>\$31,310</u>	<u>(\$948)</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Juvenile Diversion Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$3,600	\$3,600	\$3,000	(\$600)
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Salaries	2,950	2,950	1,126	1,824
Fringe Benefits	450	450	84	366
Other	1,000	1,000	0	1,000
<i>Total Expenditures</i>	<u>4,400</u>	<u>4,400</u>	<u>1,210</u>	<u>3,190</u>
<i>Net Change in Fund Balance</i>	(800)	(800)	1,790	2,590
<i>Fund Balance Beginning of Year</i>	<u>8,983</u>	<u>8,983</u>	<u>8,983</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,183</u></u>	<u><u>\$8,183</u></u>	<u><u>\$10,773</u></u>	<u><u>\$2,590</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Equitable Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$10,000	\$10,000	\$16,416	\$6,416
Interest	400	400	791	391
<i>Total Revenues</i>	<u>10,400</u>	<u>10,400</u>	<u>17,207</u>	<u>6,807</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Capital Outlay	50,629	50,629	48,231	2,398
Other	24,436	22,808	21,996	812
<i>Total Expenditures</i>	<u>75,065</u>	<u>73,437</u>	<u>70,227</u>	<u>3,210</u>
<i>Net Change in Fund Balance</i>	(64,665)	(63,037)	(53,020)	10,017
<i>Fund Balance Beginning of Year</i>	75,773	75,773	75,773	0
Prior Year Encumbrances Appropriated	20,065	20,065	20,065	0
<i>Fund Balance End of Year</i>	<u>\$31,173</u>	<u>\$32,801</u>	<u>\$42,818</u>	<u>\$10,017</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$250,000	\$250,000	\$250,000	\$0
Charges for Services	2,233,500	2,233,500	2,192,652	(40,848)
Rentals	75,500	75,500	63,579	(11,921)
Miscellaneous	15,050	15,050	24,653	9,603
<i>Total Revenues</i>	<u>2,574,050</u>	<u>2,574,050</u>	<u>2,530,884</u>	<u>(43,166)</u>
Expenditures				
Current:				
Leisure Time Activities:				
Recreation:				
Salaries	1,381,200	1,381,200	1,148,972	232,228
Fringe Benefits	395,700	395,700	284,393	111,307
Contractual Services	1,009,053	976,815	787,812	189,003
Materials and Supplies	186,838	182,361	149,008	33,353
Capital Outlay	15,977	15,977	11,648	4,329
Other	136,718	136,718	131,051	5,667
Total Leisure Time Activities	<u>3,125,486</u>	<u>3,088,771</u>	<u>2,512,884</u>	<u>575,887</u>
Debt Service:				
Principal Retirement	3,412	3,412	3,412	0
Interest and Fiscal Charges	345	345	345	0
Total Debt Service	<u>3,757</u>	<u>3,757</u>	<u>3,757</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,129,243</u>	<u>3,092,528</u>	<u>2,516,641</u>	<u>575,887</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(555,193)	(518,478)	14,243	532,721
Other Financing Sources (Uses)				
Sale of Capital Assets	2,000	2,000	3,488	1,488
<i>Net Change in Fund Balance</i>	(553,193)	(516,478)	17,731	534,209
<i>Fund Balance Beginning of Year</i>	2,514,530	2,514,530	2,514,530	0
Prior Year Encumbrances Appropriated	84,243	84,243	84,243	0
<i>Fund Balance End of Year</i>	<u>\$2,045,580</u>	<u>\$2,082,295</u>	<u>\$2,616,504</u>	<u>\$534,209</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Medical Service Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$920,000	\$920,000	\$1,091,800	\$171,800
Intergovernmental	0	0	3,025	3,025
Miscellaneous	0	0	264	264
<i>Total Revenues</i>	<u>920,000</u>	<u>920,000</u>	<u>1,095,089</u>	<u>175,089</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire Department:				
Salaries	603,000	603,000	555,901	47,099
Fringe Benefits	16,300	16,300	14,877	1,423
Contractual Services	117,218	138,918	103,384	35,534
Materials and Supplies	26,924	26,826	18,925	7,901
Capital Outlay	40,800	40,800	39,066	1,734
Other	108,400	108,400	98,405	9,995
<i>Total Expenditures</i>	<u>912,642</u>	<u>934,244</u>	<u>830,558</u>	<u>103,686</u>
<i>Net Change in Fund Balance</i>	7,358	(14,244)	264,531	278,775
<i>Fund Balance Beginning of Year</i>	675,499	675,499	675,499	0
Prior Year Encumbrances Appropriated	<u>12,642</u>	<u>12,642</u>	<u>12,642</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$695,499</u></u>	<u><u>\$673,897</u></u>	<u><u>\$952,672</u></u>	<u><u>\$278,775</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Investment Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$20,000	\$20,000	\$13,170	(\$6,830)
Expenditures				
Current:				
Public Health Services:				
Cemetery Operations:				
Other	23,000	23,000	1,275	21,725
<i>Net Change in Fund Balance</i>	(3,000)	(3,000)	11,895	14,895
<i>Fund Balance Beginning of Year</i>	610,823	610,823	610,823	0
<i>Fund Balance End of Year</i>	<u>\$607,823</u>	<u>\$607,823</u>	<u>\$622,718</u>	<u>\$14,895</u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Westlake/Bay Ecological Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$95,000	\$95,000	\$111,441	\$16,441
Expenditures				
Current:				
Basic Utility Services:				
Litter Prevention:				
Salaries	59,700	60,700	59,403	1,297
Fringe Benefits	9,300	9,300	9,088	212
Contractual Services	41,801	40,939	38,265	2,674
Other	10,030	9,692	8,772	920
<i>Total Expenditures</i>	<u>120,831</u>	<u>120,631</u>	<u>115,528</u>	<u>5,103</u>
<i>Net Change in Fund Balance</i>	(25,831)	(25,631)	(4,087)	21,544
<i>Fund Balance Beginning of Year</i>	70,642	70,642	70,642	0
Prior Year Encumbrances Appropriated	4,331	4,331	4,331	0
<i>Fund Balance End of Year</i>	<u>\$49,142</u>	<u>\$49,342</u>	<u>\$70,886</u>	<u>\$21,544</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
City Donations Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Contributions and Donations	\$37,800	\$42,936	\$44,348	\$1,412
Expenditures				
Current:				
Community Environment:				
Donations:				
Capital Outlay	6,500	6,500	5,500	1,000
Other	69,080	74,428	55,658	18,770
<i>Total Expenditures</i>	<u>75,580</u>	<u>80,928</u>	<u>61,158</u>	<u>19,770</u>
<i>Net Change in Fund Balance</i>	(37,780)	(37,992)	(16,810)	21,182
<i>Fund Balance Beginning of Year</i>	214,984	214,984	214,984	0
Prior Year Encumbrances Appropriated	5,380	5,380	5,380	0
<i>Fund Balance End of Year</i>	<u>\$182,584</u>	<u>\$182,372</u>	<u>\$203,554</u>	<u>\$21,182</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Swimming Pool Operation Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$132,600	\$132,600	\$126,860	(\$5,740)
Miscellaneous	2,000	2,000	1,899	(101)
<i>Total Revenues</i>	<u>134,600</u>	<u>134,600</u>	<u>128,759</u>	<u>(5,841)</u>
Expenditures				
Current:				
Leisure Time Activities:				
Recreation:				
Salaries	140,500	112,400	110,541	1,859
Fringe Benefits	28,000	22,000	17,022	4,978
Contractual Services	63,971	44,298	40,011	4,287
Materials and Supplies	27,000	18,400	17,510	890
Other	5,200	3,800	3,153	647
<i>Total Expenditures</i>	<u>264,671</u>	<u>200,898</u>	<u>188,237</u>	<u>12,661</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(130,071)	(66,298)	(59,478)	6,820
Other Financing Sources (Uses)				
Transfers In	150,000	150,000	50,000	(100,000)
<i>Net Change in Fund Balance</i>	19,929	83,702	(9,478)	(93,180)
<i>Fund Balance Beginning of Year</i>	23,111	23,111	23,111	0
Prior Year Encumbrances Appropriated	371	371	371	0
<i>Fund Balance End of Year</i>	<u>\$43,411</u>	<u>\$107,184</u>	<u>\$14,004</u>	<u>(\$93,180)</u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Senior/Community Service Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$120,000	\$120,000	\$88,726	(\$31,274)
Contributions and Donations	10,000	10,000	14,915	4,915
Miscellaneous	0	0	2,505	2,505
<i>Total Revenues</i>	<u>130,000</u>	<u>130,000</u>	<u>106,146</u>	<u>(23,854)</u>
Expenditures				
Current:				
Public Health Services:				
Senior/Community Services:				
Contractual Services	6,600	6,600	6,102	498
Materials and Supplies	4,500	4,500	2,426	2,074
Other	118,115	117,661	88,053	29,608
<i>Total Expenditures</i>	<u>129,215</u>	<u>128,761</u>	<u>96,581</u>	<u>32,180</u>
<i>Net Change in Fund Balance</i>	785	1,239	9,565	8,326
<i>Fund Balance Beginning of Year</i>	46,157	46,157	46,157	0
Prior Year Encumbrances Appropriated	2,015	2,015	2,015	0
<i>Fund Balance End of Year</i>	<u>\$48,957</u>	<u>\$49,411</u>	<u>\$57,737</u>	<u>\$8,326</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Operating Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$25,000	\$25,000	\$21,022	(\$3,978)
Interest	2,000	2,000	7,581	5,581
<i>Total Revenues</i>	<u>27,000</u>	<u>27,000</u>	<u>28,603</u>	<u>1,603</u>
Expenditures				
Current:				
Public Health Services:				
Cemetery Operations:				
Salaries	61,700	61,700	57,315	4,385
Fringe Benefits	25,600	25,600	24,964	636
Contractual Services	24,478	22,612	16,803	5,809
Materials and Supplies	16,934	16,934	9,869	7,065
Capital Outlay	26,073	26,073	17,208	8,865
Other	16,787	16,450	11,260	5,190
<i>Total Expenditures</i>	<u>171,572</u>	<u>169,369</u>	<u>137,419</u>	<u>31,950</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(144,572)	(142,369)	(108,816)	33,553
Other Financing Sources (Uses)				
Transfers In	100,000	100,000	75,000	(25,000)
<i>Net Change in Fund Balance</i>	(44,572)	(42,369)	(33,816)	8,553
<i>Fund Balance Beginning of Year</i>	87,932	87,932	87,932	0
Prior Year Encumbrances Appropriated	21,502	21,502	21,502	0
<i>Fund Balance End of Year</i>	<u>\$64,862</u>	<u>\$67,065</u>	<u>\$75,618</u>	<u>\$8,553</u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Reserve for Compensated Absences Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
General Government:				
Compensated Absences:				
Personal Services	600,000	600,000	325,145	274,855
Fringe Benefits	8,700	8,700	4,621	4,079
<i>Total Expenditures</i>	<u>608,700</u>	<u>608,700</u>	<u>329,766</u>	<u>278,934</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(608,700)	(608,700)	(329,766)	278,934
Other Financing Sources (Uses)				
Transfers In	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	391,300	391,300	670,234	278,934
<i>Fund Balance Beginning of Year</i>	<u>514,932</u>	<u>514,932</u>	<u>514,932</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$906,232</u></u>	<u><u>\$906,232</u></u>	<u><u>\$1,185,166</u></u>	<u><u>\$278,934</u></u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$1,166,300	\$1,166,300	\$1,166,250	(\$50)
Expenditures				
Debt Service:				
Principal Retirement	1,005,000	1,005,000	1,005,000	0
Interest and Fiscal Charges	161,452	161,402	161,402	0
<i>Total Expenditures</i>	<u>1,166,452</u>	<u>1,166,402</u>	<u>1,166,402</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(152)	(102)	(152)	(50)
<i>Fund Balance Beginning of Year</i>	<u>152</u>	<u>152</u>	<u>152</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$50</u>	<u>\$0</u>	<u>(\$50)</u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$20,000	\$20,000	\$41,843	\$21,843
Expenditures				
Debt Service:				
Principal Retirement	45,000	45,000	45,000	0
Interest and Fiscal Charges	18,300	18,300	10,846	7,454
<i>Total Expenditures</i>	<u>63,300</u>	<u>63,300</u>	<u>55,846</u>	<u>7,454</u>
<i>Net Change in Fund Balance</i>	(43,300)	(43,300)	(14,003)	29,297
<i>Fund Balance Beginning of Year</i>	<u>288,145</u>	<u>288,145</u>	<u>288,145</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$244,845</u>	<u>\$244,845</u>	<u>\$274,142</u>	<u>\$29,297</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Bond Retirement Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$835,450	\$835,450	\$835,406	(\$44)
Expenditures				
Debt Service:				
Principal Retirement	700,000	700,000	700,000	0
Interest and Fiscal Charges	135,450	135,406	135,406	0
<i>Total Expenditures</i>	835,450	835,406	835,406	0
<i>Net Change in Fund Balance</i>	0	44	0	(44)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$44	\$0	(\$44)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Storm Drainage Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses, Permits and Fees	\$59,000	\$59,000	\$75,825	\$16,825
Interest	10,000	10,000	13,625	3,625
Miscellaneous	0	0	500	500
<i>Total Revenues</i>	<u>69,000</u>	<u>69,000</u>	<u>89,950</u>	<u>20,950</u>
Expenditures				
Current:				
Basic Utility Services:				
Storm Drainage:				
Salaries	65,000	65,000	21,761	43,239
Fringe Benefits	10,000	10,000	3,357	6,643
Other	151,099	144,124	59,090	85,034
<i>Total Basic Utility Services</i>	<u>226,099</u>	<u>219,124</u>	<u>84,208</u>	<u>134,916</u>
Capital Outlay:				
Storm Drainage:				
Capital Outlay	788,037	788,037	787,963	74
<i>Total Expenditures</i>	<u>1,014,136</u>	<u>1,007,161</u>	<u>872,171</u>	<u>134,990</u>
<i>Net Change in Fund Balance</i>	(945,136)	(938,161)	(782,221)	155,940
<i>Fund Balance Beginning of Year</i>	1,634,909	1,634,909	1,634,909	0
Prior Year Encumbrances Appropriated	<u>99,136</u>	<u>99,136</u>	<u>99,136</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$788,909</u></u>	<u><u>\$795,884</u></u>	<u><u>\$951,824</u></u>	<u><u>\$155,940</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Market Square Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$0	\$0	\$805	\$805
Expenditures				
Capital Outlay:				
Market Square Project:				
Capital Outlay	72,166	456,354	208,225	248,129
Other	0	170	170	0
<i>Total Expenditures</i>	<u>72,166</u>	<u>456,524</u>	<u>208,395</u>	<u>248,129</u>
<i>Net Change in Fund Balance</i>	(72,166)	(456,524)	(207,590)	248,934
<i>Fund Balance Beginning of Year</i>	394,736	394,736	394,736	0
Prior Year Encumbrances Appropriated	<u>72,166</u>	<u>72,166</u>	<u>72,166</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$394,736</u>	<u>\$10,378</u>	<u>\$259,312</u>	<u>\$248,934</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Improvement Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Capital Outlay:				
Issue 2 Improvements:				
Capital Outlay	7,307	5,480	5,480	0
Debt Service:				
Principal Retirement	<u>153,220</u>	<u>155,047</u>	<u>155,037</u>	<u>10</u>
<i>Total Expenditures</i>	<u>160,527</u>	<u>160,527</u>	<u>160,517</u>	<u>10</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(160,527)	(160,527)	(160,517)	10
Other Financing Sources (Uses)				
Transfers In	<u>158,700</u>	<u>158,700</u>	<u>158,700</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,827)	(1,827)	(1,817)	10
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>1,827</u>	<u>1,827</u>	<u>1,827</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$10</u></u>	<u><u>\$10</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Impact Fees Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses, Permits and Fees	\$50,000	\$50,000	\$79,234	\$29,234
Expenditures				
Capital Outlay:				
Impact Fee:				
Capital Outlay	288,276	288,276	198,852	89,424
Other	7,867	7,867	1,276	6,591
<i>Total Expenditures</i>	<u>296,143</u>	<u>296,143</u>	<u>200,128</u>	<u>96,015</u>
<i>Net Change in Fund Balance</i>	(246,143)	(246,143)	(120,894)	125,249
<i>Fund Balance Beginning of Year</i>	1,394,952	1,394,952	1,394,952	0
Prior Year Encumbrances Appropriated	<u>102,643</u>	<u>102,643</u>	<u>102,643</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,251,452</u></u>	<u><u>\$1,251,452</u></u>	<u><u>\$1,376,701</u></u>	<u><u>\$125,249</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalks Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$10,000	\$10,000	\$48,181	\$38,181
Other	0	0	140	140
<i>Total Revenues</i>	<u>10,000</u>	<u>10,000</u>	<u>48,321</u>	<u>38,321</u>
Expenditures				
Capital Outlay:				
Sidewalk Improvement:				
Salaries	22,000	122,000	63,937	58,063
Fringe Benefits	7,400	17,400	9,853	7,547
Contractual Services	700	700	186	514
Capital Outlay	0	640,000	639,400	600
Other	16,086	115,900	25,407	90,493
<i>Total Expenditures</i>	<u>46,186</u>	<u>896,000</u>	<u>738,783</u>	<u>157,217</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(36,186)	(886,000)	(690,462)	195,538
Other Financing Sources (Uses)				
Advances In	0	850,000	850,000	0
<i>Net Change in Fund Balance</i>	(36,186)	(36,000)	159,538	195,538
<i>Fund Balance Beginning of Year</i>	115,393	115,393	115,393	0
Prior Year Encumbrances Appropriated	186	186	186	0
<i>Fund Balance End of Year</i>	<u>\$79,393</u>	<u>\$79,579</u>	<u>\$275,117</u>	<u>\$195,538</u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Service Center Construction Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay	<u>36,828</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(36,828)	0	0	0
<i>Fund Balance Beginning of Year</i>	779	779	779	0
Prior Year Encumbrances Appropriated	<u>36,828</u>	<u>36,828</u>	<u>36,828</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$779</u>	<u>\$37,607</u>	<u>\$37,607</u>	<u>\$0</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Center Construction Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$1,131,900	\$1,131,900	\$1,145,618	\$13,718
Expenditures				
Capital Outlay:				
Recreation Center Construction:				
Contractual Services	80,000	80,000	76,557	3,443
Capital Outlay	882,408	1,209,921	970,326	239,595
Other	14,095	14,095	11,830	2,265
<i>Total Expenditures</i>	<u>976,503</u>	<u>1,304,016</u>	<u>1,058,713</u>	<u>245,303</u>
<i>Net Change in Fund Balance</i>	155,397	(172,116)	86,905	259,021
<i>Fund Balance Beginning of Year</i>	4,270,980	4,270,980	4,270,980	0
Prior Year Encumbrances Appropriated	<u>156,503</u>	<u>156,503</u>	<u>156,503</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,582,880</u></u>	<u><u>\$4,255,367</u></u>	<u><u>\$4,514,388</u></u>	<u><u>\$259,021</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Golf Course Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$267,000	\$267,000	\$239,871	(\$27,129)
Rentals	41,000	41,000	43,801	2,801
Miscellaneous	6,000	6,000	5,593	(407)
Sale of Capital Assets	0	0	1,500	1,500
<i>Total Revenues</i>	<u>314,000</u>	<u>314,000</u>	<u>290,765</u>	<u>(23,235)</u>
Expenses				
Personal Services	239,200	239,200	220,341	18,859
Fringe Benefits	56,500	56,500	47,029	9,471
Contractual Services	118,113	95,755	60,484	35,271
Materials and Supplies	61,900	61,900	36,987	24,913
Capital Outlay	34,400	34,400	29,660	4,740
Other	14,500	14,500	10,328	4,172
<i>Total Expenses</i>	<u>524,613</u>	<u>502,255</u>	<u>404,829</u>	<u>97,426</u>
<i>Excess of Revenues Under Expenses Before Advances</i>	(210,613)	(188,255)	(114,064)	74,191
Advances In	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	(60,613)	(38,255)	35,936	74,191
<i>Fund Equity Beginning of Year</i>	89,785	89,785	89,785	0
Prior Year Encumbrances Appropriated	<u>3,413</u>	<u>3,413</u>	<u>3,413</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$32,585</u>	<u>\$54,943</u>	<u>\$129,134</u>	<u>\$74,191</u>

City of Westlake, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Hospitalization Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$3,650,000	\$3,650,000	\$3,287,115	(\$362,885)
Expenses				
Contractual Services	544,000	660,342	660,342	0
Claims	4,033,552	3,599,513	3,597,835	1,678
<i>Total Expenses</i>	<u>4,577,552</u>	<u>4,259,855</u>	<u>4,258,177</u>	<u>1,678</u>
<i>Net Change in Fund Equity</i>	(927,552)	(609,855)	(971,062)	(361,207)
<i>Fund Equity Beginning of Year</i>	3,601,152	3,601,152	3,601,152	0
Prior Year Encumbrances Appropriated	<u>772,552</u>	<u>772,552</u>	<u>772,552</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$3,446,152</u>	<u>\$3,763,849</u>	<u>\$3,402,642</u>	<u>(\$361,207)</u>



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Statistical Section

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

Contents	Pages(s)
<i>Financial Trends</i>	S2 – S11
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	S12 – S19
These schedules contain information to help the reader assess the City’s most significant local revenues, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	S20 - S26
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
<i>Demographic and Economic Information</i>	S27 – S31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.	
<i>Operating Information</i>	S32 - S36
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

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

City of Westlake, Ohio
Net Position by Component
Last Ten Years
(accrual basis of accounting)

	2017	2016	2015 (1)	2014
Governmental Activities				
Net Investment in Capital Assets	\$150,012,872	\$143,617,893	\$139,414,217	\$126,984,208
Restricted	29,281,002	33,733,248	31,672,209	42,096,325
Unrestricted (1)	25,100,689	23,785,685	25,293,630	19,108,390
<i>Total Governmental Activities Net Position</i>	<u>204,394,563</u>	<u>201,136,826</u>	<u>196,380,056</u>	<u>188,188,923</u>
Business-Type Activities				
Net Investment in Capital Assets	25,236,744	25,239,798	25,995,165	26,983,590
Unrestricted (1)	13,162,124	13,683,994	13,072,759	12,822,985
<i>Total Business-Type Activities Net Position</i>	<u>38,398,868</u>	<u>38,923,792</u>	<u>39,067,924</u>	<u>39,806,575</u>
Primary government				
Net Investment in Capital Assets	175,249,616	168,857,691	165,409,382	153,967,798
Restricted	29,281,002	33,733,248	31,672,209	42,096,325
Unrestricted (1)	38,262,813	37,469,679	38,366,389	31,931,375
<i>Total Primary Government Net Position</i>	<u>\$242,793,431</u>	<u>\$240,060,618</u>	<u>\$235,447,980</u>	<u>\$227,995,498</u>

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

2013	2012	2011	2010	2009	2008
\$127,651,517	\$121,260,561	\$120,651,597	\$118,410,063	\$115,906,207	\$116,235,290
37,706,036	36,145,785	39,248,472	42,677,403	39,002,639	38,496,737
42,509,763	40,264,326	32,946,087	23,964,324	23,933,018	16,455,779
207,867,316	197,670,672	192,846,156	185,051,790	178,841,864	171,187,806
28,088,783	30,295,832	30,643,725	31,334,659	31,092,605	31,760,772
13,197,731	13,684,924	15,072,756	16,277,091	18,373,841	19,410,303
41,286,514	43,980,756	45,716,481	47,611,750	49,466,446	51,171,075
155,740,300	151,556,393	151,295,322	149,744,722	146,998,812	147,996,062
37,706,036	36,145,785	39,248,472	42,677,403	39,002,639	38,496,737
55,707,494	53,949,250	48,018,843	40,241,415	42,306,859	35,866,082
\$249,153,830	\$241,651,428	\$238,562,637	\$232,663,540	\$228,308,310	\$222,358,881

City of Westlake, Ohio
Changes in Net Position
Last Ten Years
(accrual basis of accounting)

	2017	2016	2015 (1)	2014
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$851,366	\$615,600	\$648,223	\$1,013,675
Security of Persons and Property	1,799,719	1,746,310	1,790,833	1,650,934
Public Health Services	141,390	100,585	97,200	78,150
Transportation	343,883	950,920	556,556	475,729
Community Environment	32,105	98,052	116,909	81,787
Basic Utility Services	206,818	248,538	129,890	88,531
Leisure Time Activities	2,515,169	2,503,902	2,600,202	2,311,885
Operating Grants and Contributions	1,837,505	1,608,091	1,634,552	1,785,738
Capital Grants and Contributions	3,908,156	5,251,537	8,820,731	8,243,682
<i>Total Governmental Activities Program Revenues</i>	<u>11,636,111</u>	<u>13,123,535</u>	<u>16,395,096</u>	<u>15,730,111</u>
Business-Type Activities:				
Charges for Services:				
Sewer	2,673,800	2,760,363	2,753,856	2,685,737
Golf Course	283,672	294,337	312,266	308,476
Capital Grants and Contributions	58,952	121,829	127,383	0
<i>Total Business-Type Activities Program Revenues</i>	<u>3,016,424</u>	<u>3,176,529</u>	<u>3,193,505</u>	<u>2,994,213</u>
<i>Total Primary Government Program Revenues</i>	<u>14,652,535</u>	<u>16,300,064</u>	<u>19,588,601</u>	<u>18,724,324</u>
Expenses				
Governmental Activities:				
General Government	10,794,762	8,160,095	7,678,275	8,418,520
Security of Persons and Property	18,414,710	19,024,502	17,282,475	17,487,121
Public Health Services	1,321,235	1,178,898	1,224,487	1,174,508
Transportation	15,562,035	14,176,484	13,864,015	11,442,820
Community Environment	3,417,017	2,045,702	2,101,651	3,388,227
Basic Utility Services	2,740,832	2,979,184	2,908,847	2,180,366
Leisure Time Activities	4,553,093	4,269,174	4,089,416	4,064,325
Interest and Fiscal Charges	2,570,868	3,034,994	2,822,396	2,117,493
<i>Total Governmental Activities Expenses</i>	<u>59,374,552</u>	<u>54,869,033</u>	<u>51,971,562</u>	<u>50,273,380</u>
Business-Type Activities:				
Sewer	3,793,775	3,404,204	3,519,865	3,324,980
Golf	431,112	461,152	453,454	450,130
<i>Total Business-Type Activities Expenses</i>	<u>4,224,887</u>	<u>3,865,356</u>	<u>3,973,319</u>	<u>3,775,110</u>
<i>Total Primary Government Expenses</i>	<u>\$63,599,439</u>	<u>\$58,734,389</u>	<u>\$55,944,881</u>	<u>\$54,048,490</u>

2013	2012	2011	2010	2009	2008
\$760,751	\$496,295	\$544,628	\$618,409	\$403,368	\$62,982
1,719,144	1,030,741	1,084,774	1,055,314	1,658,886	1,792,383
86,828	144,383	166,906	163,675	179,602	219,131
581,149	415,183	358,448	257,883	224,745	170,479
78,126	378,779	200,992	158,287	179,680	473,546
126,920	182,005	177,435	182,493	226,160	117,076
2,481,187	2,512,420	2,407,993	2,339,261	2,318,991	2,422,194
1,525,808	2,104,715	2,815,006	1,813,317	1,908,400	1,999,419
3,321,851	1,422,539	1,546,514	2,572,627	198,262	861,837
10,681,764	8,687,060	9,302,696	9,161,266	7,298,094	8,119,047
2,189,435	1,864,043	1,733,629	1,745,665	1,704,877	2,038,961
309,945	331,372	299,480	398,914	429,063	438,473
168,731	47,087	0	0	0	0
2,668,111	2,242,502	2,033,109	2,144,579	2,133,940	2,477,434
13,349,875	10,929,562	11,335,805	11,305,845	9,432,034	10,596,481
6,840,500	7,404,615	7,902,687	6,968,302	7,911,956	22,355,014
14,405,743	15,042,478	14,747,275	14,584,694	14,833,854	15,023,844
891,433	1,073,921	1,190,286	1,185,741	990,935	1,040,137
10,875,198	10,977,479	11,927,202	9,085,307	7,754,905	11,143,476
1,492,557	1,475,762	1,721,879	1,685,287	1,461,332	1,436,256
2,240,089	2,058,732	1,801,486	1,917,453	1,843,251	1,925,985
3,992,595	3,762,378	3,788,078	3,979,282	3,963,481	3,990,032
663,122	1,253,224	806,303	762,104	775,746	832,754
41,401,237	43,048,589	43,885,196	40,168,170	39,535,460	57,747,498
3,897,755	3,557,778	3,684,221	3,574,031	3,407,143	3,206,285
452,592	478,255	428,838	462,322	499,842	509,423
4,350,347	4,036,033	4,113,059	4,036,353	3,906,985	3,715,708
\$45,751,584	\$47,084,622	\$47,998,255	\$44,204,523	\$43,442,445	\$61,463,206

(continued)

City of Westlake, Ohio
Changes in Net Position (continued)
Last Ten Years
(accrual basis of accounting)

	2017	2016	2015 (1)	2014
Net (Expense)/Revenue				
Governmental Activities	(\$47,738,441)	(\$41,745,498)	(\$35,576,466)	(\$34,543,269)
Business-Type Activities	(1,208,463)	(688,827)	(779,814)	(780,897)
<i>Total Primary Government Net Expense</i>	<u>(48,946,904)</u>	<u>(42,434,325)</u>	<u>(36,356,280)</u>	<u>(35,324,166)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes Levied For:				
General Purposes	10,154,907	10,169,515	9,733,889	9,213,316
Other Purposes	1,899,367	1,902,063	1,825,021	1,723,188
Debt Service	0	0	0	0
Municipal Income Taxes Levied For:				
General Purposes	20,243,282	18,743,101	17,052,217	15,823,044
Recreation	247,096	247,088	244,579	245,548
Debt Service	1,977,163	1,976,025	2,000,167	1,969,449
Capital Outlay	8,172,129	7,268,918	6,486,643	5,839,692
Admissions Tax	155,861	312,085	124,078	134,986
Hotel Taxes	624,085	684,544	522,645	489,850
Grants and Entitlements not Restricted to Specific Programs	1,601,753	1,557,287	1,563,433	2,253,953
Franchise Taxes	608,919	650,093	644,240	649,254
Interest	762,066	487,239	539,348	289,616
Unrestricted Contributions	15,516	0	11,870	13,736
Payment in Lieu of Taxes	3,706,657	2,124,325	539,499	0
Gain on Sale of Capital Assets	43,314	79,748	0	41,425
Miscellaneous	1,407,551	488,275	2,480,501	2,228,479
Transfers	(623,488)	(188,038)	(531)	0
<i>Total Governmental Activities</i>	<u>50,996,178</u>	<u>46,502,268</u>	<u>43,767,599</u>	<u>40,915,536</u>
Business-Type Activities:				
Interest	52,958	34,581	34,398	17,152
Gain on Sale of Capital Assets	1,500	0	1,800	6,901
Gain in Joint Venture	0	316,387	0	0
Miscellaneous	5,593	5,689	4,434	7,697
Transfers	623,488	188,038	531	0
<i>Total Business-Type Activities</i>	<u>683,539</u>	<u>544,695</u>	<u>41,163</u>	<u>31,750</u>
<i>Total Primary Government</i>	<u>51,679,717</u>	<u>47,046,963</u>	<u>43,808,762</u>	<u>40,947,286</u>
Change in Net Position				
Governmental Activities	3,257,737	4,756,770	8,191,133	6,372,267
Business-Type Activities	(524,924)	(144,132)	(738,651)	(749,147)
<i>Total Primary Government Change in Net Position</i>	<u>\$2,732,813</u>	<u>\$4,612,638</u>	<u>\$7,452,482</u>	<u>\$5,623,120</u>

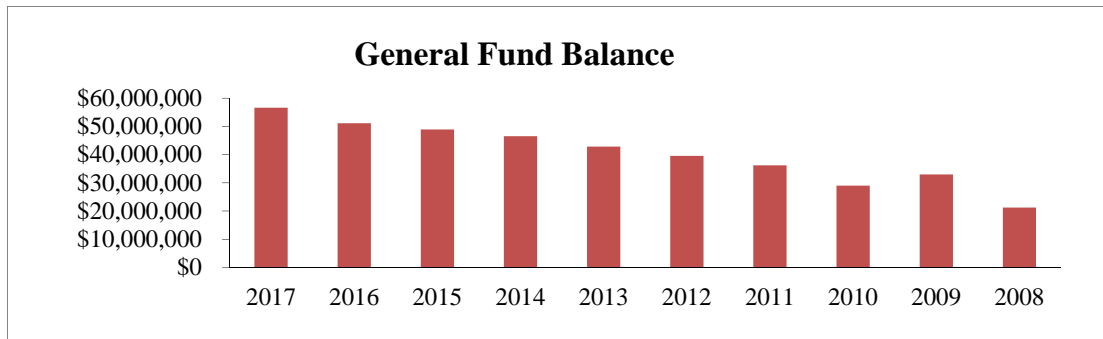
(1) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.

2013	2012	2011	2010	2009	2008
(\$30,719,473)	(\$34,361,529)	(\$34,582,500)	(\$31,006,904)	(\$32,237,366)	(\$49,628,451)
(1,682,236)	(1,793,531)	(2,079,950)	(1,891,774)	(1,773,045)	(1,238,274)
(32,401,709)	(36,155,060)	(36,662,450)	(32,898,678)	(34,010,411)	(50,866,725)
9,798,208	9,529,928	9,766,663	9,875,483	10,340,850	9,389,659
1,832,575	1,790,295	1,831,250	1,851,654	1,935,405	1,853,221
0	112,330	122,084	120,758	100,983	857,615
15,499,256	14,861,413	14,091,446	12,617,962	12,306,589	12,462,547
260,674	255,530	259,448	53,841	0	250,588
1,993,639	1,924,449	1,857,968	835,022	975,491	1,002,399
5,709,996	5,401,802	4,995,362	5,506,156	5,176,375	5,110,393
186,249	184,553	187,280	178,209	188,867	197,798
499,878	483,446	431,774	406,204	374,953	457,987
2,585,598	3,248,049	6,057,901	4,460,061	4,653,290	4,282,803
492,615	573,198	523,339	479,845	450,860	438,367
290,643	428,975	615,400	264,472	2,788,286	2,877,142
0	0	0	0	0	0
0	0	0	0	0	0
43,276	50,214	5,296	57,300	5,000	0
676,958	360,487	1,637,665	499,937	702,847	687,619
1,046,552	(18,624)	(6,010)	9,926	0	(8,308)
40,916,117	39,186,045	42,376,866	37,216,830	39,999,796	39,859,830
29,306	6,464	32,957	46,940	59,969	927,845
0	27,000	0	0	0	0
0	0	0	0	0	0
5,240	5,718	145,714	64	8,447	9,399
(1,046,552)	18,624	6,010	(9,926)	0	8,308
(1,012,006)	57,806	184,681	37,078	68,416	945,552
39,904,111	39,243,851	42,561,547	37,253,908	40,068,212	40,805,382
10,196,644	4,824,516	7,794,366	6,209,926	7,762,430	(9,768,621)
(2,694,242)	(1,735,725)	(1,895,269)	(1,854,696)	(1,704,629)	(292,722)
\$7,502,402	\$3,088,791	\$5,899,097	\$4,355,230	\$6,057,801	(\$10,061,343)

City of Westlake, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2017	2016	2015	2014
General Fund:				
Nonspendable	\$2,871,500	\$1,949,742	\$1,777,482	\$1,770,774
Committed	223,087	0	0	133,197
Assigned	23,492,946	18,670,970	27,107,303	21,958,577
Unassigned	30,042,009	30,486,799	20,024,683	22,663,318
Total General Fund	56,629,542	51,107,511	48,909,468	46,525,866
All Other Governmental Funds:				
Nonspendable	1,440	1,899	2,581	1,824
Restricted	26,679,995	31,135,518	44,057,732	58,261,161
Committed	2,866,260	2,751,481	2,586,755	2,342,690
Assigned	37,607	15,607	15,607	37,607
Unassigned (Deficit)	(2,802,812)	(2,833,851)	(1,911,316)	(3,480,036)
Total All Other Governmental Funds	26,782,490	31,070,654	44,751,359	57,163,246
Total Governmental Funds	\$83,412,032	\$82,178,165	\$93,660,827	\$103,689,112

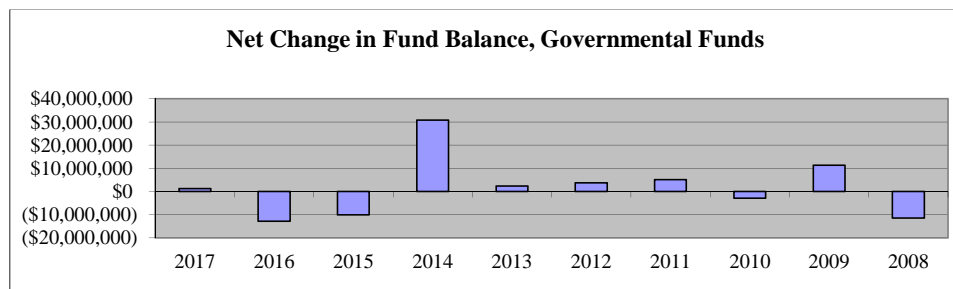
Note: The City implemented GASB 54 in 2009.



2013	2012	2011	2010	2009	2008
\$1,576,133	\$1,388,341	\$1,544,312	\$2,472,785	\$7,966,056	\$2,430,152
153,311	78,494	0	0	0	0
19,781,129	17,151,115	12,590,847	12,135,035	12,627,238	11,950,684
21,321,693	20,917,452	22,069,614	14,398,464	12,369,237	6,874,603
42,832,266	39,535,402	36,204,773	29,006,284	32,962,531	21,255,439
4,824,603	3,288	5,416	7,046	3,569	3,741
26,126,256	29,608,475	30,542,308	32,741,134	36,378,489	30,223,199
2,105,124	1,706,932	1,349,585	1,125,004	1,491,683	1,822,084
15,607	15,607	15,607	15,607	15,607	114,828
(3,090,696)	(424,244)	(1,414,992)	(1,379,716)	(3,587)	(458,806)
29,980,894	30,910,058	30,497,924	32,509,075	37,885,761	31,705,046
\$72,813,160	\$70,445,460	\$66,702,697	\$61,515,359	\$70,848,292	\$52,960,485

City of Westlake, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2017	2016	2015	2014
Revenues				
Property Taxes	\$12,084,309	\$12,024,672	\$11,547,143	\$11,671,818
Municipal Income Taxes	31,116,720	28,619,626	25,757,758	24,633,001
Admission Taxes	155,861	312,085	124,078	134,986
Hotel Taxes	624,085	684,544	522,645	489,850
Permissive Motor Vehicle Taxes	235,343	238,862	238,712	234,314
Charges for Services	3,955,230	3,633,104	3,828,835	3,762,633
Licenses, Permits and Fees	1,063,782	1,092,807	1,182,052	1,183,422
Fines and Forfeitures	245,296	283,707	347,129	272,467
Intergovernmental	6,478,615	7,730,618	11,310,791	4,311,716
Special Assessments	41,843	431,761	393,347	418,783
Payments in Lieu of Taxes	3,706,657	2,124,325	539,499	0
Interest	762,066	487,239	539,348	289,616
Rentals	236,556	271,983	221,886	209,870
Contributions and Donations	59,679	40,477	782,822	6,974,059
Franchise Taxes	611,169	584,752	644,240	649,254
Miscellaneous	1,385,547	469,382	2,511,211	2,174,483
<i>Total Revenues</i>	<u>62,762,758</u>	<u>59,029,944</u>	<u>60,491,496</u>	<u>57,410,272</u>
Expenditures				
Current:				
General Government	9,356,411	7,605,160	7,381,581	7,821,827
Security of Persons and Property	15,672,569	16,392,694	16,047,061	15,845,571
Public Health Services	1,062,109	1,023,964	1,129,696	1,041,101
Transportation	6,246,520	5,988,531	7,970,793	6,987,598
Community Environment	1,726,116	1,719,613	2,106,262	1,669,156
Basic Utility Services	977,262	1,139,994	918,388	770,242
Leisure Time Activities	3,416,639	3,345,479	3,372,995	3,229,032
Capital Outlay	18,344,538	29,800,001	35,901,521	35,240,489
Debt Service:				
Principal Retirement	2,210,129	2,268,691	1,938,751	1,948,842
Interest and Fiscal Charges	2,574,642	2,688,527	2,809,501	1,964,178
Capital Appreciation Bonds Interest	0	0	0	0
Bond Issuance Costs	0	0	0	1,584,844
<i>Total Expenditures</i>	<u>61,586,935</u>	<u>71,972,654</u>	<u>79,576,549</u>	<u>78,102,880</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,175,823</u>	<u>(12,942,710)</u>	<u>(19,085,053)</u>	<u>(20,692,608)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	58,044	79,748	77,791	91,045
General Obligations Notes and Bonds Issued	0	0	0	0
General Obligation Notes and Bonds Premium	0	0	0	0
OPWC Loan Issued	0	112,107	200,065	2,555,933
State Infrastructure Bank Loan Issued	0	0	8,765,300	0
General Obligation Bonds Issued	0	0	0	0
General Obligation Bonds Premium	0	0	0	0
Special Obligation Bonds Issued	0	0	0	48,330,000
Special Obligation Bonds Premium	0	0	0	591,582
Inception of Capital Lease	0	0	13,612	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	1,377,215	3,683,685	1,294,332	952,757
Transfers Out	(1,377,215)	(3,683,685)	(1,294,332)	(952,757)
<i>Total Other Financing Sources (Uses)</i>	<u>58,044</u>	<u>191,855</u>	<u>9,056,768</u>	<u>51,568,560</u>
<i>Net Change in Fund Balances</i>	<u>\$1,233,867</u>	<u>(\$12,750,855)</u>	<u>(\$10,028,285)</u>	<u>\$30,875,952</u>
Debt Service as a Percentage of Noncapital Expenditures	10.2%	10.3%	10.1%	8.7%



2013	2012	2011	2010	2009	2008
\$11,197,764	\$11,409,771	\$11,669,377	\$11,871,691	\$12,216,342	\$12,325,252
22,704,304	21,744,517	20,314,848	19,136,172	18,253,703	19,119,560
186,249	184,553	187,280	178,209	188,867	197,798
499,878	483,446	431,774	406,204	374,953	457,987
229,172	226,807	223,842	257,883	224,745	242,258
4,050,691	3,350,948	3,478,751	3,454,644	3,327,200	3,987,708
894,372	655,053	569,913	472,444	540,779	584,486
293,605	332,873	361,168	359,933	790,128	280,141
6,908,585	6,104,036	9,857,916	8,702,713	6,651,892	6,822,869
466,384	290,000	290,000	285,000	300,000	340,000
0	0	0	0	0	0
290,643	428,975	615,400	264,472	2,761,850	2,850,216
225,295	231,985	229,550	164,498	152,158	159,180
23,293	29,900	99,560	36,205	39,373	62,864
492,615	573,198	523,339	479,845	450,860	438,367
642,417	359,643	1,621,375	499,937	702,847	640,351
49,105,267	46,405,705	50,474,093	46,569,850	46,975,697	48,509,037
6,900,546	6,970,194	7,504,572	6,835,591	7,603,847	21,996,767
14,444,674	14,314,721	13,899,297	14,184,779	13,916,347	13,994,489
887,612	1,060,754	1,017,728	1,078,920	934,217	932,305
7,211,192	7,028,529	6,607,706	6,987,274	6,503,112	6,694,353
1,541,973	1,468,880	1,700,116	1,680,434	1,482,743	1,399,183
900,172	817,980	704,210	763,839	741,720	771,254
3,432,454	3,097,749	3,042,862	3,316,452	3,249,516	3,275,678
8,701,922	5,210,403	8,585,474	10,406,778	8,400,702	8,267,256
2,103,842	2,008,451	9,077,169	10,625,029	1,286,743	1,463,142
671,181	719,472	812,377	785,863	648,827	705,748
0	0	0	140,730	134,018	387,618
0	0	130,110	35,416	22,878	178,495
46,795,568	42,697,133	53,081,621	56,841,105	44,924,670	60,066,288
2,309,699	3,708,572	(2,607,528)	(10,271,255)	2,051,027	(11,557,251)
58,001	34,191	73,427	34,382	13,902	12,201
0	0	0	7,350,000	9,300,000	9,990,000
0	0	0	53,940	22,878	4,776
0	0	0	0	0	0
0	0	0	0	0	0
0	0	7,350,000	0	0	0
0	0	263,453	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	12,326	0	0	0
0	0	0	0	0	(9,814,657)
967,265	1,742,430	1,242,799	729,550	889,476	1,966,471
(967,265)	(1,742,430)	(1,242,799)	(729,550)	(889,476)	(1,966,471)
58,001	34,191	7,699,206	7,438,322	9,336,780	192,320
\$2,367,700	\$3,742,763	\$5,091,678	(\$2,832,933)	\$11,387,807	(\$11,364,931)
7.5%	7.3%	21.6%	25.6%	6.1%	4.9%

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

	2017	2016	2015	2014
Unvoted Millage				
Operating	\$1.50000	\$1.50000	\$1.50000	\$1.50000
Debt	0.00000	0.00000	0.00000	0.00000
Fire Pension	0.30000	0.30000	0.30000	0.30000
Police Pension	0.30000	0.30000	0.30000	0.30000
<i>Total Unvoted Millage</i>	<u>2.10000</u>	<u>2.10000</u>	<u>2.10000</u>	<u>2.10000</u>
Voted Millage by Levy				
1976 Charter/Current Expense	6.52000	6.52000	6.52000	6.52000
1988 Bond (\$6,000,000)	0.00000	0.00000	0.00000	0.00000
2001 Charter Police and Fire Operating	0.90000	0.90000	0.90000	0.90000
<i>Total Voted Millage by Type of Property</i>	<u>7.42000</u>	<u>7.42000</u>	<u>7.42000</u>	<u>7.42000</u>
<i>Total Millage</i>	<u><u>\$9.52000</u></u>	<u><u>\$9.52000</u></u>	<u><u>\$9.52000</u></u>	<u><u>\$9.52000</u></u>
Overlapping Rates by Taxing District				
<i>Westlake City School District</i>				
General Business and Public Utility Personal	\$70.20000	\$70.10000	\$70.10000	\$70.10000
Residential/Agricultural Real	36.12103	36.05458	37.31630	37.31100
Commercial/Industrial and Public Utility Real	40.34621	41.04409	40.81830	40.68110
<i>Westlake Porter Library</i>				
Operating - continuing				
General Business and Public Utility Personal	2.80000	2.80000	2.80000	2.80000
Residential/Agricultural Real	2.65963	2.66316	2.80000	2.80000
Commercial/Industrial and Public Utility Real	2.72637	2.80000	2.80000	2.80000
<i>Cuyahoga County</i>				
General Business and Public Utility Personal	14.05000	14.05000	14.05000	14.05000
Residential/Agricultural Real	13.88020	13.86978	14.05000	14.05000
Commercial/Industrial and Public Utility Real	14.01236	14.05000	14.01950	13.94950
<i>Special Taxing Districts (1)</i>				
General Business and Public Utility Personal	6.88000	6.88000	6.88000	5.98000
Residential/Agricultural Real	6.77011	6.76737	6.86430	5.96390
Commercial/Industrial and Public Utility Real	6.84687	6.86755	6.84010	5.88430

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

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

Real property tax rates for voted levies are reduced so that inflationary increases in values do not generate additional revenue.

Overlapping rates are those of local and county governments that apply to property owners within the City.

(1) Cleveland Metro Parks, Port Authority, Cuyahoga Community College

Source: Cuyahoga County Fiscal Officer

Note: Debt Service levies are designed to raise a fixed amount of revenue each year. A rate is set each year so that when it is applied to the total assessed value, that fixed amount is generated.

2013	2012	2011	2010	2009	2008
\$1.50000	\$1.40000	\$1.40000	\$1.40000	\$1.00000	\$1.00000
0.00000	0.10000	0.10000	0.10000	0.50000	0.50000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
2.10000	2.10000	2.10000	2.10000	2.10000	2.10000
6.52000	6.60000	6.60000	6.60000	6.60000	6.60000
0.00000	0.00000	0.00000	0.00000	0.20000	0.30000
0.90000	0.90000	0.90000	0.90000	0.90000	0.90000
7.42000	7.50000	7.50000	7.50000	7.70000	7.80000
\$9.52000	\$9.60000	\$9.60000	\$9.60000	\$9.80000	\$9.90000
\$70.10000	\$70.10000	\$70.10000	\$66.50000	\$66.50000	\$66.50000
37.25843	36.76906	36.66812	31.74549	31.72675	31.72802
39.15236	39.11334	38.60543	35.26262	35.20358	34.98604
2.80000	2.80000	2.80000	2.80000	2.50000	2.50000
2.80000	2.80000	2.79970	2.80000	2.12764	2.12775
2.80000	2.80000	2.77368	2.80000	2.23154	2.21376
13.22000	13.22000	13.32000	13.32000	13.42000	13.42000
13.22000	13.11822	13.18662	12.66073	11.86887	11.86549
12.99676	12.78454	12.84125	12.81530	12.45356	12.49410
5.08000	5.08000	5.08000	4.78000	4.78000	4.78000
5.06349	5.00415	4.98989	4.15975	4.15898	4.15762
4.96214	4.86484	4.84497	4.39124	4.37987	4.39621

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

Collection Year	Real Property Assessed Values		Estimated Actual Value	Tangible Personal Property	
	Residential/ Agricultural	Commercial Industrial		Assessed Values	Public Utility Estimated Actual Value
2017	\$1,029,030,270	\$386,811,130	\$4,045,261,143	\$27,951,630	\$31,763,216
2016	1,019,017,040	381,570,250	4,001,677,971	25,840,090	29,363,739
2015	961,244,180	378,786,240	3,828,658,343	25,237,460	28,678,932
2014	954,156,290	376,280,950	3,801,249,257	24,094,940	27,380,614
2013	953,166,540	391,329,590	3,841,417,514	21,853,120	24,833,091
2012	967,001,100	378,135,350	3,843,247,000	19,742,750	22,434,943
2011	968,121,950	383,265,660	3,861,107,457	18,395,760	20,904,273
2010	964,775,720	381,758,880	3,847,241,714	17,904,860	20,346,432
2009	1,013,775,970	368,240,130	3,948,617,429	16,859,840	19,158,909
2008	1,006,382,880	364,490,790	3,916,781,914	15,913,580	18,083,614

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

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

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

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

Tangible Personal Property		Total		Ratio	Direct Tax Rate
General Business					
Assessed Values	Estimated Actual Value	Assessed Values	Estimated Actual Value		
\$0	\$0	\$1,443,793,030	\$4,077,024,359	35.41 %	\$9.52
0	0	1,426,427,380	4,031,041,710	35.39	9.52
0	0	1,365,267,880	3,857,337,275	35.39	9.52
0	0	1,354,532,180	3,828,629,871	35.38	9.52
0	0	1,366,349,250	3,866,250,605	35.34	9.52
0	0	1,364,879,200	3,865,681,943	35.31	9.60
0	0	1,369,783,370	3,882,011,730	35.29	9.60
0	0	1,364,439,460	3,867,588,146	35.28	9.60
12,193,793	195,100,688	1,411,069,733	4,162,877,026	33.90	9.80
21,832,430	349,318,880	1,408,619,680	4,284,184,408	32.88	9.90

City of Westlake, Ohio
Property Tax Levies And Collections
Last Ten Years

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections To Tax Levy
2017	\$15,049,581	\$16,097,530	106.96 %	\$251,884	\$16,349,414	108.64 %
2016	13,595,958	13,962,327	102.69	245,598	14,207,925	104.50
2015	13,023,503	12,597,328	96.73	256,587	12,853,915	98.70
2014	12,927,841	12,465,018	96.42	476,492	12,941,510	100.11
2013	13,042,841	12,144,049	93.11	311,148	12,455,197	95.49
2012	13,263,978	12,477,531	94.07	368,459	12,845,990	96.85
2011	13,201,854	12,628,894	95.66	333,829	12,962,723	98.19
2010	13,117,717	12,686,109	96.71	367,689	13,053,798	99.51
2009	13,464,587	12,989,111	96.47	259,512	13,248,623	98.40
2008	13,598,676	13,035,174	95.86	402,478	13,437,652	98.82

Source: Cuyahoga County Fiscal Officer

Note: The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

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

City of Westlake, Ohio

Principal Taxpayers

2017 and 2008

Taxpayer	2017	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
CP Commercial Delaware, LLC	\$46,863,810	3.25%
Cleveland Electric Illuminating Company	19,390,480	1.34
Cleveland-Cuyahoga County Port Authority	18,027,310	1.25
American Greetings Corporation	16,155,540	1.12
Promenade Delaware LLC	12,272,510	0.85
Hyland Software Inc	8,380,130	0.58
Remington Westlake, LLC	6,759,310	0.47
ARC Westlake Village, Inc	6,508,500	0.44
BCM Westlake, LLC	6,290,280	0.44
CP Phase I Residential Delaware, LLC	5,755,030	0.40
Total	\$146,402,900	10.14%
Total Assessed Valuation	\$1,443,793,030	

Taxpayer	2008	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Toledo-Lucas County Port Authority (Crocker Park)	\$37,855,580	2.69%
Cleveland Electric Illuminating Company	13,702,050	0.97
Westlake Center Associates LTD	11,229,580	0.80
Energizer Battery Manufacturing, Inc.	7,417,280	0.53
University Hospital Health Systems	7,215,120	0.51
Remington-OP & F, Incorporated	6,755,010	0.48
Crossings Village Westlake LLC	5,659,650	0.40
Sturbridge Square Apartments	5,630,070	0.40
Cleveland Retirement	5,600,040	0.40
Ozre Lodging II LLC	5,224,140	0.37
Total	\$106,288,520	7.55%
Total Assessed Valuation	\$1,408,619,680	

Source: Cuyahoga County Fiscal Officer

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

Year	Tax Rate	Total Tax Collected (1)	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits	Percentage of Taxes From Net Profits	Taxes From Individuals	Percentage of Taxes From Individuals
2017	1.50 %	\$30,639,670	\$22,979,753	75 %	\$4,289,553	14 %	\$3,370,364	11 %
2016	1.50	28,235,132	20,893,998	74	3,952,918	14	3,388,216	12
2015	1.50	25,783,606	20,329,295	72	4,517,621	16	3,388,216	12
2014	1.50	23,877,733	18,203,055	76	3,012,550	13	2,662,128	11
2013	1.50	23,463,565	17,730,322	76	2,917,615	12	2,815,628	12
2012	1.50	22,443,194	16,832,396	75	2,917,615	13	2,693,183	12
2011	1.50	21,204,224	16,327,252	77	2,332,465	11	2,544,507	12
2010	1.50	19,012,981	14,639,995	77	2,091,428	11	2,281,558	12
2009	1.50	18,458,455	14,397,595	78	1,661,261	9	2,399,599	13
2008	1.50	18,825,927	14,684,223	78	1,506,074	8	2,635,630	14

Sources: Regional Income Tax Agency data - certain amounts may be estimates. Number of filers does not equal total taxpayers due to taxpayers paying City taxes through employer withholding only, without filing requirement.

(1) Based on Accrual Basis

City of Westlake, Ohio
Income Tax Statistics
 2016 (1) and Nine Years Ago

2016				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
0-24,999	3,604	28.94 %	\$35,504,789	2.61 %
25,000-49,999	2,023	16.24	75,182,408	5.52
50,000-99,999	3,000	24.09	216,718,267	15.92
100,000-249,999	2,672	21.45	413,502,804	30.38
Over 250,000	1,155	9.28	620,291,486	45.57
Total	<u>12,454</u>		<u>\$1,361,199,754</u>	

2008				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
0-24,999	3,688	31.31 %	\$32,905,621	2.95 %
25,000-49,999	2,163	18.36	80,384,548	7.21
50,000-74,999	1,659	14.08	102,545,946	9.20
75,000-99,999	1,102	9.36	95,595,258	8.57
Over 100,000	3,168	26.89	803,701,236	72.07
Total	<u>11,780</u>		<u>\$1,115,132,609</u>	

(1) 2016 is the latest information available.

Source: Regional Income Tax data - certain amounts may be estimates

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

Governmental Activities						
Year	General Obligation Bonds	Special Assessment Bonds	Special Obligation Bonds	Bond Anticipation Notes	SIB Loans	OPWC Loans
2017	\$6,373,209	\$200,000	\$48,921,582	\$0	\$8,200,694	\$2,998,355
2016	8,103,778	245,000	48,921,582	0	8,579,893	3,075,873
2015	9,788,444	3,264,943	48,921,582	0	8,765,300	3,118,802
2014	11,453,100	3,534,580	48,921,582	0	0	2,959,049
2013	13,107,009	3,823,935	0	0	0	443,428
2012	14,866,286	4,142,704	0	0	0	504,189
2011	16,544,639	4,446,110	0	0	0	564,950
2010	10,001,023	4,744,001	0	7,376,970	0	625,711
2009	11,090,129	5,040,303	0	9,301,906	0	686,472
2008	12,113,417	5,350,923	0	0	0	747,233

(1) Computation of percentage of personal income divided by total debt over total personal income.
See page S28 for total personal income data.

(2) Computation of per capita divided by total debt over population.
See page S28 for population data.

Capital Lease	Total Debt	Percentage of Personal Income (1)	Per Capita (2)
\$5,130	\$66,698,970	3.98%	\$2,038
8,542	68,934,668	4.30	2,106
11,790	73,870,861	4.83	2,257
1,617	66,869,928	4.38	2,043
5,147	17,379,519	1.21	531
8,228	19,521,407	1.41	596
10,918	21,566,617	1.61	659
0	22,747,705	1.88	695
0	26,118,810	2.21	817
0	18,211,573	1.54	570

City of Westlake, Ohio
*Ratio of General Obligation Bonded Debt to Estimated Actual
 Value and Bonded Debt Per Capita
 Last Ten Years*

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt Per Capita
2017	32,729	\$4,077,024,359	\$6,373,209	0.16%	\$195
2016	32,729	4,031,041,710	8,103,778	0.20	248
2015	32,729	3,857,337,275	9,788,444	0.25	299
2014	32,729	3,828,629,871	11,453,100	0.30	350
2013	32,729	3,866,250,605	13,107,009	0.34	400
2012	32,729	3,865,681,943	14,866,286	0.38	454
2011	32,729	3,882,011,730	16,544,639	0.43	506
2010	32,729	3,867,588,146	10,001,023	0.26	306
2009	31,972	4,162,877,026	11,090,129	0.27	347
2008	31,972	4,284,184,408	12,113,417	0.28	379

Source: (1) See S28 for population data.
 (2) See S14-15 for taxable property value data.

Note: Although the debt service fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

City of Westlake, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2017

Jurisdiction	Total Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Westlake
Direct Debt:			
City of Westlake			
General Obligation Bonds	\$6,373,209	100.00%	\$6,373,209
Special Assessment Bonds	200,000	100.00	200,000
Special Obligation Bonds	48,921,582	100.00	48,921,582
SIB Loans	8,200,694	100.00	8,200,694
Capital Lease	5,130	100.00	5,130
OPWC Loans	2,998,355	100.00	2,998,355
Total Direct Debt	66,698,970		66,698,970
Overlapping Debt:			
Payable from Property Taxes:			
Cuyahoga County General Obligation Bonds	222,259,855	5.34	11,868,676
Regional Transit Authority Bonds	1,995,000	5.34	106,533
Westlake City School District Bonds	115,956,540	100.00	115,956,540
Payable from Other Sources:			
Cuyahoga County Revenue Bonds	712,717,846	5.34	38,059,133
Cuyahoga County Certificates of Participation	246,517,627	5.34	13,164,041
Cuyahoga County Capital Leases	361,144,312	5.34	19,285,106
Cuyahoga County Loans	1,677,337	5.34	89,570
Regional Transit Authority Sales Tax Revenue Bonds	126,713,087	5.34	6,766,479
Westlake City School District Capital Leases	184,630	100.00	184,630
Total Overlapping Debt	1,789,166,234		205,480,708
Total	\$1,855,865,204		\$272,179,678

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) Percentages were determined by dividing each overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations used were for the 2017 collection year.

City of Westlake, Ohio

Legal Debt Margin

Last Ten Years

	2017	2016	2015	2014
Assessed Property Value	\$1,443,793,030	\$1,426,427,380	\$1,365,267,880	\$1,354,532,180
General Bonded Debt Outstanding:				
General Obligation Bonds	\$6,265,000	\$7,970,000	\$9,630,000	\$11,270,000
Special Obligation Bonds	48,330,000	48,330,000	48,330,000	48,330,000
Special Assessment Bonds	200,000	245,000	3,075,000	3,330,000
Bond Anticipation Notes	0	0	0	0
Total Gross Indebtedness	54,795,000	56,545,000	61,035,000	62,930,000
Less Exempt:				
Special Obligation Bonds	(48,330,000)	(48,330,000)	(48,330,000)	(48,330,000)
Special Assessment Bonds	(200,000)	(245,000)	(3,075,000)	(3,330,000)
General Obligation Bond Retirement Fund Balance	(209,980)	(212,206)	(218,092)	(220,716)
Issue II Bond Retirement Fund Balance	(152,310)	(151,900)	(150,110)	(148,758)
Total Net Debt Applicable to Debt Limit	5,902,710	7,605,894	9,261,798	10,900,526
Overall Legal Debt Limit				
10 1/2% of Assessed Valuation	151,598,268	149,774,875	143,353,127	142,225,879
Legal Debt Margin Within 10 1/2% Limitations	<u>\$145,695,558</u>	<u>\$142,168,981</u>	<u>\$134,091,329</u>	<u>\$131,325,353</u>
Legal Debt Margin as a Percentage of the Debt Limit	96.11%	94.92%	93.54%	92.34%
Unvoted Debt Limitation				
5 1/2% of Assessed Valuation	79,408,617	78,453,506	75,089,733	74,499,270
Total Gross Indebtedness	54,795,000	56,545,000	61,035,000	62,930,000
Less:				
Special Obligation Bonds	(48,330,000)	(48,330,000)	(48,330,000)	(48,330,000)
Special Assessment Bonds	(200,000)	(245,000)	(3,075,000)	(3,330,000)
General Obligation Bond Retirement Fund Balance	(209,980)	(212,206)	(218,092)	(220,716)
Issue II Bond Retirement Fund Balance	(152,310)	(151,900)	(150,110)	(148,758)
Net Debt Within 5 1/2% Limitations	5,902,710	7,605,894	9,261,798	10,900,526
Unvoted Legal Debt Margin Within 5 1/2% Limitations	<u>\$73,505,907</u>	<u>\$70,847,612</u>	<u>\$65,827,935</u>	<u>\$63,598,744</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	92.57%	90.31%	87.67%	85.37%

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

2013	2012	2011	2010	2009	2008
\$1,366,349,250	\$1,364,879,200	\$1,369,783,370	\$1,364,439,460	\$1,411,069,733	\$1,408,619,680
\$12,900,000	\$14,635,000	\$16,290,000	\$10,315,000	\$11,294,268	\$12,220,250
0	0	0	0	0	0
3,605,000	3,910,000	4,200,000	4,490,000	4,775,000	5,075,000
0	0	0	9,300,000	9,300,000	0
16,505,000	18,545,000	20,490,000	24,105,000	25,369,268	17,295,250
0	0	0	0	0	0
(3,605,000)	(3,910,000)	(4,200,000)	(4,490,000)	(4,775,000)	(5,075,000)
(297,891)	(553,220)	(723,548)	(854,116)	(1,352,542)	(1,710,602)
(147,964)	(151,190)	(148,505)	(35,000)	(35,000)	(35,000)
12,454,145	13,930,590	15,417,947	18,725,884	19,206,726	10,474,648
143,466,671	143,312,316	143,827,254	143,266,143	148,162,322	147,905,066
\$131,012,526	\$129,381,726	\$128,409,307	\$124,540,259	\$128,955,596	\$137,430,418
91.32%	90.28%	89.28%	86.93%	87.04%	92.92%
\$75,149,209	\$75,068,356	\$75,338,085	\$75,044,170	\$77,608,835	\$77,474,082
16,505,000	18,545,000	20,490,000	24,105,000	25,369,268	17,295,250
0	0	0	0	0	0
(3,605,000)	(3,910,000)	(4,200,000)	(4,490,000)	(4,775,000)	(5,075,000)
(297,891)	(553,220)	(723,548)	(854,116)	(1,352,542)	(1,710,602)
(147,964)	(151,190)	(148,505)	(35,000)	(35,000)	(35,000)
12,454,145	13,930,590	15,417,947	18,725,884	19,206,726	10,474,648
\$62,695,064	\$61,137,766	\$59,920,138	\$56,318,286	\$58,402,109	\$66,999,434
83.43%	81.44%	79.53%	75.05%	75.25%	86.48%

City of Westlake, Ohio
Pledged Revenue Coverage
American Greetings Fund (1)
Last Four Years (1)

Year	American Greetings Fund	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2017	\$3,706,657	\$0	\$1,980,569	\$1,980,569	1.87
2016	1,084,549	0	1,980,569	1,980,569	0.55
2015	539,499	0	1,980,569	1,980,569	0.27
2014	0	0	1,347,887	1,347,887	0.00

(1) The Tax Incremental Financing bonds were issued in 2014. The special obligation bonds will be paid from tax incremental financing (TIF) revenue. Collections began in 2015 and are not expected to cover debt service requirements until 2017.

City of Westlake, Ohio

Principal Employers

2016(1) and 2008

2016 (1)		
Employer	Employees	Percentage of Total City Employment
Hyland Software Inc	1,621	4.76 %
St. John Medical Center	1,480	4.36
American Greetings Corporation	1,403	4.13
University Hospital Health Systems	1,139	3.35
TA Operating LLC	696	2.05
Westlake City School District	619	1.82
City of Westlake	420	1.24
Equity Administrative Services	411	1.22
Premier Physician Centers	270	0.80
Energizer Battery Manufacturing Inc	199	0.59
Total	8,258	24.32 %
 Total City Employment	 33,955	

2008		
Employer	Employees	Percentage of Total City Employment
St. John West Shore Hospital	1,197	4.85 %
Hyland Software Inc	710	2.88
Westlake City School District	628	2.55
Energizer Battery Manufacturing Inc	450	1.83
City of Westlake	432	1.76
Lutheran Home	300	1.22
USG Interiors/American Metals	300	1.21
Harborside Healthcare	300	1.21
Travel Centers of America	300	1.21
Lake Erie Electric, Inc	275	1.10
Total	4,892	19.81 %
 Total City Employment	 24,692	

Source: City of Westlake, Ohio, Department of Planning of Economic amounts are estimates. Total City employment based upon estimate from the Regional Development - Regional Income Tax Authority 2016 withholding information.

(1) Information for 2017 was not available as of 12/31/2017.

City of Westlake, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1a)	Total Personal Income	Per Capita Personal Income (5) (1a)	Median Household Income (1a)	Median Age (1a)	Educational Attainment: Bachelor's Degree or higher (1a)
2017	32,729	\$1,676,706,670	\$51,230	\$80,989	47.2	52.5 %
2016	32,729	1,604,015,561	49,009	76,449	46.2	53.4
2015	32,729	1,527,920,636	46,684	76,358	45.3	52.4
2014	32,729	1,527,920,636	46,684	76,358	45.1	52.4
2013	32,729	1,435,723,043	43,867	74,008	45.0	51.2
2012	32,729	1,387,447,768	42,392	71,974	45.0	50.1
2011	32,729	1,336,259,612	40,828	68,282	45.0	46.2
2010	32,729	1,212,413,076	37,044	65,106	46.0	45.2
2009	31,972	1,184,370,768	37,044	65,106	46.0	45.2
2008	31,972	1,184,370,768	37,044	65,106	44.4	45.2

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

(a) 2010 - 2016: 2010 Federal Census

(a) 2008 - 2009: 2000 Federal Census

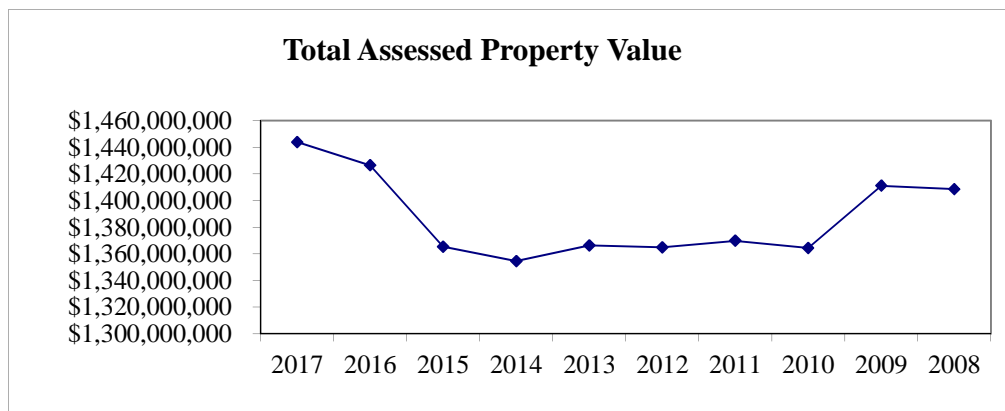
(2) Source: Westlake City School District Financial Audit

(3) Source: Ohio Dept. of Jobs and Family Services Civilian Labor Force Estimate

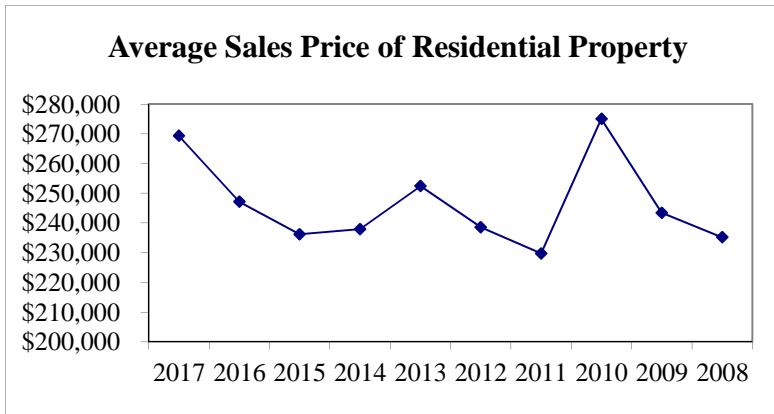
(b) Ohio Labor Market Information

(4) Source: Cuyahoga County Fiscal Officer

(5) Computation of per capita personal income divided by population



<u>School Enrollment (2)</u>	<u>City's Unemployment Rate (3b)</u>	<u>Average Sales Price of Residential Property (3)</u>	<u>Total Assessed Property Value (4)</u>
3,516	3.7 %	\$269,311	\$1,443,793,030
3,646	4.1	247,137	1,426,427,380
4,059	3.1	236,174	1,365,267,880
3,934	4.4	237,891	1,354,532,180
3,988	5.7	252,411	1,366,349,250
4,065	4.8	238,598	1,364,879,200
4,043	5.5	229,714	1,369,783,370
4,016	7.0	275,057	1,364,439,460
4,041	7.4	243,455	1,411,069,733
4,121	5.2	235,186	1,408,619,680



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

<u>Function/program</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Government:				
Council	4.5	4.5	4.5	4.5
Mayor	2.0	2.0	2.0	2.5
Finance	6.0	6.0	6.0	6.0
Information Technology	2.0	2.0	1.0	2.5
Law	5.0	5.0	5.0	5.0
Purchasing/Adm. Services	2.0	2.0	2.0	2.0
Communication	0.5	0.5	0.0	0.0
Human Resources	2.0	2.0	2.0	2.0
Planning	4.25	4.25	4.0	4.5
Safety Town	1.5	1.5	1.5	1.5
Central Dispatch	12.5	12.5	12.0	11.5
Police/Fire Operating Levy	13.0	14.0	14.0	14.0
Engineering	10.5	10.5	9.5	10.0
Inspection	10.5	10.5	10.5	10.0
Security of Persons and Property:				
Police	89.0	84.6	81.5	82.5
Fire	40.5	39.0	38.5	40.0
Recreation:				
Administration	5.0	4.5	3.5	3.0
Swimming Pool	26.5	42.0	43.5	43.5
Recreation Center	83.0	91.5	92.0	85.0
Golf Course	15.0	14.0	13.0	11.5
Senior/Community Services	16.0	15.1	15.0	15.0
Service:				
Administration	2.25	2.25	2.0	2.0
Building Maintenance	1.0	0.8	1.0	1.5
City Services	44.5	45.0	46.0	46.5
Sanitary/Storm Drainage	9.0	9.0	9.0	9.0
Parks	3.0	3.0	3.0	3.0
Forester	3.0	3.0	3.0	3.0
Street Maintenance	3.0	3.0	3.0	4.0
Cemetery	1.0	1.0	1.0	1.0
Miscellaneous	2.0	2.0	2.0	2.0
Totals:	<u>420.0</u>	<u>437.0</u>	<u>431.0</u>	<u>428.5</u>

Source: City of Westlake, Ohio 2008-2017 Annual Budgets

Method: Using 1.0 for each full-time employee, and 0.50 for each part-time and seasonal employee.
 Count taken at December 31.

2013	2012	2011	2010	2009	2008
4.5	4.5	4.5	4.5	4.5	4.5
2.0	2.0	2.0	1.0	2.0	2.0
6.0	5.8	5.8	5.8	6.0	6.5
2.5	2.5	3.0	2.0	2.0	3.0
5.0	6.5	6.5	6.5	6.5	6.5
1.5	3.5	3.5	4.0	3.0	3.0
1.0	1.0	1.0	2.0	2.0	2.0
1.0	0.0	0.0	0.0	0.0	1.0
4.0	4.5	5.0	4.5	5.5	6.0
2.0	2.0	1.5	1.5	1.5	1.5
12.5	13.0	11.5	12.5	12.5	12.5
14.0	16.0	18.0	20.0	20.0	20.0
12.0	12.5	12.5	13.0	11.5	12.5
10.0	10.0	9.5	9.5	9.5	9.5
84.5	79.0	76.0	80.5	85.0	87.0
39.5	40.0	35.0	37.5	38.0	40.0
3.0	3.0	4.5	5.0	4.5	4.5
43.5	44.5	46.0	44.0	46.5	50.0
92.5	94.0	100.0	70.0	67.0	62.5
14.5	10.5	14.0	10.5	12.0	12.0
14.0	15.5	15.5	14.5	14.0	13.5
2.0	2.0	2.0	2.0	2.0	2.0
1.5	1.5	1.5	1.5	1.0	1.0
49.0	47.0	41.5	40.0	37.5	40.5
7.0	6.8	8.8	8.8	9.0	8.0
2.0	4.0	4.5	4.5	5.0	6.0
4.0	5.0	4.0	4.0	5.0	5.0
3.0	2.0	3.0	4.0	4.0	5.5
1.0	1.0	1.0	1.0	2.0	2.5
1.5	1.0	1.0	1.0	1.0	1.0
440.5	440.6	442.6	415.6	420.0	431.5

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

Function/program	2017	2016	2015	2014
General Government				
Construction Permits Issued (2)	1,472	1,260	1,385	2,508
Estimated Value of Construction (2)	\$101,309,019	\$74,456,760	\$114,400,073	\$210,550,179
Economic Development Projects approved (square feet) (3)	373,092	189,858	54,474	435,421
Number of Planning Commission docket items (3)	90	103	106	89
Sewer Bills mailed (1)	39,007	38,551	38,233	37,868
Purchase Orders Issued (4)	2,450	2,379	2,429	2,549
Number of new litigations filed (5)	9	8	5	3
Number of pending litigations (5)	6	8	8	12
Police (6)				
Total Arrests	4,874	5,156	4,798	4,620
Part 1 Offenses (major offenses such as murder and theft)	388	460	521	503
DUI Arrests	296	166	195	165
Prisoners	1,133	1,026	897	879
Motor Vehicle Accidents	758	822	774	721
Calls for Service	38,666	36,352	33,751	31,721
Fire (7)				
Emergency responses	5,470	5,159	4,957	4,513
Fire Safety Inspections/Re-Inspections	1,439	1,191	123	362
Fire Protection Systems Inspected	1,072	962	627	786
Building/Fire Protection Plan Review	280	280	358	259
Number of Community Programs	41	37	41	99
Public Service (8)				
Road Maintenance (man hours)*	3,793	4,697	3,149	4,893
Asphalt (hot/cold) used in road maintenance (tons)	260	270	299	349
Concrete used in road maintenance (yards)	440	280	322	196
Number of Trees Removed	239	333	299	241
Number of Trees Planted	165	128	118	154
Truckloads of leaves picked-up	1,111	1,373	1,257	1,387
Cubic Yards of leaf humus delivered/sold	10,141	7,522	5,349	5,602
Cubic Yards of wood chips delivered/sold	2,774	2,289	4,036	3,193
Tons of snow melting salt purchased	4,692	5,586	7,026	7,287
Cemetery Internments	44	47	53	50
Grave purchases/Internment payments	\$34,192	\$44,527	\$61,050	\$40,955
Recreation (9)				
Recreation Center attendance**	592,700	601,178	583,299	566,189
No. of Peterson Pool Memberships	766	569	424	474
Learn to Swim enrollment (Peterson Pool only)	565	577	680	686
Average daily golf revenue (June, July, & August)	\$1,029	\$1,220	\$1,177	\$1,328
Senior/Community Services (10)				
Number of Activities/Programs	131	120	155	165
Activity Trips	41	37	43	41
Number of Volunteers	88	134	84	108
Newsletters	12,698	9,930	7,967	7,735
Transports	7,755	8,838	7,339	7,747
Miles Transported	58,721	58,830	57,324	51,572
Donations, Center/Assistance/Prescriptions	\$28,531	\$38,472	\$26,147	\$30,995

Sources:

- (1) City of Westlake Finance Department
- (2) City of Westlake Building Department
- (3) City of Westlake Department of Planning and Economic Development
- (4) City of Westlake Purchasing Department
- (5) City of Westlake Law Department

- (6) City of Westlake Police Department
- (7) City of Westlake Fire Department
- (8) City of Westlake Department of Public Service
- (9) City of Westlake Recreation Department
- (10) City of Westlake Department of Senior and Community Services

*Amounts are estimated

**Attendance based upon calendar year

2013	2012	2011	2010	2009	2008
1,433	1,471	1,247	1,247	1,172	1,262
\$95,473,407	\$144,334,087	\$61,334,146	\$29,719,620	\$37,905,420	\$51,180,020
63,718	937,338	451,454	20,096	160,308	108,103
93	96	87	82	82	117
37,287	36,811	36,196	35,752	35,477	38,687
2,659	2,618	2,776	2,777	2,879	3,391
4	5	5	8	8	7
10	9	9	16	11	11
4,827	5,806	5,906	6,424	6,227	6,253
509	507	594	598	585	486
176	246	185	215	232	246
53	1,273	1,203	1,294	1,471	1,259
729	755	733	750	687	761
31,331	33,606	34,268	33,914	34,626	33,040
4,301	4,267	4,364	4,318	4,134	4,320
317	576	916	1,066	2,351	1,627
818	926	928	805	638	521
279	272	289	240	278	412
74	78	64	41	45	84
5,399	2,813	3,324	3,416	3,429	8,947
234	280	660	396	313	770
262	349	301	280	330	344
258	417	262	274	360	305
229	186	224	162	217	245
1,457	1,387	1,200	1,450	1,538	1,229
6,908	8,213	7,744	5,443	6,622	7,180
3,277	3,576	3,554	2,827	4,432	4,404
4,822	4,713	4,877	6,342	4,262	6,842
52	32	44	35	49	46
\$58,925	\$34,425	\$52,050	\$28,110	\$46,440	\$51,330
595,200	587,182	524,081	504,222	512,754	517,171
568	591	611	548	537	828
893	901	826	784	832	943
\$1,861	\$2,047	\$2,031	\$2,363	\$2,689	\$2,968
194	143	122	122	138	102
45	39	49	51	36	47
141	387	108	175	200	145
7,304	7,579	9,600	10,400	9,600	10,400
4,867	5,211	6,419	6,434	6,431	6,194
47,163	49,834	54,612	50,162	46,648	54,319
\$29,489	\$33,966	\$29,125	\$27,385	\$27,172	\$51,298

City of Westlake, Ohio
Capital Asset Statistics by Function/Program
Last Ten Years

Function/program	2017	2016	2015	2014
General Government				
Square Footage Occupied (1)	40,000	40,000	40,000	40,000
Engineering Vehicles (2)	11	12	11	12
Inspection Vehicles (2)	7	7	7	7
Other Departmental Vehicles (2)	6	6	6	8
Police				
Stations	1	1	1	1
Square Footage of Building (3)	25,000	25,000	25,000	25,000
Vehicles (2)	43	41	43	38
Fire				
Stations	2	2	2	2
Vehicles (2)	18	18	16	18
Other public works				
Streets (miles)	139	139	137	137
Number of Streetlights (per light bill)	3,321	3,322	3,316	3,307
Public Service Vehicles (5)	72	66	68	64
Recreation				
Number of Parks	5	5	5	5
Recreation Centers	1	1	1	1
Recreation Center Square Footage	102,000	102,000	102,000	102,000
Vehicles (2)	5	7	7	7
Senior/Community Services				
Vehicles (4)	6	6	6	6
Wastewater				
Sanitary sewers (miles)	124	124	123	123

Sources:

- (1) City of Westlake Department of Engineering
- (2) City of Westlake Finance Department
- (3) City of Westlake Police Department
- (4) City of Westlake Department of Senior and Community Services
- (5) City of Westlake Department of Public Service

2013	2012	2011	2010	2009	2008
40,000	40,000	40,000	40,000	40,000	40,000
13	11	10	12	12	12
7	8	8	8	8	8
7	7	7	7	4	4
1	1	1	1	1	1
25,000	25,000	25,000	25,000	25,000	25,000
44	47	47	39	41	43
2	2	2	2	2	2
18	18	18	18	18	19
137	136	136	136	136	136
3,313	3,298	3,297	3,297	15,074	15,068
67	72	67	70	65	65
5	5	5	5	5	5
1	1	1	1	1	1
102,000	102,000	102,000	102,000	102,000	102,000
9	7	7	7	7	6
6	7	6	6	6	6
123	122	122	122	122	122

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City of Westlake, Ohio

For the Year Ended December 31, 2017

City of Westlake, Ohio

For the Year Ended December 31, 2017

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

Members of the City Council
City of Westlake, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westlake, 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, and have issued our report thereon dated June 27, 2018.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Members of the City Council
City of Westlake, Ohio

Compliance and Other Matters

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

Purpose of this Report

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

Cienni + Panichi, Inc.

Cleveland, Ohio
June 27, 2018

City of Westlake, Ohio

Schedule of Findings

For the Year Ended December 31, 2017

1. Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No

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

None noted.

City of Westlake, Ohio

Schedule of Prior Year Findings

For the Year Ended December 31, 2017

Finding No.	Finding Summary	Fully Corrected	Explanation
2016-001	<p><i>Material Weakness in Internal Control</i></p> <p>In receivables, classification between revenue and deferred inflows on the modified accrual basis of accounting is determined based on when the proceeds are received. Amounts received within the measurement period were improperly recorded as deferred inflows and amounts received after the measurement period were improperly recorded as revenue. During the audit, items were identified that were improperly excluded from accounts payable or retainage payable.</p> <p>The City has trustee accounts for funds restricted to a specific project. The trustee balance per the City's system was not agreeing to the balance per the trustee bank statements. The difference was the result of a transaction repaying the City for costs being recorded as revenue but the related expense was not recorded. The City identified this difference as part of their reconciliation process; however, it was not properly adjusted for financial reporting. This resulted in an audit adjustment to reduce cash in the in a specific fund by recording an expense for the payment to reimburse the City for costs incurred for the project.</p>	Yes	The City adopted procedures to ensure all third-party work was detailed reviewed.



Dave Yost • Auditor of State

CITY OF WESTLAKE

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 11, 2018