

**City of Generic, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2015*  
 Unaudited

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**The City as a Whole**

Recall that the Statement of Net Position provides the perspective of the City as a whole. Table 1 provides a summary of the City's net position for 2015 compared to 2014.

**2015 amounts**  
**tie to page 5**

(Table 1)  
 Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Assets</b>						
Current and Other Assets	\$3,059,345	\$3,414,607	\$1,901,092	\$1,958,585	\$4,960,437	\$5,373,192
Capital Assets, Net	11,873,954	11,871,796	9,760,610	9,033,396	21,634,564	20,905,192
<i>Total Assets</i>	<i>14,933,299</i>	<i>15,286,403</i>	<i>11,661,702</i>	<i>10,991,981</i>	<i>26,595,001</i>	<i>26,278,384</i>
<b>Deferred Outflows of Resources</b>						
Pension	241,212	161,172	130,117	89,062	371,329	250,234
<b>Liabilities</b>						
Current and Other Liabilities	109,021	84,343	244,303	167,946	353,324	252,289
Long-Term Liabilities:						
Due within One Year	78,456	55,128	380,583	146,570	459,039	201,698
Due in More than One Year:						
Net Pension Liability	1,766,901	1,677,813	730,142	713,650	2,497,043	2,391,463
Other Amounts	882,097	226,130	5,785,988	5,108,467	6,668,085	5,334,597
<i>Total Liabilities</i>	<i>2,836,475</i>	<i>2,043,414</i>	<i>7,141,016</i>	<i>6,136,633</i>	<i>9,977,491</i>	<i>8,180,047</i>
<b>Deferred Inflows of Resources</b>						
Property Taxes	287,040	355,053	0	0	287,040	355,053
Pension	7,862	0	12,827	0	20,689	0
<i>Total Deferred Inflows of Resources</i>	<i>294,902</i>	<i>355,053</i>	<i>12,827</i>	<i>0</i>	<i>307,729</i>	<i>355,053</i>
<b>Net Position</b>						
Net Investment in Capital Assets	11,037,602	11,714,434	3,660,471	3,836,872	14,698,073	15,551,306
Restricted for:						
Streets	295,318	374,701	0	0	295,318	374,701
Parks	225,332	310,640	0	0	225,332	310,640
Capital Projects	898,433	882,720	0	0	898,433	882,720
Police	16,297	14,503	0	0	16,297	14,503
Other Purposes	67,851	67,851	0	0	67,851	67,851
Unclaimed Monies	20,440	20,431	0	0	20,440	20,431
Unrestricted	(518,139)	(336,172)	977,505	1,107,538	459,366	771,366
<i>Total Net Position</i>	<i>\$12,043,134</i>	<i>\$13,049,108</i>	<i>\$4,637,976</i>	<i>\$4,944,410</i>	<i>\$16,681,110</i>	<i>\$17,993,518</i>

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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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.

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

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

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

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

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

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, from \$14,565,749 to \$13,049,108 for governmental activities and from \$5,568,998 to \$4,944,410 for business type activities.

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**Include any other analysis of current year to prior year.**

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2015 and 2014.

**amounts tie to  
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(Table 2)  
 Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$134,870	\$118,426	\$1,864,086	\$2,056,175	\$1,998,956	\$2,174,601
Operating Grants,						
Contributions and Interest	582,783	696,006	0	0	582,783	696,006
Capital Grants and Contributions	16,896	0	0	1,300	16,896	1,300
<i>Total Program Revenues</i>	<i>734,549</i>	<i>814,432</i>	<i>1,864,086</i>	<i>2,057,475</i>	<i>2,598,635</i>	<i>2,871,907</i>
General Revenues						
Property Taxes	376,931	315,262	0	0	376,931	315,262
Income Taxes	1,659,939	1,692,467	0	0	1,659,939	1,692,467
Grants and Entitlements	86,328	81,553	0	0	86,328	81,553
Interest	8,152	8,684	0	0	8,152	8,684
Other	55,957	32,607	1,102	4,265	57,059	36,872
Gain on Sale of Capital Assets	0	0	0	0	0	0
Insurance Recoveries	0	7,020	0	0	0	7,020
<i>Total General Revenues</i>	<i>2,187,307</i>	<i>2,137,593</i>	<i>1,102</i>	<i>4,265</i>	<i>2,188,409</i>	<i>2,141,858</i>
<b>Total Revenues</b>	<b>2,921,856</b>	<b>2,952,025</b>	<b>1,865,188</b>	<b>2,061,740</b>	<b>4,787,044</b>	<b>5,013,765</b>
<b>Program Expenses</b>						
General Government	642,279	476,402	0	0	642,279	476,402
Security of Persons and Property:						
Police	827,854	838,610	0	0	827,854	838,610
Fire	498,310	483,907	0	0	498,310	483,907
Transportation	1,278,497	1,334,212	0	0	1,278,497	1,334,212
Leisure Time Activities	304,922	345,109	0	0	304,922	345,109
Community Environment	368,843	158,251	0	0	368,843	158,251
Interest and Fiscal Charges	7,125	7,482	0	0	7,125	7,482
Water	0	0	1,149,980	1,048,443	1,149,980	1,048,443
Sewer	0	0	1,021,642	885,975	1,021,642	885,975
Parking Meter	0	0	0	3,386	0	3,386
<i>Total Program Expenses</i>	<i>3,927,830</i>	<i>3,643,973</i>	<i>2,171,622</i>	<i>1,937,804</i>	<i>6,099,452</i>	<i>5,581,777</i>
<i>Increase (Decrease) in Net Position</i>	<i>(1,005,974)</i>	<i>(691,948)</i>	<i>(306,434)</i>	<i>123,936</i>	<i>(1,312,408)</i>	<i>(568,012)</i>
<i>Net Position at Beginning of Year</i>	<i>13,049,108</i>	<i>N/A</i>	<i>4,944,410</i>	<i>N/A</i>	<i>17,993,518</i>	<i>N/A</i>
<i>Net Position at End of Year</i>	<i>\$12,043,134</i>	<i>\$13,049,108</i>	<i>\$4,637,976</i>	<i>\$4,944,410</i>	<i>\$16,681,110</i>	<i>\$17,993,518</i>

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**see page 13**

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$250,234 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$256,801. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities	Business -Type Activities	Total
Total 2015 program expenses under GASB 68	\$3,927,830	\$2,171,622	\$6,099,452
Pension expense under GASB 68 <b>see page 8</b>	(177,379)	(79,422)	(256,801)
2015 contractually required contribution	160,469	91,158	251,627
Adjusted 2015 program expenses	3,910,920	2,183,358	6,094,278
Total 2014 program expenses under GASB 27	3,643,973	1,937,804	5,581,777
Increase in program expenses not related to pension	<u>\$266,947</u>	<u>\$245,554</u>	<u>\$512,501</u>

Include any analysis of the program expenses.

**net of \$11,736; see page 11**

**See page 16  
 \$147,029 +  
 \$104,598 page 17  
 = \$251,627**

**see page 3**

tie to page 1

**City of Generic, Ohio**  
*Statement of Net Position*  
*December 31, 2015*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$2,220,040	\$1,730,373	\$3,950,413
Accounts Receivable	0	156,559	156,559
Intergovernmental Receivable	104,005	0	104,005
Income Taxes Receivable	331,577	0	331,577
Prepaid Items	27,167	14,160	41,327
Property Taxes Receivable	376,556	0	376,556
Nondepreciable Capital Assets	424,159	155,955	580,114
Depreciable Capital Assets, Net	11,449,795	9,604,655	21,054,450
<i>Total Assets</i>	<i>14,933,299</i>	<i>11,661,702</i>	<i>26,595,001</i>
<b>Deferred Outflows of Resources</b>			<b>see page 18</b>
Pension	241,212	130,117	371,329
<b>Liabilities</b>		<b>see page 9</b>	
Accounts Payable	16,005	36,157	52,162
Accrued Wages Payable	32,027	18,414	50,441
Intergovernmental Payable	60,564	33,513	94,077
Accrued Interest Payable	425	55,681	56,106
Customer Deposits Payable	0	100,538	100,538
Long-Term Liabilities:			<b>see page 18</b>
Due within One Year	78,456	380,583	459,039
Due in More than One Year:			
Net Pension Liability (See Note xx)	1,766,901	730,142	2,497,043
Other Amounts Due in More than One Year	882,097	5,785,988	6,668,085
<i>Total Liabilities</i>	<i>2,836,475</i>	<i>7,141,016</i>	<i>9,977,491</i>
<b>Deferred Inflows of Resources</b>			<b>see page 18</b>
Property Taxes	287,040	0	287,040
Pension	7,862	12,827	20,689
<i>Total Deferred Inflows of Resources</i>	<i>294,902</i>	<i>12,827</i>	<i>307,729</i>
<b>Net Position</b>			
Net Investment in Capital Assets	11,037,602	3,660,471	14,698,073
Restricted for:			
Streets	295,318	0	295,318
Parks	225,332	0	225,332
Capital Projects	898,433	0	898,433
Police	16,297	0	16,297
Other Purposes	67,851	0	67,851
Unclaimed Monies	20,440	0	20,440
Unrestricted	(518,139)	977,505	459,366
<i>Total Net Position</i>	<i>\$12,043,134</i>	<i>\$4,637,976</i>	<i>\$16,681,110</i>

See accompanying notes to the basic financial statements

**City of Generic, Ohio**  
*Statement of Activities*  
*For the Year Ended December 31, 2015*

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	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government	\$642,279	\$14,074	\$5,635	\$0
Security of Persons and Property:				
Police	827,854	40,342	0	0
Fire	498,310	6,062	0	0
Transportation	1,278,497	0	200,999	16,896
Leisure Time Activities	304,922	74,392	14,281	0
Community Environment	368,843	0	361,868	0
Interest and Fiscal Charges	7,125	0	0	0
<i>Total Governmental Activities</i>	<u>3,927,830</u>	<u>134,870</u>	<u>582,783</u>	<u>16,896</u>
<b>Business-Type Activities</b>				
Water	1,149,980	933,067	0	0
Sewer	1,021,642	931,019	0	0
<i>Total Business-Type Activities</i>	<u>2,171,622</u>	<u>1,864,086</u>	<u>0</u>	<u>0</u>
<i>Totals</i>	<u><u>\$6,099,452</u></u>	<u><u>\$1,998,956</u></u>	<u><u>\$582,783</u></u>	<u><u>\$16,896</u></u>

**General Revenues**

Property Taxes Levied for:

General Purposes

Street Construction and Maintenance

Parks and Recreation

Income Taxes Levied for:

General Purposes

Capital Improvements

Grants and Entitlements not Restricted to Specific Programs

Interest

Other

*Total General Revenues**Change in Net Position**Net Position at Beginning of Year - Restated (See Note 3)**Net Position at End of Year*

See accompanying notes to the basic financial statements

**Net (Expense) Revenue  
and Changes in Net Position**

Governmental Activities	Business-Type Activities	Total
(\$622,570)	\$0	(\$622,570)
(787,512)	0	(787,512)
(492,248)	0	(492,248)
(1,060,602)	0	(1,060,602)
(216,249)	0	(216,249)
(6,975)	0	(6,975)
(7,125)	0	(7,125)
<hr/>	<hr/>	<hr/>
(3,193,281)	0	(3,193,281)
<hr/>	<hr/>	<hr/>
0	(216,913)	(216,913)
0	(90,623)	(90,623)
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0	(307,536)	(307,536)
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(3,193,281)	(307,536)	(3,500,817)
<hr/>	<hr/>	<hr/>
158,361	0	158,361
199,989	0	199,989
18,581	0	18,581
<hr/>	<hr/>	<hr/>
1,412,325	0	1,412,325
247,614	0	247,614
86,328	0	86,328
8,152	0	8,152
55,957	1,102	57,059
<hr/>	<hr/>	<hr/>
2,187,307	1,102	2,188,409
<hr/>	<hr/>	<hr/>
(1,005,974)	(306,434)	(1,312,408)
<hr/>	<hr/>	<hr/>
13,049,108	4,944,410	17,993,518
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\$12,043,134	\$4,637,976	\$16,681,110
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**see page 13**

## Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	241,212
Deferred Inflows - Pension	7,862
Net Pension Liability	<u>1,766,901</u>

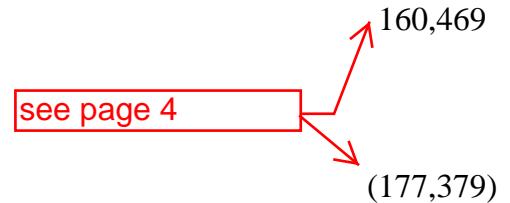
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see page 5	2,015,975
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## Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

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

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



**City of Generic, Ohio**  
*Statement of Fund Net Position*  
*Enterprise Funds*  
*December 31, 2015*

	Water	Sewer	Parking Meter	Total Enterprise Funds
<b>Assets</b>				
Current:				
Equity in Pooled Cash and Cash Equivalents	\$688,292	\$897,972	\$43,571	\$1,629,835
Restricted Assets:				
Customer Deposits	60,310	40,228	0	100,538
Accounts Receivable	83,612	72,947	0	156,559
Prepaid Items	7,786	6,374	0	14,160
<i>Total Current Assets</i>	<i>840,000</i>	<i>1,017,521</i>	<i>43,571</i>	<i>1,901,092</i>
Noncurrent:				
Nondepreciable Capital Assets	36,497	119,458	0	155,955
Depreciable Capital Assets, Net	6,780,680	2,823,975	0	9,604,655
<i>Total Noncurrent Assets</i>	<i>6,817,177</i>	<i>2,943,433</i>	<i>0</i>	<i>9,760,610</i>
<i>Total Assets</i>	<i>7,657,177</i>	<i>3,960,954</i>	<i>43,571</i>	<i>11,661,702</i>
<b>Deferred Outflows of Resources</b>				
Pension	77,651	52,466	0	130,117
<b>Liabilities</b>				
Current:				
Accounts Payable	7,831	28,326	0	36,157
Accrued Wages Payable	11,026	7,388	0	18,414
Intergovernmental Payable	17,028	16,485	0	33,513
Accrued Interest Payable	47,641	8,040	0	55,681
OWDA Loans Payable	209,240	105,590	0	314,830
OPWC Loans Payable	33,250	9,453	0	42,703
Compensated Absences Payable	14,045	9,005	0	23,050
Customer Deposits Payable	60,310	40,228	0	100,538
<i>Total Current Liabilities</i>	<i>400,371</i>	<i>224,515</i>	<i>0</i>	<i>624,886</i>
Long-Term:				
OWDA Loans Payable	4,134,706	648,807	0	4,783,513
OPWC Loans Payable	825,289	133,804	0	959,093
Compensated Absences Payable	29,890	13,492	0	43,382
Net Pension Liability	435,730	294,412	0	730,142
<i>Total Long-Term Liabilities</i>	<i>5,425,615</i>	<i>1,090,515</i>	<i>0</i>	<i>6,516,130</i>
<i>Total Liabilities</i>	<i>5,825,986</i>	<i>1,315,030</i>	<i>0</i>	<i>7,141,016</i>
<b>Deferred Inflows of Resources</b>				
Pension	7,655	5,172	0	12,827
<b>Net Position</b>				
Net Investment in Capital Assets	1,614,692	2,045,779	0	3,660,471
Unrestricted	286,495	647,439	43,571	977,505
<i>Total Net Position</i>	<i>\$1,901,187</i>	<i>\$2,693,218</i>	<i>\$43,571</i>	<i>\$4,637,976</i>

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**City of Generic, Ohio**  
*Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Enterprise Funds  
For the Year December 31, 2015*

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	Water	Sewer	Parking Meter	Total Enterprise Funds
<b>Operating Revenues</b>				
Charges for Services	\$933,067	\$931,019	\$0	\$1,864,086
Other Operating Revenues	0	1,102	0	1,102
<i>Total Operating Revenues</i>	<u>933,067</u>	<u>932,121</u>	<u>0</u>	<u>1,865,188</u>
<b>Operating Expenses</b>				
Salaries and Wages	402,290	327,717	0	730,007
Fringe Benefits	164,047	107,898	0	271,945
Contractual Services	145,358	212,967	0	358,325
Materials and Supplies	220,133	104,090	0	324,223
Depreciation	167,134	186,507	0	353,641
Capital Outlay	709	40,087	0	40,796
Other	0	25,629	0	25,629
<i>Total Operating Expenses</i>	<u>1,099,671</u>	<u>1,004,895</u>	<u>0</u>	<u>2,104,566</u>
<i>Operating Income</i>	(166,604)	(72,774)	0	(239,378)
<b>Non-Operating Expenses</b>				
Interest and Fiscal Charges	(50,309)	(16,747)	0	(67,056)
<i>Change in Net Position</i>	(216,913)	(89,521)	0	(306,434)
<i>Net Position at Beginning of Year</i>	2,118,100	2,782,739	43,571	4,944,410
<i>Restated (See Note 3)</i>	<u>2,118,100</u>	<u>2,782,739</u>	<u>43,571</u>	<u>4,944,410</u>
<i>Net Position at End of Year</i>	<u>\$1,901,187</u>	<u>\$2,693,218</u>	<u>\$43,571</u>	<u>\$4,637,976</u>

See accompanying notes to the basic financial statements

see page 13

**City of Generic, Ohio**  
**Statement of Cash Flows**  
**Enterprise Funds**  
*For the Year Ended December 31, 2015*

	Water	Sewer	Nonmajor	Total Enterprise Funds
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>				
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$1,025,914	\$1,010,323	\$0	\$2,036,237
Cash Payments for Employee Services and Benefits	(557,301)	(439,179)	0	(996,480)
Cash Payments to Suppliers for Goods and Services	(365,590)	(329,566)	0	(695,156)
Other Operating Revenues	0	1,102	0	1,102
Customer Deposits Received	7,590	5,060	0	12,650
Other Operating Expenses	0	(25,629)	0	(25,629)
Customer Deposits Returned	(7,410)	(4,918)	0	(12,328)
<i>Net Cash Provided by Operating Activities</i>	<u>103,203</u>	<u>217,193</u>	<u>0</u>	<u>320,396</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition of Capital Assets	(1,063,911)	(16,944)	0	(1,080,855)
Proceeds from OWDA Loans	910,047	1,179	0	911,226
Proceeds from OPWC Loans	128,653	0	0	128,653
Principal Paid on OWDA Loans	(17,120)	(99,773)	0	(116,893)
Interest Paid on OWDA Loans	(4,056)	(16,585)	0	(20,641)
Principal Paid on OPWC Loans	(9,918)	(9,453)	0	(19,371)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(56,305)</u>	<u>(141,576)</u>	<u>0</u>	<u>(197,881)</u>
<i>Net Increase in Cash and Cash Equivalents</i>	<u>46,898</u>	<u>75,617</u>	<u>0</u>	<u>122,515</u>
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>701,704</u>	<u>862,583</u>	<u>43,571</u>	<u>1,607,858</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><b>\$748,602</b></u>	<u><b>\$938,200</b></u>	<u><b>\$43,571</b></u>	<u><b>\$1,730,373</b></u>
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:</b>				
<i>Operating Loss</i>	(\$166,604)	(\$72,774)	\$0	(\$239,378)
<i>Adjustments:</i>				
Depreciation	167,134	186,507	0	353,641
(Increase) Decrease in Assets:				
Accounts Receivable	92,847	79,304	0	172,151
Prepays Items	9,444	(1,587)	0	7,857
Decrease in Deferred Outflows of Resources - Pension	4,561	3,082	0	7,643
Increase (Decrease) in Liabilities:				
Accounts Payable	610	27,578	0	28,188
Accrued Wages Payable	683	(22)	0	661
Compensated Absences Payable	4,147	3,772	0	7,919
Customer Deposits	180	142	0	322
Intergovernmental Payable	1,766	(995)	0	771
Net Pension Liability	(8,033)	(5,428)	0	(13,461)
Decrease in Deferred Outflows of Resources - Pension	(3,532)	(2,386)	0	(5,918)
<i>Net Cash Provided by Operating Activities</i>	<u><b>\$103,203</b></u>	<u><b>\$217,193</b></u>	<u><b>\$0</b></u>	<u><b>\$320,396</b></u>

See accompanying notes to the basic financial statements

**Note: these amounts will come from the workpapers and will reflect the changes in these amounts that impacted operating income--excluding the change in NPL related to deferred inflows/outflows.**

**net of \$11,736; see page 4**

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*Notes to the Basic Financial Statements*  
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## **Note 2 - Summary of Significant Accounting Policies**

### **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 pension. The deferred outflows of resources related to pension are explained in Note XX.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance 2016 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note XX)

### **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.

### ***Accrued Liabilities and Long-term Obligations***

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

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

## **Note 3 – Change in Accounting Principle and Restatement of Net Position**

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for

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prior year financial statements

Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

	Governmental Activities	Business -Type Activities		
<b>Net position December 31, 2014</b>	<b>\$14,565,749</b>	<b>\$5,568,998</b>		
<b>Adjustments:</b>				
Net Pension Liability	(1,677,813)	(713,650)		
Deferred Outflow - Payments Subsequent to Measurement Date	161,172	89,062		
<b>Restated Net Position December 31, 2014</b>	<b>\$13,049,108</b>	<b>\$4,944,410</b>		
	<b>see page 23</b>	<b>see page 2</b>		
		<b>see page 7</b>		
	Water	Sewer	Parking Meter	Total Enterprise
<b>Net position December 31, 2014</b>	<b>\$2,490,838</b>	<b>\$3,034,589</b>	<b>\$43,571</b>	<b>\$5,568,998</b>
<b>Adjustments:</b>		<b>see page 23</b>		
Net Pension Liability	(425,888)	(287,762)	0	(713,650)
Deferred Outflow - Payments Subsequent to Measurement Date	53,150	35,912	0	89,062
<b>Restated Net Position December 31, 2014</b>	<b>\$2,118,100</b>	<b>\$2,782,739</b>	<b>\$43,571</b>	<b>\$4,944,410</b>
	<b>see page 23</b>			<b>to page 10</b>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

## Note 11 - Defined Benefit Pension Plans

### *Net Pension Liability*

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

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables,

**City of Generic, Ohio**  
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including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

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

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

***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):

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*Notes to the Basic Financial Statements*  
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<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
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
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

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

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

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	<u>State and Local</u>
<b>2015 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2015 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	<u>14.0 %</u>
Employee	
<u>10.0 %</u>	

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$147,029 for 2015. Of this amount, \$17,985 is reported as an intergovernmental payable.

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from workpapers

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

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

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

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

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

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision

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for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

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

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

	<u>Police</u>	<u>Firefighters</u>
<b>2015 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %
<b>2015 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u><u>19.50 %</u></u>	<u><u>24.00 %</u></u>
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$104,598 for 2015. Of this amount \$13,166 is reported as an intergovernmental payable.

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from workpapers

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2015, the specific liability of the City was \$63,823 payable in semi-annual payments through the year 2035.

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**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, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. 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:

from pension system	OPERS	OP&F	Total
Proportionate Share of the Net Pension Liability	\$1,177,648	\$1,319,395	\$2,497,043
Proportion of the Net Pension Liability	0.009764%	0.0254689%	
Pension Expense	\$128,100	\$128,701	\$256,801
starts from amount from pension system with any other adjustments			

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

from pension system	OPERS	OP&F	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$62,837	\$56,865	\$119,702
City contributions subsequent to the measurement date	147,029	104,598	251,627
Total Deferred Outflows of Resources	<u>\$209,866</u>	<u>\$161,463</u>	<u>\$371,329</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	<u>\$20,689</u>	<u>\$0</u>	<u>\$20,689</u>

\$251,627 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2016	\$6,163	\$14,216	\$20,379
2017	6,163	14,216	20,379
2018	14,112	14,216	28,328
2019	<u>15,710</u>	<u>14,217</u>	<u>29,927</u>
Total	<u>\$42,148</u>	<u>\$56,865</u>	<u>\$99,013</u>

tie to 1 - 2 above

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***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 in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

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 2014 and the long-term expected real rates of return:

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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
<b>Total</b>	<b>100.00 %</b>	<b>5.28 %</b>

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

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

collective  
amounts from  
pension  
system  
multiplied by  
proportionate  
share  
percentages

City's proportionate share of the net pension liability	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
al Assumptions – OPF	\$2,166,534	\$1,177,648	\$344,767

OPF's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

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Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
 Total	 <u>120.00</u> %	

\* levered 2x

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

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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.

collective  
amounts from  
pension system  
multiplied by  
proportionate  
share  
percentages

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$1,824,923	\$1,319,395	\$891,367

**6 - Long-Term Obligations**

**to page 18**

The changes in the City's long-term obligations during 2015 were as follows:

**City of Generic, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*

to page 17

	Principal Outstanding 12/31/14	Additions	Deductions	Principal Outstanding 12/31/15	Amounts Due in One Year
<b>Governmental Activities:</b>					
2007 OWDA Adams Street Improvements Loan - 2.00%	\$43,384	\$416	\$1,310	\$42,490	\$2,658
2008 OPWC Adams Street Improvements Loan - 0%	24,503	0	1,517	22,986	1,517
2014 OPWC Jefferson and Watkins Street Improvements Loan - 0%	0	696,970	0	696,970	13,939
Capital Leases	89,475	31,291	46,860	73,906	39,864
Police and Fire Pension Liability	65,751	0	1,928	63,823	2,010
Compensated Absences	58,145	18,776	16,543	60,378	18,468
Net Pension Liability:					
OPERS	437,398	10,108	0	447,506	0
OP&F	1,240,415	78,980	0	1,319,395	0
Total Net Pension Liability	<u>1,677,813</u>	<u>89,088</u>	<u>0</u>	<u>1,766,901</u>	<u>0</u>
<b>Total Governmental Activities</b>	<b><u>\$1,959,071</u></b>	<b><u>\$836,541</u></b>	<b><u>\$68,158</u></b>	<b><u>\$2,727,454</u></b>	<b><u>\$78,456</u></b>
<b>Business-Type Activities:</b>					
OWDA Loans:					
1998 Sylvania Avenue Sewer Loan - 2.20%	\$148,217	\$0	\$31,688	\$116,529	\$32,289
2002 Sewer Digestor Loan - 2.20%	429,174	0	49,629	379,545	50,727
2002 State Route 33 Sewer Improvements Loan - 2.00%	152,676	0	14,746	137,930	15,042
2007 Adams Street Sewer Improvements Loan - 2.00%	122,924	1,179	3,710	120,393	7,532
2002 Water Improvements Loan - 2.00%	138,846	0	13,410	125,436	13,680
2007 Adams Street Water Improvements Loan - 2.00%	122,924	1,179	3,710	120,393	7,532
2012 Water Treatment Plant Loan - 1.98%	3,189,249	908,868	0	4,098,117	188,028
Total OWDA Loans	<u>4,304,010</u>	<u>911,226</u>	<u>116,893</u>	<u>5,098,343</u>	<u>314,830</u>
OPWC Loans:					
2008 Adams Street Sewer Improvements Loan - 0%	321,167	0	19,371	301,796	19,370
2012 Water Treatment Plant Loan					
Loan - 0%	571,347	128,653	0	700,000	23,333
Total OPWC Loans	<u>892,514</u>	<u>128,653</u>	<u>19,371</u>	<u>1,001,796</u>	<u>42,703</u>
Compensated Absences	58,513	10,053	2,134	66,432	23,050
Net Pension Liability - OPERS:					
Water	425,888	9,842	0	435,730	0
Sewer	287,762	6,650	0	294,412	0
Total Net Pension Liability - OPERS	<u>713,650</u>	<u>16,492</u>	<u>0</u>	<u>730,142</u>	<u>0</u>
<b>Total Business-Type Activities</b>	<b><u>\$5,968,687</u></b>	<b><u>\$1,066,424</u></b>	<b><u>\$138,398</u></b>	<b><u>\$6,896,713</u></b>	<b><u>\$380,583</u></b>

**City of Generic, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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The Government pays obligations related to employee compensation from the fund benefitting from their service.

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

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	2015	2014
City's Proportion of the Net Pension Liability	0.0097640%	0.0097640%
	\$1,177,648	\$1,151,048
City's Proportionate Share of the Net Pension Liability	\$1,197,067	\$1,236,303
City's Covered-Employee Payroll	from workpapers	see page 27
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	98.38%	93.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%
(1) Information prior to 2014 is not available.		

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

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

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	2015	2014
City's Proportion of the Net Pension Liability	0.0254689%	0.0254689%
	\$1,319,395	\$1,240,415
City's Proportionate Share of the Net Pension Liability	\$523,461	\$519,585
City's Covered-Employee Payroll	from workpapers	see page 28
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	252.05%	238.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%
(1) Information prior to 2014 is not available.		from pension system CAFR

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

plus similar amount  
on page 28 to page  
18

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

see page 16

	2015	2014	2013
Contractually Required Contribution	\$147,029	\$143,648	\$160,719
Contributions in Relation to the Contractually Required Contribution	<u>(147,029)</u>	<u>(143,648)</u>	<u>(160,719)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered-Employee Payroll	\$1,225,242	\$1,197,067	\$1,236,303
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available.

see page 25

plus similar amount  
on page 27 to page  
18

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

amounts prior to 2014 from  
prior financial statements

see page 17

	2015	2014	2013	2012
Contractually Required Contribution	\$104,598	\$106,586	\$88,724	\$81,209
Contributions in Relation to the Contractually Required Contribution	<u>(104,598)</u>	<u>(106,586)</u>	<u>(88,724)</u>	<u>(81,209)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered-Employee Payroll	\$520,737	\$523,461	\$519,585	\$557,508
Contributions as a Percentage of Covered-Employee Payroll:	20.09%	20.36%	17.08%	14.57%

see page 26

2011	2010	2009	2008	2007	2006
\$78,896	\$66,114	\$63,167	\$65,831	\$57,786	\$43,650
<u>(78,896)</u>	<u>(66,114)</u>	<u>(63,167)</u>	<u>(65,831)</u>	<u>(57,786)</u>	<u>(43,650)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$557,745	\$474,107	\$452,148	\$461,533	\$394,257	\$334,125
14.15%	13.94%	13.97%	14.26%	14.66%	13.06%