

2016 Comprehensive Annual Financial Report



FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016





COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2016

Prepared by the Auditor's Office

Ed Cunningham
City Auditor

and

M. Scott McKeehan, CPA
Finance Director



TABLE OF CONTENTS

**CITY OF SHARONVILLE
HAMILTON COUNTY, OHIO**

I INTRODUCTORY SECTION

A Letter of Transmittalv
B Elected Officialsxii
C City Organizational Chartxiii
D Certificate of Achievement for Excellence in Financial Reporting.....xiv

II FINANCIAL SECTION

A Independent Auditor’s Report.....1
B Management’s Discussion and Analysis.....3
C Basic Financial Statements:
 Government-wide Financial Statements:
 Statement of Net position14
 Statement of Activities16
 Fund Financial Statements:
 Governmental Funds:
 Balance Sheet18
 Reconciliation of Total Governmental Fund Balances to Net position of
 Governmental Activities.....20
 Statement of Revenues, Expenditures and Changes in Fund Balances22
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances to the Statement of Activities.....24
 Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual (Non-GAAP Budgetary Basis):
 General Fund25
 Fire Department Fund.....26
 Proprietary Funds:
 Statement of Net position28
 Statement of Revenues, Expenses and Changes in Fund Net position31
 Statement of Cash Flows32
 Fiduciary Funds:
 Statement of Net position34
 Statement of Changes in Net position.....35
Notes to the Basic Financial Statements.....36

D	Required Supplemental Information:	
	Schedule of the City’s Proportionate Share of the Net Pension Liability.....	80
	Schedule of City Contributions	81
E	Combining and Individual Fund Statements and Schedules:	
	Nonmajor Governmental Financial Statements:	
	Combining Balance Sheet.....	88
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	89
	Combining Balance Sheet – Nonmajor Special Revenue Funds	90
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	94
	Combining Balance Sheet – Nonmajor Debt Service Funds	98
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	100
	Combining Balance Sheet – Nonmajor Capital Projects Funds	102
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	104
	Individual Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
	Major Governmental Funds:	
	<i>General Fund</i>	106
	<i>Special Revenue Fund:</i>	
	Fire Department Fund	110
	<i>Capital Projects Funds:</i>	
	Capital Improvement Fund.....	111
	Chester Road TIF Fund	112
	Nonmajor Governmental Funds:	
	<i>Special Revenue Funds:</i>	
	Street Construction, Maintenance and Repair Fund	113
	State Highway Fund	114
	Permissive Motor Vehicle Tax Fund.....	115
	Federal Emergency Management Agency (FEMA) Fund.....	116
	State Health Licenses Fund	117
	Teen Fund.....	118

Special Revenue Funds (Continued):

Law Enforcement Trust Fund.....	119
Drug Law Enforcement Fund.....	120
DUI Checkpoint Grant Fund.....	121
DUI Education and Enforcement Fund.....	122
Mayor’s Court Computer Fund.....	123
Clerk of Courts Computer Fund.....	124
Confinement Reimbursement Fund.....	125
Community Oriented Policing Services (COPS) Grant Fund.....	126
Drug Enforcement Agency (DEA) Federal Sharing Fund.....	127
Termination Benefits Fund.....	128
Other Grants Fund.....	129
Police Grants Fund.....	130

Debt Service Funds:

Note Debt Retirement Fund.....	131
Debt Retirement Fund.....	132
Special Assessment Bond Retirement Fund.....	133
Convention Hotel Debt Fund.....	134
Zind Lane Sewer Fund.....	135

Capital Projects Funds:

Capital Improvement Issue II Fund.....	136
Gateway 75 TIF Fund.....	137
Downtown TIF Fund.....	138
Facility Improvement Fund.....	139
Fire Equipment Fund.....	140
Storm Water Fund.....	141

Fiduciary Funds – Agency Funds:

Combining Statement of Changes in Assets and Liabilities.....	143
---	-----

III

STATISTICAL SECTION

Net position by Component - Last Ten Years S 2

Changes in Net position - Last Ten Years..... S 4

Fund Balances, Governmental Funds - Last Ten Years S 8

Changes in Fund Balances, Governmental Funds - Last Ten Years S 10

Income Tax Revenues by Source, Governmental Funds - Last Ten Years S 14

Income Tax Collections - Current Year and Nine Years Ago..... S 17

Ratio of Outstanding Debt By Type - Last Ten Years S 18

Ratios of General Bonded Debt Outstanding - Last Ten Years..... S 20

Computation of Direct and Overlapping Debt Attributable to
Governmental Activities - Current Year S 23

Debt Limitations - Last Ten Years S 24

Pledged Revenue Coverage - Last Ten Years S 26

Demographic and Economic Statistics - Last Ten Years S 28

Principal Employers - Current Year and Nine Years Ago S 31

Full Time Equivalent Employees by Function - Last Ten Years S 32

Operating Indicators by Function - Last Ten Years S 34

Capital Asset Statistics by Function - Last Ten Years S 36

INTRODUCTORY SECTION





June 29, 2017

Honorable Mayor, Members of City Council
and Citizens of Sharonville, Ohio:

We are pleased to submit the fifteenth Comprehensive Annual Financial Report for the City of Sharonville for the fiscal year ended December 31, 2016. This report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Introduction

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Sharonville (the "City") to conform to nationally recognized standards of excellence in financial reporting and to provide significantly enhanced financial information and accountability to its citizens. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This letter should be read in conjunction with the Management Discussion and Analysis (MD&A) that can be found immediately following the Independent Accountants' Report.

The Reporting Entity

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 61 *"The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34,"* in that the financial statements include all organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide financial benefit to or impose a financial burden on the City.

The City provides the following services to its residents and businesses: police and fire protection, emergency medical response, parks and recreational activities, planning, zoning, street maintenance, solid waste collection, income tax collection and other governmental services. In addition, the City owns and operates a convention center and a senior apartment complex, which are reported as enterprise funds.

The Community Improvement Corporation of Sharonville is reported as a discretely presented component unit in a separate column in the combined financial statements.

***Letter of Transmittal
For the Year Ended December 31, 2016***

The City of Sharonville

The City of Sharonville is located in Hamilton County in southwestern Ohio. The City is situated east of Interstate 75 and south of Interstate 275, approximately 15 miles north of downtown Cincinnati. Sharonville was originally settled in 1788 and was incorporated as a City in 1962. It is a Statutory City with a Mayor-Council form of government.

The legislative body of Sharonville consists of a seven-member Council whose members are elected to serve two-year terms. The chief executive and administrative officer of the City is the Mayor who is elected to a four-year term. The Law Director is elected to a four-year term and heads the Department of Law. The City Auditor, who is elected to a four-year term, supervises the Department of Finance and performs the powers, duties and functions of the fiscal officer of the City pursuant to the general laws of Ohio. In addition, the City Auditor is responsible for the administration, control, funding and payment of the City's debt. As the City's chief fiscal officer, the City Auditor maintains the City's accounting records. The City Treasurer is responsible for receiving and investing all funds of the City and is elected to a four-year term.

The Police Department consists of an authorized strength of 48 full-time officers and non-sworn administrative personnel (40 sworn and 9 support staff). The Department responds to approximately 2,000 service calls per month, and is made up of the Administrative Section, Patrol Division, Detective Division, and Clerical Section. In addition to preventive patrol, criminal investigations, and traffic safety, the Department is committed to offering a wide variety of crime prevention services while providing a community orientation program for all area businesses and residents. Other programs of the Department include D.A.R.E., Anti-Drug Prevention, Neighborhood Watch, and Crime Prevention. The Department also teaches safety programs in the City's schools.

The Fire Department is an ISO Class III department staffed 24 hours a day by 40 full-time and 19 part-time fire personnel and officers. Services offered by the Department include fire suppression, paramedic level emergency medical services, fire prevention and public education for children in kindergarten through eighth grade. The Department operates from three stations, which are located in the City.

The Parks and Recreation Department offers a variety of facilities and a broad range of activities for all groups. The main community center is a 51,000 square foot facility that houses a fitness center, indoor running/walking track, a double gymnasium, a single gymnasium/multipurpose rental facility, locker rooms, pre-school nursery, aerobics and dance room, craft room, lounge and game area, and a family game area. The Parks Division maintains 4 active parks, one of which is a 5 acre Fossil Park which includes educational signage, fossil hunting, and a one mile looped hiking trail. These parks contain 35 acres of green space and provide facilities for hiking, and picnicking as well as athletic facilities for baseball, football, soccer, tennis, basketball, horseshoes and volleyball. The City also maintains two public swimming pools.

***Letter of Transmittal
For the Year Ended December 31, 2016***

Services provided by the Public Works Department include brush pick-up, landscaping, tree trimming, roadside and facility mowing, and street sweeping. The Department is also responsible for parking lot maintenance, pothole repair, snow removal, street name and directional signage, street painting, street, curb and sidewalk repairs, and storm sewer and catch basin repair. The City provides solid waste collection through contracted service which is managed by the Public Works Department. The Department also manages the City offered recycling drop off sites and participates in the Hamilton County Residential Recycling Incentive Program. The Department also oversees the operation of Golden View Acres, a City-owned and operated 52-unit apartment complex for senior citizens.

The Sharonville Convention Center provides a beautiful and contemporary location for meetings, conventions, banquets, trade shows and public events for in Northern Cincinnati. Conveniently located 15 miles north of downtown Cincinnati, just off I-75 and I-275, the Sharonville Convention Center is easily accessible via all of the region's highways.

Economic Conditions and Outlook

The City of Sharonville is ideally located just 15 miles north of downtown Cincinnati along Interstate Highways 275 and 75. With Interstate Highway 71 only one mile away from the City limits, there are four interstate exits which provide access to the City. The City's strategic location has encouraged development in leading regional industries like tourism, transportation, engineering, automotive, and logistics.

The City of Sharonville is one of the few cities in the State of Ohio that does not levy property taxes, thus the City primarily relies upon income tax revenue. There are approximately 1,200 businesses within City limits which increase the daily population to roughly 39,000. The Economic Development Office has been working hard to improve business opportunities through creation of various incentive, retention, and attraction programs.

The City's tax structure, location, and existing business foundation, have been catalysts for establishing and maintaining a diverse income tax base which allows the City to continue preferred level of services in a challenging economic environment. The diversity can be seen in the top ten employers who collectively represent approximately 28% of the total income tax collections.

The City plans to exercise sound investment procedures to maximize the rates of the return. The City will continue the policy to issue short term debt for construction projects when the rates of return on investments exceed the interest on borrowed funds.

***Letter of Transmittal
For the Year Ended December 31, 2016***

Major Initiatives

Sharonville again saw significant job growth and investments in our targeted industries including Manufacturing, Back office/Headquarters and Convention/Tourism along with major infrastructure improvements.

Manufacturing:

Cincinnati Sub-Zero completed a 79,000 square foot addition that allowed them to retain 375 jobs and add 124 new jobs.

Standard Aero, an aerospace manufacturer, completed \$10m in improvements to their facility which enabled them to create 120 new jobs and retain over 465 employees.

The Ford Motor Co., began work on a \$900 million dollar investment in the Sharonville Transmission Plant. Ford is the City's largest employer, with nearly 1700 hourly union employees.

Headquarters/Back Office:

United Healthcare, an insurance company, relocated its regional operations to Sharonville. They recently moved into offices at Summit Woods. This brought 200 new jobs to the city.

Danis, the third largest general contractor in Cincinnati, moved their operations to Summit Woods. This brought 75 new jobs to the city.

Convention/Tourism:

Home to the Sharonville Convention Center, the Northern Lights Entertainment District is on target to become the meeting, athletic, performance and entertainment center in the Region. The Hyatt Place @ Sharonville Convention Center broke ground in December 2015 on their \$14M first class select service hotel. The six story metal and glass structure will feature 120 rooms and over 2000 square feet of meeting rooms. The Hyatt Place will improve the Center's competitiveness when courting events and conventions. The hotel will open in late June 2017.

The next phase of Chester Road improvements began in late 2016. Along with new pavement and curbs, the sidewalks will be widened and stamped and retention walls will be installed along Chester Road. The City will eliminate poles and provide utility services underground, where feasible. This phase will take the work that was already completed from Sharon Road to the Convention Center north to Kemper Road.

***Letter of Transmittal
For the Year Ended December 31, 2016***

Financial Information

Internal Control, Budgetary Control and the Accounting System

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework. It is the belief of the City's administrative and financial management that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

The City utilizes a fully-automated accounting system. The system, coupled with the manual auditing of each voucher prior to payment by the Auditor's Office, ensure that the financial information generated is both accurate and reliable.

In addition, the City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council.

All funds other than the Community Improvement Corporation of Sharonville (CIC) and agency funds are included in the annual appropriated budget. The level of budgetary control (*i.e.*, the level at which expenditures cannot legally exceed the appropriated amount) is at the department level and within each department at the levels of personal services and other expenditures. Budgetary control is maintained by encumbering the estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders that result in overruns of budgeted balances are not released until additional appropriations are made available. Unencumbered amounts lapse at year-end. Appropriations, initial and supplemental, must be authorized by City Council.

As demonstrated by the statements and schedules included in the financial section of this Comprehensive Annual Financial Report, the City continues to meet its responsibility for sound fiscal management.

Other Information

Independent Audit

State statutes require an annual audit by independent certified public accountants. The basic financial statements of the City of Sharonville were audited by Plattenburg, Certified Public Accountants. Generally accepted auditing standards and the standards set forth in the General Accounting Office's Government Auditing Standards were used by the auditors in conducting the audit. The independent auditor's unmodified opinion has been included in the financial section of this report.

***Letter of Transmittal
For the Year Ended December 31, 2016***

Awards

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 Sharonville for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. We believe this current report continues to conform to the high standards set by the GFOA for a Certificate of Achievement for Excellence in Financial Reporting and we are submitting it to GFOA.

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the finance and administration department. Sincere appreciation is extended to all members of the department who assisted and contributed to the preparation of this report.

Special acknowledgment is extended to the staff of Donald J. Schonhardt and Associates, Inc. for their guidance in the preparation of this report.

Finally, a special thanks to the Mayor and City Council for their interest and support in planning and conducting the government in a responsible and progressive manner.

Respectfully submitted,



M. Scott McKeehan
Finance Director



Ed Cunningham
City Auditor



CITY OF SHARONVILLE, OHIO

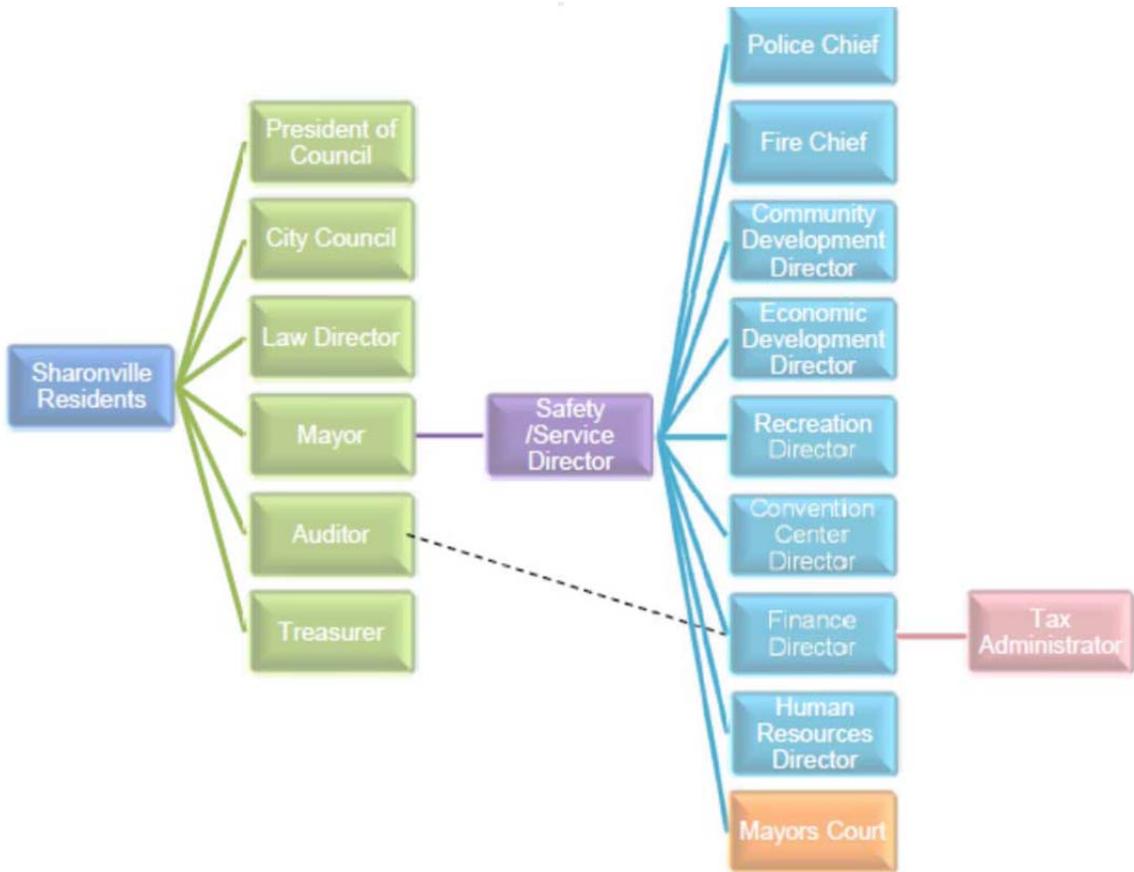
***Elected Officials
For the Year Ended December 31, 2016***

Office	Elected Official	Term Expires
Mayor	Kevin Hardman	12/31/2016
President of Council	Vicki Hoppe	12/31/2016
Council Ward 1	Ed Cunningham	12/31/2016
Council Ward 2	David Koch	12/31/2016
Council Ward 3	Kerry Rabe	12/31/2016
Council Ward 4	Robert Tankersley	12/31/2016
Council at Large	Greg Pugh	12/31/2016
Council at Large	Paul Schmidt	12/31/2016
Council at Large	Mathew Eggenberger	12/31/2016
Treasurer	Al Ledbetter	12/31/2017
Auditor	Mark Piepmeier	12/31/2016
Law Director	Thomas Keating	12/31/2016

Office	Official
Safety/Service Director	Jim Lukas
Finance Director	Scott McKeehan
Tax Administrator	Linda Collins
Human Resources Director	Noah Powers
Police Chief	Aaron Blasky
Fire Chief	Ralph Hammonds
Building and Planning Director	Richard Osgood
Public Works Director	Joe Kempe
Recreation Director	Sue Koetz
Convention Center Manager	Jim Downton
Economic Development Director	Chris Xiel Lyons

City Address:
Sharonville City Hall
10900 Reading Road
Sharonville, Ohio 45241

***City Organizational Chart
For the Year Ended December 31, 2016***





Government Finance Officers Association

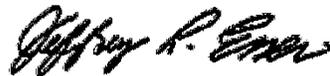
**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Sharonville
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015



Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Sharonville

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 discretely presented component unit and remaining fund information of the City of Sharonville (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements.

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 entity'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 entity'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 discretely presented component unit and remaining fund information of the City, as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Fire Department 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 and schedules of net pension liabilities and pension contributions 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.

Supplementary and 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 nonmajor fund financial statements and schedules 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 nonmajor 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 nonmajor fund financial statements and schedules 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2017, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.
Plattenburg & Associates, Inc.
Cincinnati, Ohio
June 29, 2017

The discussion and analysis of the City of Sharonville's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2016. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2016 are as follows:

- ❑ In total, net position increased by \$4,730,373. Net position of governmental activities increased by \$4,459,570, which represents a 11% increase from 2015. Net position of business-type activities increased by \$270,803, or 4.2% from 2015.
- ❑ General revenues accounted for \$27,546,491 in revenue, or 74.6% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$9,383,706, or 25.4% of total revenues of \$36,930,197.
- ❑ The City had \$27,494,047 in expenses related to governmental activities; only \$4,407,126 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily income taxes) of \$27,546,491 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$18,814,717 in revenues and \$18,690,331 in expenditures and other financing uses. The general fund's fund balance increased \$124,386.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Government-Wide Financial Statements

The government-wide statements report information about the City as a whole using accepting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net-position (the difference between the City's assets and liabilities) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets

The government-wide financial statements of the City are divided into two categories:

- ***Governmental Activities*** – Most of the City's programs and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.
- ***Business-Type Activities*** – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's convention center and senior citizen housing complex are reported as business activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

**Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Unaudited

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table is a comparison of the City's Net Position for the years ended December 31, 2016 and 2015:

	Governmental		Business-type		Total	
	Activities		Activities			
	2016	Restated 2015	2016	2015	2016	Restated 2015
Current and other assets	\$31,730,241	\$27,000,274	\$4,820,544	\$4,655,226	\$36,550,785	\$31,655,500
Capital assets, Net	45,857,126	44,062,440	34,220,967	35,045,250	80,078,093	79,107,690
Total assets	77,587,367	71,062,714	39,041,511	39,700,476	116,628,878	110,763,190
Deferred Outflows of Resources	7,478,917	3,034,005	415,909	130,907	7,894,826	3,164,912
Net Pension Liability	28,216,404	22,060,512	1,096,413	745,230	29,312,817	22,805,742
Long-term debt outstanding	5,913,540	7,389,268	27,862,379	28,446,545	33,775,919	35,835,813
Other liabilities	4,614,033	3,532,233	3,702,399	4,122,318	8,316,432	7,654,551
Total liabilities	38,743,977	32,982,013	32,661,191	33,314,093	71,405,168	66,296,106
Deferred Inflows of Resources	1,450,036	702,005	21,185	13,049	1,471,221	715,054
Net position						
Net investment in capital assets	43,788,718	40,026,910	4,535,259	4,417,067	48,323,977	44,443,977
Restricted	12,944,368	8,827,003	0	0	12,944,368	8,827,003
Unrestricted	(11,860,815)	(8,441,212)	2,239,785	2,087,174	(9,621,030)	(6,354,038)
Total net position	\$44,872,271	\$40,412,701	\$6,775,044	\$6,504,241	\$51,647,315	\$46,916,942

The adoption of GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," significantly revised 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.

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.

CITY OF SHARONVILLE, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Unaudited

Changes in Net Position – The following table shows the changes in net position for the fiscal years 2016 and 2015:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for Services and Sales	\$1,598,700	\$1,848,942	\$2,114,338	\$2,102,911	\$3,713,038	\$3,951,853
Operating Grants and Contributions	2,612,933	2,262,061	2,862,242	2,883,087	5,475,175	5,145,148
Capital Grants and Contributions	195,493	2,112,686	0	0	195,493	2,112,686
Total Program revenues	4,407,126	6,223,689	4,976,580	4,985,998	9,383,706	11,209,687
General revenues:						
Income Taxes	25,160,352	23,841,272	0	0	25,160,352	23,841,272
Other Local Taxes	172,743	206,227	0	0	172,743	206,227
Property Taxes	1,035,282	648,277	0	0	1,035,282	648,277
Grants and Entitlements not Restricted to Specific Programs	283,204	337,929	0	0	283,204	337,929
Investment Earnings	233,537	154,296	0	0	233,537	154,296
Miscellaneous	661,373	457,597	0	0	661,373	457,597
Total General revenues	27,546,491	25,645,598	0	0	27,546,491	25,645,598
Total revenues	31,953,617	31,869,287	4,976,580	4,985,998	36,930,197	36,855,285
Program Expenses						
Security of Persons and Property	15,015,104	13,547,078	0	0	15,015,104	13,547,078
Public Health and Welfare Services	81,100	127,317	0	0	81,100	127,317
Leisure Time Activities	2,983,583	3,055,940	0	0	2,983,583	3,055,940
Community Environment	448,558	521,513	0	0	448,558	521,513
Basic Utility Services	622,051	532,248	0	0	622,051	532,248
Transportation	3,689,504	2,989,107	0	0	3,689,504	2,989,107
General Government	4,391,854	4,249,319	0	0	4,391,854	4,249,319
Interest and Fiscal Charges	262,293	312,927	0	0	262,293	312,927
Convention Center	0	0	4,456,786	4,351,164	4,456,786	4,351,164
Senior Citizen Housing	0	0	248,991	274,671	248,991	274,671
Total expenses	27,494,047	25,335,449	4,705,777	4,625,835	32,199,824	29,961,284
Total Change in Net Position	4,459,570	6,533,838	270,803	360,163	4,730,373	6,894,001
Beginning Net Position, Restated	40,412,701	33,878,863	6,504,241	6,144,078	46,916,942	40,022,941
Ending Net Position	\$44,872,271	\$40,412,701	\$6,775,044	\$6,504,241	\$51,647,315	\$46,916,942

***Management’s Discussion and Analysis
For the Year Ended December 31, 2016***

Unaudited

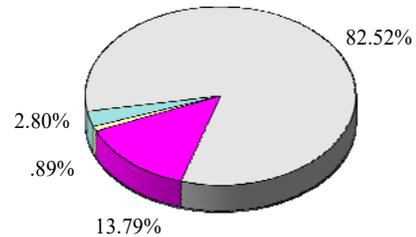
Governmental Activities

Net position of the City’s governmental activities increased by \$4,459,570. As with the past few years, this was a result of increased income taxes due to local job growth, a continued effort of maintaining lower operating expenses, a reduction in outstanding bonds, and we continue to see saving from contracting with Hamilton County Public Health to provide public health services. We have also been able to meet or approach fund balance goals for the General and Fire Funds respectively. During the past year we have also been increasing the fund balance in our Capital Improvement Fund towards achieving several upcoming projects.

The City receives an income tax based on 1.5% of all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on income of residents earned outside the City.

Taxes made up 82.52% of revenues for governmental activities for the City in fiscal year 2016. The City’s reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2016	Percent of Total
Taxes	\$26,368,377	82.52%
Program Revenues	4,407,126	13.79%
Shared Revenues	283,204	0.89%
General Other	894,910	2.80%
Total Revenue	<u>\$31,953,617</u>	<u>100.00%</u>



Business-Type Activities

The net position of the business-type activities increased by \$270,803 during 2016. The Convention Center continued good results from Charges for Services and Sales revenue.

CITY OF SHARONVILLE, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$20,352,532, which is an increase from last year's balance of \$17,696,560. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2016 and 2015:

	Fund Balance December 31, 2016	Fund Balance December 31, 2015	Increase (Decrease)
General	\$10,858,093	\$10,733,707	\$124,386
Fire Department	3,007,881	2,509,226	498,655
Capital Improvement	3,489,352	1,350,012	2,139,340
Chester Road TIF	(2,384,561)	(2,890,470)	505,909
Other Governmental	5,381,767	5,994,085	(612,318)
Total	<u>\$20,352,532</u>	<u>\$17,696,560</u>	<u>\$2,655,972</u>

General Fund – The City's General Fund balance increase is due to many factors. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2016 Revenues	2015 Revenues	Increase (Decrease)
Taxes	\$16,950,991	\$16,255,876	\$695,115
Intergovernmental Revenues	279,738	332,350	(52,612)
Charges for Services	415,080	355,844	59,236
Licenses and Permits	492,497	546,038	(53,541)
Investment Earnings	213,402	141,174	72,228
Fines and Forfeitures	260,842	325,246	(64,404)
All Other Revenue	202,167	147,104	55,063
Total	<u>\$18,814,717</u>	<u>\$18,103,632</u>	<u>\$711,085</u>

General Fund revenues in 2016 increased by 3.9% compared to revenues in fiscal year 2015. The most significant factor contributing was an increase in income tax revenue due to continued improvement in economic conditions.

CITY OF SHARONVILLE, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2016***

Unaudited

	2016	2015	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
Security of Persons and Property	\$6,214,803	\$6,021,005	\$193,798
Public Health and Welfare Services	75,032	131,092	(56,060)
Leisure Time Activities	2,417,275	2,486,569	(69,294)
Community Environment	482,053	513,219	(31,166)
Basic Utility Services	622,051	532,248	89,803
General Government	3,736,725	3,694,439	42,286
Total	<u>\$13,547,939</u>	<u>\$13,378,572</u>	<u>\$169,367</u>

The General Fund expenditures increased only slightly by 1.3%. The biggest shifts were in Police which included bringing an additional officer on board mid-year. The Recreation and Park Maintenance Departments continued to skinny-down overall operations.

Fire Department Fund – The fund balance increased by \$498,655 during 2016. The positive change in fund balance was primarily related to increased tax collections and saving some funds towards upcoming capital outlays. The City is considering options to replace the oldest of our three fire stations at the corner of Cornell and Reading Road.

Capital Improvement Fund – This fund balance increased by \$2,139,340 during 2016. The increase in fund balance was primarily related to transfers in from the General Fund. The City plans to provide a new facility for our Police Department along with several considered improvements to our streets and in our parks. This savings will reduce the amount of borrowing needed to accomplish these larger scope projects.

Chester Road TIF Fund – The fund balance increased by \$505,909 during the year due to rising collections in payments in lieu of taxes and reduced capital outlays.

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 fiscal year 2016 the City amended its General Fund budget several times.

For the General Fund, final budget basis revenue of \$16.8 million was unchanged when compared to the original budget estimates. The City increased appropriations by \$3.7 million to account for additional transfers to other funds with the largest amounts being used for capital equipment purchases and set-aside funds for scheduled facility maintenance items. The General Fund's actual results varied \$3.4 million from the final budgeted amounts. Actual revenues exceeded final budgeted amounts by \$2.4 and actual expenditures were below final budgeted amounts by \$1 million.

**Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2016 the City had \$80,078,093 net of accumulated depreciation invested in land, construction in progress, land improvements, buildings and improvements, machinery and equipment, infrastructure and vehicles. Of this total, \$45,857,126 was related to governmental activities and \$34,220,967 to the business-type activities. The following table shows fiscal year 2016 and 2015 balances:

	Governmental Activities		Increase (Decrease)
	2016	2015	
Land	\$6,639,810	\$6,639,810	\$0
Construction in Progress	1,869,285	3,655,337	(1,786,052)
Land Improvements	8,546,670	8,467,500	79,170
Buildings and Improvements	17,616,544	17,556,389	60,155
Infrastructure	36,824,199	32,756,069	4,068,130
Machinery and Equipment	3,868,725	3,421,647	447,078
Vehicles	7,092,971	5,499,332	1,593,639
Less: Accumulated Depreciation	<u>(36,601,078)</u>	<u>(33,933,644)</u>	<u>(2,667,434)</u>
Totals	<u>\$45,857,126</u>	<u>\$44,062,440</u>	<u>\$1,794,686</u>

	Business-Type Activities		Increase (Decrease)
	2016	2015	
Land	\$5,067,188	\$5,067,188	\$0
Land Improvements	380,417	365,840	14,577
Buildings and Improvements	35,396,462	35,360,520	35,942
Infrastructure	95,599	95,599	0
Machinery and Equipment	1,343,486	1,337,487	5,999
Vehicles	36,961	36,961	0
Less: Accumulated Depreciation	<u>(8,099,146)</u>	<u>(7,218,345)</u>	<u>(880,801)</u>
Totals	<u>\$34,220,967</u>	<u>\$35,045,250</u>	<u>(\$824,283)</u>

The primary increases in governmental activities' capital assets occurred in infrastructure and vehicles. During 2016 the City completed several infrastructure projects throughout the City including an annual street repair program of \$1.4 million which is approximately twice the normal amount. Additionally, the business type activities experienced very little activity in 2016. Additional information on the City's capital assets can be found in Note 9.

***Management's Discussion and Analysis
For the Year Ended December 31, 2016***

Unaudited

Debt

At December 31, 2016, the City had \$1,705,760 in general obligation bonds outstanding, all of which is due within one year. The following table summarizes the City's debt outstanding as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Governmental Activities:		
General Obligation Bonds	\$1,475,760	\$2,887,283
Special Assessment Bonds	1,110,000	1,170,000
Compensated Absences	3,227,870	3,273,920
Ohio Public Works Commission Loan	99,910	58,065
Net Pension Liability	<u>28,216,404</u>	<u>22,060,512</u>
Total Governmental Activities	34,129,944	29,449,780
Business-Type Activities:		
General Obligation Bonds	230,000	450,000
Revenue Bonds	27,405,708	27,778,183
Net Pension Liability	1,096,413	745,230
Compensated Absences	<u>226,671</u>	<u>218,362</u>
Total Business-Type Activities	<u>28,958,792</u>	<u>29,191,775</u>
Totals	<u><u>\$63,088,736</u></u>	<u><u>\$58,641,555</u></u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.50% of the total assessed value of real and personal property. At December 31, 2016, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 14.

ECONOMIC FACTORS

The Sharonville City Council and Administration has continued monitoring reserves, operational revenues and costs, and capital needs very closely. Controlling costs, defining priorities, forecasting, and encouraging economic development has been the focus. Sharonville remains committed to maintaining and improving its solid business base. The continuous establishment of new companies, as well as expansion of existing companies occurred creating new jobs in the community that will benefit the local economy in 2016 and beyond.

The City's financial position will be significantly affected by the continued redevelopment of the Northern Lights District (Chester Road). The completion of the new Hyatt Place Hotel attached to the City's Convention Center and ongoing infrastructure improvements will serve as a catalyst for other business development opportunities. The City has several business expansion and attraction projects occurring in that will benefit the local economy in 2016 and beyond.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact Scott McKeehan, Finance Director of the City of Sharonville.



CITY OF SHARONVILLE, OHIO

**Statement of Net Position
December 31, 2016**

	Primary Government			Component Unit Community Improvement Corporation of Sharonville
	Governmental Activities	Business-Type Activities	Total	
Assets:				
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 18,798,988	\$ 4,581,534	\$ 23,380,522	\$ 9,112
Receivables:				
Taxes	6,539,377	0	6,539,377	0
Accounts	515,767	253,590	769,357	900
Intergovernmental	1,477,212	200,000	1,677,212	0
Special Assessments	1,489,023	0	1,489,023	0
Loans	2,388,869	0	2,388,869	0
Internal Balances	270,000	(270,000)	0	0
Inventory of Supplies at Cost	159,878	0	159,878	0
Prepaid Items	91,127	10,757	101,884	0
Restricted Assets:				
Cash and Cash Equivalents	0	44,663	44,663	0
Capital Assets:				
Capital Assets Not Being Depreciated	8,509,095	5,067,188	13,576,283	0
Capital Assets Being Depreciated, Net	37,348,031	29,153,779	66,501,810	0
Total Assets	77,587,367	39,041,511	116,628,878	10,012
Deferred Outflows of Resources:				
Deferred Charge on Debt Refunding	7,250	0	7,250	0
Pension	7,471,667	415,909	7,887,576	0
Total Deferred Outflows of Resources	7,478,917	415,909	7,894,826	0
Liabilities:				
Accounts Payable	408,118	61,106	469,224	3,238
Accrued Wages and Benefits	537,234	35,962	573,196	0
Intergovernmental Payable	295,752	26,113	321,865	0
Customer Deposits	0	47,616	47,616	1,050
Unearned Revenue	0	1,324,952	1,324,952	0
Accrued Interest Payable	22,929	156,650	179,579	0
General Obligation Notes Payable	3,350,000	2,050,000	5,400,000	0
Noncurrent liabilities:				
Due within one year	1,812,490	629,846	2,442,336	0
Due in more than one year:				
Net Pension Liability	28,216,404	1,096,413	29,312,817	0
Other Amounts Due in More Than One Year	4,101,050	27,232,533	31,333,583	0
Total Liabilities	38,743,977	32,661,191	71,405,168	4,288
Deferred Inflows of Resources:				
Property Tax Levy for Next Fiscal Year	1,267,734	0	1,267,734	0
Pension	182,302	21,185	203,487	0
Total Deferred Inflows of Resources	1,450,036	21,185	1,471,221	0

CITY OF SHARONVILLE, OHIO

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Community Improvement Corporation of Sharonville
Net Position:				
Net Investment in Capital Assets	43,788,718	4,535,259	48,323,977	0
Restricted For:				
Capital Projects	3,494,365	0	3,494,365	0
Debt Service	2,310,592	0	2,310,592	0
Streets and Highways	3,664,169	0	3,664,169	0
Security of Persons and Property	3,470,525	0	3,470,525	0
Other Purposes	4,717	0	4,717	0
Unrestricted (Deficit)	(11,860,815)	2,239,785	(9,621,030)	5,724
Total Net Position	<u>\$ 44,872,271</u>	<u>\$ 6,775,044</u>	<u>\$ 51,647,315</u>	<u>\$ 5,724</u>

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Activities
For the Year Ended December 31, 2016**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 15,015,104	\$ 907,237	\$ 155,581	\$ 0
Public Health and Welfare Services	81,100	0	0	0
Leisure Time Activities	2,983,583	384,008	0	0
Community Environment	448,558	287,923	0	0
Basic Utility Services	622,051	0	0	0
Transportation	3,689,504	19,532	2,457,352	195,493
General Government	4,391,854	0	0	0
Interest and Fiscal Charges	262,293	0	0	0
Total Governmental Activities	<u>27,494,047</u>	<u>1,598,700</u>	<u>2,612,933</u>	<u>195,493</u>
Business-Type Activities:				
Convention Center	4,456,786	1,808,225	2,862,242	0
Senior Citizen Housing	248,991	306,113	0	0
Total Business-Type Activities	<u>4,705,777</u>	<u>2,114,338</u>	<u>2,862,242</u>	<u>0</u>
Totals	<u>\$ 32,199,824</u>	<u>\$ 3,713,038</u>	<u>\$ 5,475,175</u>	<u>\$ 195,493</u>
Component Unit:				
Community Improvement Corporation of Sharonville	\$ 12,792	\$ 13,477	\$ 0	\$ 0

General Revenues

- Income Taxes
- Other Local Taxes
- Property Taxes
- Grants and Entitlements not Restricted to Specific Programs
- Investment Earnings
- Miscellaneous
- Total General Revenues and Transfers
- Change in Net Position
- Net Position Beginning of Year, Restated
- Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

Net (Expense) Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-Type Activities	Total	Community Improvement Corporation of Sharonville
\$ (13,952,286)	\$ 0	\$ (13,952,286)	
(81,100)	0	(81,100)	
(2,599,575)	0	(2,599,575)	
(160,635)	0	(160,635)	
(622,051)	0	(622,051)	
(1,017,127)	0	(1,017,127)	
(4,391,854)	0	(4,391,854)	
(262,293)	0	(262,293)	
<u>(23,086,921)</u>	<u>0</u>	<u>(23,086,921)</u>	
0	213,681	213,681	
0	57,122	57,122	
0	270,803	270,803	
<u>(23,086,921)</u>	<u>270,803</u>	<u>(22,816,118)</u>	
			\$ 685
25,160,352	0	25,160,352	0
172,743	0	172,743	0
1,035,282	0	1,035,282	0
283,204	0	283,204	0
233,537	0	233,537	0
661,373	0	661,373	0
<u>27,546,491</u>	<u>0</u>	<u>27,546,491</u>	<u>0</u>
4,459,570	270,803	4,730,373	
40,412,701	6,504,241	46,916,942	5,039
<u>\$ 44,872,271</u>	<u>\$ 6,775,044</u>	<u>\$ 51,647,315</u>	<u>\$ 5,724</u>

CITY OF SHARONVILLE, OHIO

**Balance Sheet
Governmental Funds
December 31, 2016**

	General Fund	Fire Department Fund	Capital Improvement Fund	Chester Road TIF Fund
Assets:				
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 5,586,052	\$ 2,468,522	\$ 3,507,323	\$ 2,377,204
Receivables:				
Taxes	3,505,704	1,752,852	0	903,709
Accounts	67,626	448,106	0	0
Intergovernmental	106,040	0	0	15,117
Special Assessments	0	0	0	0
Loans	0	0	0	0
Interfund Loans Receivables	64,401	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	53,466	28,578	0	0
Advance to Other Funds	4,035,000	0	0	0
Total Assets	\$ 13,418,289	\$ 4,698,058	\$ 3,507,323	\$ 3,296,030
Liabilities:				
Accounts Payable	\$ 245,986	\$ 118,592	\$ 17,971	\$ 0
Accrued Wages and Benefits Payable	298,632	206,305	0	0
Intergovernmental Payable	164,284	117,634	0	3,348
Interfund Loans Payable	0	0	0	0
Accrued Interest Payable	0	0	0	8,534
General Obligation Notes Payable	0	0	0	1,000,000
Advances from Other Funds	0	0	0	3,765,000
Total Liabilities	708,902	442,531	17,971	4,776,882
Deferred Inflows of Resources:				
Unavailable Amounts	1,851,294	1,247,646	0	13,087
Property Tax Levy for Next Fiscal Year	0	0	0	890,622
Total Deferred Inflows of Resources	1,851,294	1,247,646	0	903,709
Fund Balances:				
Nonspendable	53,466	28,578	0	0
Restricted	0	2,979,303	0	0
Committed	601,947	0	3,489,352	0
Assigned	783,774	0	0	0
Unassigned	9,418,906	0	0	(2,384,561)
Total Fund Balances	10,858,093	3,007,881	3,489,352	(2,384,561)
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$ 13,418,289	\$ 4,698,058	\$ 3,507,323	\$ 3,296,030

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 4,859,887	\$ 18,798,988
377,112	6,539,377
35	515,767
1,356,055	1,477,212
1,489,023	1,489,023
2,388,869	2,388,869
0	64,401
159,878	159,878
9,083	91,127
0	4,035,000
<u>\$ 10,639,942</u>	<u>\$ 35,559,642</u>
\$ 25,569	\$ 408,118
32,297	537,234
10,486	295,752
64,401	64,401
6,978	15,512
2,350,000	3,350,000
0	3,765,000
<u>2,489,731</u>	<u>8,436,017</u>
2,391,332	5,503,359
377,112	1,267,734
<u>2,768,444</u>	<u>6,771,093</u>
168,961	251,005
4,771,054	7,750,357
453,851	4,545,150
0	783,774
(12,099)	7,022,246
<u>5,381,767</u>	<u>20,352,532</u>
<u>\$ 10,639,942</u>	<u>\$ 35,559,642</u>

CITY OF SHARONVILLE, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2016***

Total Governmental Fund Balances	\$ 20,352,532
<i>Amounts reported for governmental activities in the statement of net position are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	45,857,126
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the fund statements.	5,503,359
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	7,471,667
Deferred Inflows - Pension	(182,302)
Net Pension Liability	<u>(28,216,404)</u>
Total	(20,927,039)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
General Obligation Bonds Payable	(1,470,000)
Unamortized Bond Premiums	(5,760)
Deferred Loss on Refunding	7,250
Special Assessment Bonds Payable	(1,110,000)
OPWC Loan Payable	(99,910)
Compensated Absences Payable	(3,227,870)
Accrued Interest Payable	(7,417)
<i>Net Position of Governmental Activities</i>	<u><u>\$ 44,872,271</u></u>

See accompanying notes to the basic financial statements



CITY OF SHARONVILLE, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016**

	General Fund	Fire Department Fund	Capital Improvement Fund	Chester Road TIF Fund
Revenues:				
Taxes	\$ 16,950,991	\$ 7,990,481	\$ 0	\$ 728,042
Intergovernmental Revenues	279,738	141,062	0	291
Charges for Services	415,080	513,899	0	0
Licenses and Permits	492,497	0	0	0
Investment Earnings	213,402	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	260,842	0	0	0
All Other Revenue	202,167	29,993	0	0
Total Revenue	<u>18,814,717</u>	<u>8,675,435</u>	<u>0</u>	<u>728,333</u>
Expenditures:				
Current:				
Security of Persons and Property	6,214,803	6,561,267	0	0
Public Health and Welfare Services	75,032	0	0	0
Leisure Time Activities	2,417,275	0	0	0
Community Environment	482,053	0	0	0
Basic Utility Services	622,051	0	0	0
Transportation	0	0	0	0
General Government	3,736,725	0	0	0
Capital Outlay	0	653,988	2,970,745	128,708
Debt Service:				
Principal Retirement	0	0	0	0
Interest & Fiscal Charges	0	0	0	135,561
Total Expenditures	<u>13,547,939</u>	<u>7,215,255</u>	<u>2,970,745</u>	<u>264,269</u>
Excess (Deficiency) of Revenues Over Expenditures	5,266,778	1,460,180	(2,970,745)	464,064
Other Financing Sources (Uses):				
Sale of Capital Assets	0	875	801,018	0
Transfers In	0	0	4,309,067	0
Transfers Out	(5,142,392)	(962,400)	0	0
OPWC Loan Initiated	0	0	0	41,845
Total Other Financing Sources (Uses)	<u>(5,142,392)</u>	<u>(961,525)</u>	<u>5,110,085</u>	<u>41,845</u>
Net Change in Fund Balances	124,386	498,655	2,139,340	505,909
Fund Balances at Beginning of Year	10,733,707	2,509,226	1,350,012	(2,890,470)
Change in Inventory Reserve	0	0	0	0
Fund Balances End of Year	<u>\$ 10,858,093</u>	<u>\$ 3,007,881</u>	<u>\$ 3,489,352</u>	<u>\$ (2,384,561)</u>

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 353,328	\$ 26,022,842
2,644,796	3,065,887
186	929,165
0	492,497
20,135	233,537
292,594	292,594
33,323	294,165
17,582	249,742
<u>3,361,944</u>	<u>31,580,429</u>
58,295	12,834,365
0	75,032
0	2,417,275
0	482,053
0	622,051
2,060,580	2,060,580
572,326	4,309,051
1,408,004	5,161,445
1,460,000	1,460,000
128,660	264,221
<u>5,687,865</u>	<u>29,686,073</u>
(2,325,921)	1,894,356
60,000	861,893
1,795,725	6,104,792
0	(6,104,792)
0	41,845
<u>1,855,725</u>	<u>903,738</u>
(470,196)	2,798,094
5,994,085	17,696,560
(142,122)	(142,122)
<u>\$ 5,381,767</u>	<u>\$ 20,352,532</u>

CITY OF SHARONVILLE, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2016***

Net Change in Fund Balances - Total Governmental Funds \$ 2,798,094

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

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

Capital Outlay	5,593,260	
Depreciation Expense	<u>(2,968,433)</u>	2,624,827

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

The statement of activities reports gains arising from the disposal of capital assets. Conversely, the governmental funds do not report any gains on the disposal of capital assets.	(830,141)
--	-----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	341,436
--	---------

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	2,060,393
---	-----------

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(3,859,050)
--	-------------

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position.	
OPWC Loan Initiated	(41,845)

Repayment of bond and loan principal is an expenditure in the governmental funds, but the transactions, however, have no effect on net position.	
General Obligation Bond Principal Payment	1,400,000
Amortization of General Obligation Bond Premium	11,523
Special Assessment Bond Principal Payment	<u>60,000</u>
	1,471,523

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	4,908
--	-------

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Compensated Absences	46,050
Change in Inventory	(142,122)
Amorization of Deferred Loss on Defeasance	<u>(14,503)</u>
	<u>(110,575)</u>

Change in Net Position of Governmental Activities \$ 4,459,570

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 14,986,199	\$ 14,986,199	\$ 17,166,807	\$ 2,180,608
Intergovernmental Revenue	312,977	312,977	280,349	(32,628)
Charges for Services	372,730	356,230	412,132	55,902
Licenses and Permits	432,310	440,810	497,190	56,380
Investment Earnings	125,000	195,000	213,402	18,402
Fines and Forfeitures	337,600	272,600	276,068	3,468
All Other Revenues	218,010	221,010	294,037	73,027
Total Revenues	<u>16,784,826</u>	<u>16,784,826</u>	<u>19,139,985</u>	<u>2,355,159</u>
Expenditures:				
Current:				
Security of Persons and Property	6,543,024	6,646,134	6,298,850	347,284
Public Health and Welfare Services	88,770	89,523	77,668	11,855
Leisure Time Activities	2,666,527	2,685,649	2,449,019	236,630
Community Environment	530,536	549,451	493,641	55,810
Basic Utility Services	595,000	763,808	763,808	0
General Government	3,948,994	4,155,628	3,790,951	364,677
Total Expenditures	<u>14,372,851</u>	<u>14,890,193</u>	<u>13,873,937</u>	<u>1,016,256</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,411,975	1,894,633	5,266,048	3,371,415
Other Financing Sources (Uses):				
Transfers Out	(2,362,707)	(5,468,042)	(5,467,392)	650
Advances In	0	0	9,500	9,500
Advances Out	(37,869)	(60,707)	(58,894)	1,813
Total Other Financing Sources (Uses):	<u>(2,400,576)</u>	<u>(5,528,749)</u>	<u>(5,516,786)</u>	<u>11,963</u>
Net Change in Fund Balance	11,399	(3,634,116)	(250,738)	3,383,378
Fund Balance at Beginning of Year	8,064,834	8,064,834	8,064,834	0
Prior Year Encumbrances	447,111	447,111	447,111	0
Fund Balance at End of Year	<u>\$ 8,523,344</u>	<u>\$ 4,877,829</u>	<u>\$ 8,261,207</u>	<u>\$ 3,383,378</u>

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Fire Department Fund
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 7,071,001	\$ 7,071,001	\$ 8,098,389	\$ 1,027,388
Intergovernmental Revenue	0	0	147,012	147,012
Charges for Services	525,000	525,000	513,847	(11,153)
All Other Revenues	0	0	25,373	25,373
Total Revenues	<u>7,596,001</u>	<u>7,596,001</u>	<u>8,784,621</u>	<u>1,188,620</u>
Expenditures:				
Current:				
Security of Persons and Property	6,821,550	6,971,306	6,587,821	383,485
Capital Outlay	343,500	705,562	671,843	33,719
Total Expenditures	<u>7,165,050</u>	<u>7,676,868</u>	<u>7,259,664</u>	<u>417,204</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	430,951	(80,867)	1,524,957	1,605,824
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	875	875
Transfers In	0	0	200,000	200,000
Transfers Out	(662,400)	(1,162,400)	(1,162,400)	0
Total Other Financing Sources (Uses):	<u>(662,400)</u>	<u>(1,162,400)</u>	<u>(961,525)</u>	<u>200,875</u>
Net Change in Fund Balance	(231,449)	(1,243,267)	563,432	1,806,699
Fund Balance at Beginning of Year	1,400,000	1,400,000	1,400,000	0
Prior Year Encumbrances	350,756	350,756	350,756	0
Fund Balance at End of Year	<u>\$ 1,519,307</u>	<u>\$ 507,489</u>	<u>\$ 2,314,188</u>	<u>\$ 1,806,699</u>

See accompanying notes to the basic financial statements



CITY OF SHARONVILLE, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Convention Center	Other Enterprise Fund	Total
Assets:			
Current Assets:			
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 4,402,162	\$ 179,372	\$ 4,581,534
Receivables:			
Accounts Receivable	253,236	354	253,590
Intergovernmental Receivable	200,000	0	200,000
Prepaid Items	9,352	1,405	10,757
Total Current Assets	4,864,750	181,131	5,045,881
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents	0	44,663	44,663
Capital Assets:			
Capital Assets Not Being Depreciated	5,022,188	45,000	5,067,188
Capital Assets Being Depreciated, Net	28,595,366	558,413	29,153,779
Total Noncurrent Assets	33,617,554	648,076	34,265,630
Total Assets	38,482,304	829,207	39,311,511
Deferred Outflows of Resources:			
Pension	383,775	32,134	415,909
Total Deferred Outflows of Resources	383,775	32,134	415,909
Liabilities:			
Current Liabilities:			
Accounts Payable	56,025	5,081	61,106
Accrued Wages and Benefits	33,265	2,697	35,962
Intergovernmental Payable	9,045	17,068	26,113
Customer Deposits	0	47,616	47,616
Unearned Revenue	1,317,979	6,973	1,324,952
Accrued Interest Payable	156,650	0	156,650
General Obligation Notes Payable	2,050,000	0	2,050,000
General Obligation Bonds Payable - Current	230,000	0	230,000
Revenue Bond Payable - Current	382,475	0	382,475
Compensated Absences - Current	16,506	865	17,371
Total Current Liabilities	4,251,945	80,300	4,332,245

CITY OF SHARONVILLE, OHIO

	Business-Type Activities		
	Enterprise Funds		
	Convention Center	Other Enterprise Fund	Total
Noncurrent Liabilities:			
Revenue Bonds Payable	27,023,233	0	27,023,233
Advances from Other Funds	0	270,000	270,000
Compensated Absences Payable	181,212	28,088	209,300
Net Pension Liability	1,011,702	84,711	1,096,413
Total Noncurrent Liabilities	28,216,147	382,799	28,598,946
Total Liabilities	32,468,092	463,099	32,931,191
Deferred Inflows of Resources:			
Pension	19,548	1,637	21,185
Net Position:			
Net Investment in Capital Assets	3,931,846	603,413	4,535,259
Unrestricted	2,446,593	(206,808)	2,239,785
Total Net Position	<u>\$ 6,378,439</u>	<u>\$ 396,605</u>	<u>\$ 6,775,044</u>

See accompanying notes to the basic financial statements



CITY OF SHARONVILLE, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Convention Center	Other Enterprise Fund	Total
Operating Revenues:			
Charges for Services	\$ 1,753,499	\$ 304,839	\$ 2,058,338
Other Operating Revenues	52,098	1,274	53,372
Total Operating Revenues	<u>1,805,597</u>	<u>306,113</u>	<u>2,111,710</u>
Operating Expenses:			
Personal Services	1,150,109	96,021	1,246,130
Materials and Supplies	59,272	61,508	120,780
Contractual Services	416,222	5,392	421,614
Utilities	271,171	33,689	304,860
Depreciation	828,420	52,381	880,801
Total Operating Expenses	<u>2,725,194</u>	<u>248,991</u>	<u>2,974,185</u>
Operating Income (Loss)	(919,597)	57,122	(862,475)
Non-Operating Revenue (Expenses):			
Interest Income	2,628	0	2,628
Interest and Fiscal Charges	(1,731,592)	0	(1,731,592)
Intergovernmental Revenues	2,862,242	0	2,862,242
Total Non-Operating Revenues (Expenses)	<u>1,133,278</u>	<u>0</u>	<u>1,133,278</u>
Change in Net Position	213,681	57,122	270,803
Net Position Beginning of Year	<u>6,164,758</u>	<u>339,483</u>	<u>6,504,241</u>
Net Position End of Year	<u>\$ 6,378,439</u>	<u>\$ 396,605</u>	<u>\$ 6,775,044</u>

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Convention Center	Other Enterprise Fund	Total
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$1,703,897	\$311,928	\$2,015,825
Cash Payments for Goods and Services	(741,465)	(106,098)	(847,563)
Cash Payments to Employees	(1,072,660)	(92,174)	(1,164,834)
Other Operating Revenues	52,098	1,274	53,372
Net Cash Provided (Used) by Operating Activities	(58,130)	114,930	56,800
<u>Cash Flows from Noncapital Financing Activities:</u>			
Payment on Advances from Other Funds	0	(100,000)	(100,000)
Intergovernmental Revenue Received	2,914,767	0	2,914,767
Net Cash Provided (Used) by Noncapital Financing Activities	2,914,767	(100,000)	2,814,767
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(17,661)	(35,942)	(53,603)
Sale of General Obligation Notes	2,050,000	0	2,050,000
Premium on Sale of General Obligation Notes	14,904	0	14,904
Payment on Revenue Bond	(385,000)	0	(385,000)
Payment on General Obligation Notes	(2,400,000)	0	(2,400,000)
Payment on General Obligation Bonds	(220,000)	0	(220,000)
Interest Paid on All Debt	(1,732,837)	0	(1,732,837)
Net Cash Used for Capital and Related Financing Activities	(2,690,594)	(35,942)	(2,726,536)
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	2,628	0	2,628
Net Cash Provided for Investing Activities	2,628	0	2,628
Net Increase (Decrease) in Equity in Pooled Cash, Cash Equivalents and Investments			
	168,671	(21,012)	147,659
Equity in Pooled Cash, Cash Equivalents and Investments at the Beginning of Year			
	4,233,491	245,047	4,478,538
Equity in Pooled Cash, Cash Equivalents and Investments at the End of Year			
	\$4,402,162	\$224,035	\$4,626,197
<u>Reconciliation of Equity in Pooled Cash, Cash Equivalents and Investments per the Statement of Net Position:</u>			
Equity in Pooled Cash, Cash Equivalents and Investments	\$4,402,162	\$179,372	\$4,581,534
Restricted Cash and Cash Equivalents	0	44,663	44,663
Equity in Pooled Cash, Cash Equivalents and Investments	\$4,402,162	\$224,035	\$4,626,197

CITY OF SHARONVILLE, OHIO

	Business-Type Activities		
	Enterprise Funds		
	Convention Center	Other Enterprise Fund	Total
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$919,597)	\$57,122	(\$862,475)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	828,420	52,381	880,801
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	30,055	99	30,154
(Increase) in Prepaid Items	(346)	8	(338)
Increase in Deferred Outflows - Pension	(262,455)	(22,547)	(285,002)
Increase in Accounts Payable	6,216	1,995	8,211
Increase (Decrease) in Accrued Wages and Benefits	5,324	(568)	4,756
Decrease in Intergovernmental Payable	(6,039)	(789)	(6,828)
Increase in Customer Deposits Payable	0	1,330	1,330
Decrease in Unearned Revenue	(79,657)	(1,780)	(81,437)
Increase in Compensated Absences	4,745	3,564	8,309
Increase in Net Pension Liability	327,612	23,571	351,183
Increase in Deferred Inflows - Pension	7,592	544	8,136
Total Adjustments	861,467	57,808	919,275
Net Cash Provided (Used) by Operating Activities	(\$58,130)	\$114,930	\$56,800

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Net Position
Fiduciary Fund
December 31, 2016**

	Private Purpose	
	Trust	
	Unclaimed Monies	Agency Funds
	Fund	
Assets:		
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 330	\$ 709,662
Total Assets	<u>330</u>	<u>709,662</u>
Liabilities:		
Intergovernmental Payable	0	3,564
Due to Others	0	706,098
Total Liabilities	<u>0</u>	<u>\$ 709,662</u>
Net Position:		
Unrestricted	<u>330</u>	
Total Net Position	<u>\$ 330</u>	

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2016**

	Private Purpose Trust Unclaimed Monies Fund
Additions:	
Total Additions	\$ 0
Deductions:	
Total Deductions	0
Change in Net Position	0
Net Position at Beginning of Year	330
Net Position End of Year	\$ 330

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Sharonville, Ohio (the "City") was incorporated in 1962 under the laws of the State of Ohio and operates under a Mayor-Council form of government.

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 61 *"The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34,"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity includes all funds, agencies, boards and commissions that are part of the primary government, which include the following services: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning and general administrative services. The City also owns and operates senior citizen housing and a convention center which are reported as enterprise funds. In addition, the City has included the Community Improvement Corporation of Sharonville (CIC) as a discretely presented component unit.

Discretely Presented Component Unit – The component unit column in the entity-wide financial statements includes the financial data of the City's component unit. It is reported in a separate column to emphasize that it is legally separate from the City. The component unit is being presented as a part of the City's reporting entity because the City appoints the voting majority of the component unit's board and the City can impose its' will on the component unit.

Community Improvement Corporation of Sharonville – The Community Improvement Corporation of Sharonville (CIC), a non-profit organization, is a six member board comprised of four City officials and two council members. The primary purpose of the CIC is the planning of the industrial, commercial, distribution and research development of the City, including the assurance that mortgage payments will be made to foster such development, the acquisition, construction, equipment and improvement of buildings, structures and other properties, the acquisition of sites for such development, the lease, sale and subdivision of such sites and incurring of debt in order to carry out such development, and to make loans to any individual or business entity in order to carry out such development purpose for the City. The City provides all subsidies to the CIC to finance its operations and activities, there were no subsidies provided to the CIC in 2016. Financial statements related to the CIC can be obtained from the City Auditor.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The following fund types are used by the City:

Governmental Funds - are those funds through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's major governmental funds:

General Fund - This fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Principal sources of revenue are municipal income taxes and shared tax revenues. Primary expenditures are for police protection, community environment and general government.

Fire Department Fund - This fund is used to account for income tax revenues collected to fund Fire Department operations.

Capital Improvement Fund - This fund is used to account for the accumulation of funds for the acquisition of capital assets and/or the construction of major capital facilities.

Chester Road TIF Fund - This fund is used to account for the construction on the Chester Road Project.

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

Proprietary Funds - The proprietary funds are accounted for on an "economic resource" measurement focus. This measurement focus provides that all assets and liabilities associated with the operation of the proprietary funds are included on the balance sheet. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The following is the City's major enterprise fund:

Convention Center Fund - This fund is used to account for revenues and expenses associated with the operation of the city-owned convention center.

The other enterprise fund of the City, the Senior Citizen Housing Fund, is used to account for revenues and expenses associated with the operation of the city-owned Senior Housing Apartment Complex, as well as revenues from lease deposits and waiting list deposits.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The City's fiduciary funds are a private-purpose trust fund and agency funds. The private purpose trust fund is used to account for unclaimed monies. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The City's agency funds account for funds from the Mayor's Court, funds for employee benefits plans, fees for building standards, tax refunds, and funds to repair the downtown shopping area.

C. Basis of Presentation – Financial Statements

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 statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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 governmental funds.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. 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 specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Revenue considered susceptible to accrual at year-end includes income taxes withheld by employers, interest on investments, and state levied locally shared taxes (including motor vehicle license fees, gasoline tax, and local government assistance). Other revenue, including licenses, permits; certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues are recorded as revenue when received in cash because generally these revenues are not measurable until received.

Special assessments receivable, which are measurable, but not available at December 31, are recorded as deferred inflows of resources.

The accrual basis of accounting is utilized for reporting purposes by the governmental activities, proprietary funds, and the fiduciary funds. Revenues are recognized when they are earned and expenses recognized when incurred.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the department level and within each department at the levels of personal services and other expenditures. Administrative control is maintained through the establishment of more detailed line-item budgets. Budgetary modifications may only be made by ordinance of the City Council.

1. Tax Budget

By July 15, the City Auditor submits an annual tax budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2016.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31.

The appropriation ordinance establishes spending controls at the fund level. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. During 2016, supplemental appropriations were necessary to budget for projects that were not originally appropriated. The budgetary figures, which appear on the budgetary statements, are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

5. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

6. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual" for the general fund and the major special revenue fund:

	Net Change in Fund Balance	
	General Fund	Fire Department Fund
GAAP Basis (as reported)	\$124,386	\$498,655
Increase (Decrease):		
Accrued Revenues at December 31, 2016 received during 2017	(2,162,477)	(953,312)
Accrued Revenues at December 31, 2015 received during 2016	2,438,351	1,062,498
Accrued Expenditures at December 31, 2016 paid during 2017	708,902	442,531
Accrued Expenditures at December 31, 2015 paid during 2016	(670,040)	(324,228)
2015 Prepays for 2016	50,618	20,200
2016 Prepays for 2017	(53,466)	(28,578)
Perspective Difference:		
Activity of Funds Reclassified for GAAP Reporting Purposes	(199,114)	0
Outstanding Encumbrances	(487,898)	(154,334)
Budget Basis	<u>(\$250,738)</u>	<u>\$563,432</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and the State Treasurer's Asset Reserve (STAR Ohio). STAR Ohio is considered a cash equivalent because it is a highly liquid investment with an original maturity date of three months or less.

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintains its own cash and investment account. For purposes of the statement of cash flows, the proprietary funds' share of equity in pooled cash and cash equivalents (both unrestricted and restricted) are considered to be cash equivalents. See Note 5 "Equity in Pooled Cash, Cash Equivalents and Investments."

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution, the Ohio Revised Code and the City's Investment Policies. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", the City reports its investments, which consists of STAR Ohio and various federal securities, at fair value. Fair value is determined by quoted market prices. See Note 5 "Equity in Pooled Cash, Cash Equivalents and Investments."

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

H. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

I. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life threshold of three or more years.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets and Depreciation (Continued)

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, improvements to land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined at December 31, 1987 by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Property, Plant and Equipment – Business Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental and Business-Type Activities Estimated Lives (Years)</u>
Land Improvements	20
Buildings	25 – 50
Building Improvements	20 – 30
Infrastructure	10 – 20
Machinery, Equipment, Furniture, Fixtures and Vehicles	3 – 30

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
Notes Payable	Note Debt Retirement Fund Convention Hotel Debt Fund
Special Assessment Bonds	Crowne Point Drive Fund
General Obligation Bonds	Convention Center Fund Note Debt Retirement Fund Debt Retirement Fund
Revenue Bonds	Convention Center Fund
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Fire Fund Permissive Motor Vehicle License Fund Senior Citizen Housing Fund Convention Center Fund

K. Compensated Absences

In accordance with GASB Statement No. 16, "*Accounting for Compensated Absences*," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences (Continued)

For governmental funds, that portion of unpaid compensated absences that is due and payable is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net position, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account.

Compensated absences are expensed in the Senior Citizens Housing and Convention Center enterprise funds when earned. The related liability is reported within the fund.

L. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2016, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

M. Restricted Assets

Certain cash and cash equivalents are classified as restricted on the balance sheet and statement of net position because these funds are being held by a trustee, an agent or by the City for specified purposes.

N. Intergovernmental Revenues

In governmental funds, grants awarded on a non-reimbursement basis, entitlements and shared revenues are recorded as intergovernmental receivables and revenues when measurable and available. Reimbursable grants are recorded as intergovernmental receivables and revenues when the related expenditures are made.

Grants received for proprietary fund operations are recognized as revenues when measurable and earned. Such resources restricted for the construction of capital assets are recorded as contributed capital.

O. 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Interfund services provided and used are not eliminated in the process of consolidation. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

The City generally eliminates the effect of interfund activity in the government-wide financial statements to remove indirect expenses, except where the elimination would distort the costs and program revenues reported for the various functions.

Q. Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. 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 (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.

Assigned – Assigned fund balance consists of amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Ohio law authorizes the City Auditor to assign fund balance.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Fund Balance (Continued)

Unassigned – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use unrestricted resources first (committed, assigned and unassigned), then restricted resources as they are needed.

R. Net position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for Other Purposes includes programs for street and highway improvements, federal grants for security of persons and property and mandatory fines for various court programs.

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

S. Interfund Assets/ Liabilities

The City reports cash overdrafts from pooled cash and cash equivalents as an interfund loan payable in the fund with the overdraft and as an interfund loan receivable in the fund(s) designated by management.

T. 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.

U. Extraordinary and Special Items

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. 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 from the convention center and the senior housing center. Operating expenses are necessary costs incurred 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 revenues and expenses.

W. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported for pension amounts (See Note 10) and also for deferred charges on the refunding of debt. The amounts are reported in the government-wide and proprietary statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide and proprietary funds statement of net position. See Note 10.

X. Fair Market Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

A. Change in Accounting Principle

For fiscal year 2016, the City has implemented GASB Statement No. 72, “Fair Value Measurement and Application”, GASB Statement No. 73 “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68”, GASB Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”, GASB Statement No. 77 “Tax Abatement Disclosures” and GASB Statement No. 79, “Certain External Investment Pools and Pool Participants”.

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the City.

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

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

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. These changes were incorporated in the City's 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the City.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

B. Restatement of Net Position

The City has made a correction to income taxes receivable. The corrections had the following effect on net position as reported December 31, 2015:

	General Fund	Fire Department Fund	Governmental Activities
Fund Balance/Net Position December 31, 2015	\$10,733,707	\$2,509,226	\$38,932,208
Adjustments:			
Taxes Receivable	986,995	493,498	1,480,493
Unavailable Amounts	(986,995)	(493,498)	0
Restated Fund Balance/Net Position December 31, 2015	<u>\$10,733,707</u>	<u>\$2,509,226</u>	<u>\$40,412,701</u>

This Space Intentionally Left Blank

CITY OF SHARONVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 3 – FUND BALANCE CLASSIFICATION

Fund balance is classified as nonspendable, restricted, committed, assigned and unassigned 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 constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Fire Department	Capital Improvement	Chester Road TIF	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid Items	\$53,466	\$28,578	\$0	\$0	\$9,083	\$91,127
Supplies Inventory	0	0	0	0	159,878	159,878
Total Nonspendable	<u>53,466</u>	<u>28,578</u>	<u>0</u>	<u>0</u>	<u>168,961</u>	<u>251,005</u>
Restricted:						
Transportation Projects	0	0	0	0	2,717,692	2,717,692
Court Projects	0	0	0	0	98,347	98,347
Law Enforcement	0	0	0	0	181,543	181,543
Debt Service	0	0	0	0	396,054	396,054
Fire Department	0	2,979,303	0	0	928	2,980,231
Capital Improvements	0	0	0	0	1,376,487	1,376,487
Health	0	0	0	0	3	3
Total Restricted	<u>0</u>	<u>2,979,303</u>	<u>0</u>	<u>0</u>	<u>4,771,054</u>	<u>7,750,357</u>
Committed:						
Termination Benefits	601,947	0	0	0	0	601,947
Teen Activities	0	0	0	0	4,714	4,714
Debt Service	0	0	0	0	449,137	449,137
Capital Improvements	0	0	3,489,352	0	0	3,489,352
Total Committed	<u>601,947</u>	<u>0</u>	<u>3,489,352</u>	<u>0</u>	<u>453,851</u>	<u>4,545,150</u>
Assigned:						
Goods and Services	300,085	0	0	0	0	300,085
Projected Budget Deficit	483,689	0	0	0	0	483,689
Total Assigned	<u>783,774</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>783,774</u>
Unassigned (Deficit)	<u>9,418,906</u>	<u>0</u>	<u>0</u>	<u>(2,384,561)</u>	<u>(12,099)</u>	<u>7,022,246</u>
Total Fund Balances	<u>\$10,858,093</u>	<u>\$3,007,881</u>	<u>\$3,489,352</u>	<u>(\$2,384,561)</u>	<u>\$5,381,767</u>	<u>\$20,352,532</u>

NOTE 4 – FUND DEFICITS

The fund deficits at December 31, 2016 of \$7,934 in the Special Assessment Bond Retirement Fund and of \$4,165 in the Convention Hotel Debt Fund (debt service funds) and of \$2,384,561 in the Chester Road TIF Fund (capital projects fund), arise from the recognition of certain liabilities under the modified accrual basis of accounting. Under the budgetary basis of accounting the deficits do not exist. The General Fund provides transfers when cash is required, not when accruals occur.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 5 – EQUITY IN POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments.

Statutes require the classification of funds held by the City into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets 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, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 5 - EQUITY IN POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS
(Continued)

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of City cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the City's deposits was \$18,890,035 and the bank balance was \$19,537,053. Federal depository insurance covered \$7,870,669 of the bank balance and \$11,666,384 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	\$11,666,384
Total Balance	<u><u>\$11,666,384</u></u>

B. Investments

The City's investments at December 31, 2016 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Fair Value Hierarchy</u>	<u>Investment Maturities (in Years) less than 1</u>
Negotiable C/D's	\$1,733,000	N/A	Level 2	\$1,733,000
STAR Ohio	<u>3,512,142</u>	AAAm ¹	N/A *	<u>3,512,142</u>
Total Investments	<u><u>\$5,245,142</u></u>			<u><u>\$5,245,142</u></u>

¹ Standard & Poor's

* STAR Ohio is reported at its share price (Net Asset Value (NAV) per share).

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 5 - EQUITY IN POOLED CASH, CASH EQUIVALENTS AND INVESTMENTS
(Continued)

B. Investments (Continued)

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date.

Investment Credit Risk – In accordance with the City investment policy its investment choices are limited similar to State statute for “interim” funds described previously.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. Of the City’s total investments 33% are Negotiable Certificates of Deposit and 67% are STAR Ohio.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

NOTE 6 - INCOME TAXES

The City levies a tax of 1.5% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of the total amount assessed.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2016 consisted of income taxes, property taxes, accounts receivable, special assessments, loans and intergovernmental receivables arising from shared revenues.

CITY OF SHARONVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 8 – TRANSFERS AND INTERFUND BALANCES

Following is a summary of transfers in and out for all funds for 2016:

Fund	Transfers In	Transfers Out
General Fund	\$0	\$5,142,392
Fire Department Fund	0	962,400
Capital Improvement Fund	4,309,067	0
Other Governmental Funds	1,795,725	0
Totals	<u>\$6,104,792</u>	<u>\$6,104,792</u>

Transfers are used to remove from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; to return money to the fund from which it was originally provided once a project is completed; and to transfer capital assets. The Fire Department made transfers out to retire debt in accordance with Ohio Revised Code.

Individual interfund balances at December 31, 2016 are as follows:

Fund	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$64,401	\$0
Other Governmental Funds	0	64,401
Totals	<u>\$64,401</u>	<u>\$64,401</u>

The interfund loans receivable/payable on the Governmental Balance Sheet is temporary loans to assist with cash flows until the receipt of certain grants.

Individual advance balances at December 31, 2016 are as follows:

Fund	Advances to Other Funds	Advances from Other Funds
General Fund	\$4,035,000	\$0
Chester Road TIF Fund	0	3,765,000
Governmental Funds Total	<u>4,035,000</u>	<u>3,765,000</u>
Enterprise Fund:		
Senior Housing Fund	0	270,000
Totals	<u>\$4,035,000</u>	<u>\$4,035,000</u>

The advance between the General Fund and the Senior Housing Fund represents a long term loan that provided funds for capital improvements. The advance between the General Fund and the Chester Road TIF Fund represents a manuscript debt transaction. This transaction was accounted for utilizing the investment method on the budgetary basis and the advance method on a GAAP basis.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2016:

Historical Cost:

Class	December 31, 2015	Additions	Deletions	December 31, 2016
<i>Capital assets not being depreciated:</i>				
Land	\$6,639,810	\$785,315	(\$785,315)	\$6,639,810
Construction in Progress	3,655,337	167,106	(1,953,158)	1,869,285
<i>Capital assets not being depreciated</i>	<u>10,295,147</u>	<u>952,421</u>	<u>(2,738,473)</u>	<u>8,509,095</u>
<i>Capital assets being depreciated:</i>				
Land Improvements	8,467,500	95,100	(15,930)	8,546,670
Buildings and Improvements	17,556,389	69,245	(9,090)	17,616,544
Infrastructure	32,756,069	4,068,130	0	36,824,199
Machinery and Equipment	3,421,647	455,357	(8,279)	3,868,725
Vehicles	5,499,332	1,906,165	(312,526)	7,092,971
<i>Capital assets being depreciated</i>	<u>67,700,937</u>	<u>6,593,997</u>	<u>(345,825)</u>	<u>73,949,109</u>
Total Cost	<u>\$77,996,084</u>	<u>\$7,546,418</u>	<u>(\$3,084,298)</u>	<u>\$82,458,204</u>

Accumulated Depreciation:

Class	December 31, 2015	Additions	Deletions	December 31, 2016
Land Improvements	(\$5,189,978)	(\$394,909)	\$15,930	(\$5,568,957)
Buildings and Improvements	(6,978,912)	(387,779)	9,090	(7,357,601)
Infrastructure	(16,126,754)	(1,350,513)	0	(17,477,267)
Machinery and Equipment	(2,071,542)	(315,457)	6,623	(2,380,376)
Vehicles	(3,566,458)	(519,775)	269,356	(3,816,877)
Total Depreciation	<u>(\$33,933,644)</u>	<u>(\$2,968,433) *</u>	<u>\$300,999</u>	<u>(\$36,601,078)</u>
Net Value:	<u>\$44,062,440</u>			<u>\$45,857,126</u>

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$700,201
Leisure Time Activities	533,928
Transportation	1,505,836
General Government	228,468
Total Depreciation Expense	<u>\$2,968,433</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by category of changes in business-type activities capital assets at December 31, 2016:

Historical Cost:

Class	December 31, 2015	Additions	Deletions	December 31, 2016
<i>Capital assets not being depreciated:</i>				
Land	\$5,067,188	\$0	\$0	\$5,067,188
<i>Capital assets not being depreciated</i>	5,067,188	0	0	5,067,188
<i>Capital assets being depreciated:</i>				
Land Improvements	365,840	14,577	0	380,417
Buildings and Improvements	35,360,520	35,942	0	35,396,462
Infrastructure	95,599	0	0	95,599
Machinery and Equipment	1,337,487	5,999	0	1,343,486
Vehicles	36,961	0	0	36,961
<i>Capital assets being depreciated</i>	37,196,407	56,518	0	37,252,925
Total Cost	\$42,263,595	\$56,518	\$0	\$42,320,113

Accumulated Depreciation:

Class	December 31, 2015	Additions	Deletions	December 31, 2016
Land Improvements	(\$113,508)	(\$25,264)	\$0	(\$138,772)
Buildings and Improvements	(6,359,363)	(720,982)	0	(7,080,345)
Infrastructure	(75,947)	(4,746)	0	(80,693)
Machinery and Equipment	(665,831)	(126,113)	0	(791,944)
Vehicles	(3,696)	(3,696)	0	(7,392)
Total Depreciation	(\$7,218,345)	(\$880,801)	\$0	(\$8,099,146)

Net Value:

	\$35,045,250		\$34,220,967
--	--------------	--	--------------

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
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

This Space Intentionally Left Blank

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. 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:

	<u>State and Local</u>
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	<u>2.0</u>
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 \$626,643 for 2016. Of this amount, \$63,746 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2016 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %
2016 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$1,527,382 for 2016. Of this amount, \$224,732 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$7,337,848	\$21,974,969	\$29,312,817
Proportion of the Net Pension Liability-2016	0.042363%	0.341594%	
Proportion of the Net Pension Liability-2015	<u>0.043971%</u>	<u>0.337856%</u>	
Percentage Change	<u>(0.001608%)</u>	<u>0.0037378%</u>	
Pension Expense	\$969,803	\$3,025,770	\$3,995,573

CITY OF SHARONVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$2,156,869	\$3,576,682	\$5,733,551
City contributions subsequent to the measurement date	<u>626,643</u>	<u>1,527,382</u>	<u>2,154,025</u>
Total Deferred Outflows of Resources	<u>\$2,783,512</u>	<u>\$5,104,064</u>	<u>\$7,887,576</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$145,189	\$61,705	\$206,894
Change in Proportionate Share	<u>(3,407)</u>	<u>0</u>	<u>(3,407)</u>
Total Deferred Inflows of Resources	<u>\$141,782</u>	<u>\$61,705</u>	<u>\$203,487</u>

\$2,154,025 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2017	\$471,728	\$929,949	\$1,401,677
2018	506,216	929,949	1,436,165
2019	549,043	929,949	1,478,992
2020	488,100	739,279	1,227,379
2021	0	(11,889)	(11,889)
2022	<u>0</u>	<u>(2,260)</u>	<u>(2,260)</u>
Total	<u>\$2,015,087</u>	<u>\$3,514,977</u>	<u>\$5,530,064</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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	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 0.4 percent for 2015.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	100.00 %	5.27 %

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the 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:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$11,690,989	\$7,337,848	\$3,666,117

In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8% to 7.5%. Although the exact amount of these changes is not known, the impact to the City’s net pension liability is expected to be significant.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

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

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

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 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.

CITY OF SHARONVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2015 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Real Rate of Return **</u>	<u>30 Year Expected Real Rate of Return **</u>
Cash and Cash Equivalents	0.00 %	0.00%	0.00%
Domestic Equity	16.00	4.47	7.80
Non-US Equity	16.00	4.47	8.00
Core Fixed Income *	20.00	1.62	5.35
Global Inflation Protected *	20.00	1.33	4.73
High Yield	15.00	3.39	7.21
Real Estate	12.00	3.93	7.43
Private Markets	8.00	6.98	10.73
Timber	5.00	4.92	7.35
Master Limited Partnerships	8.00	7.03	10.75
Total	<u>120.00 %</u>		

* levered 2x

** numbers are net of expected inflation

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

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.

	<u>1% Decrease (7.25%)</u>	<u>Current Discount Rate (8.25%)</u>	<u>1% Increase (9.25%)</u>
City's proportionate share of the net pension liability	\$28,982,040	\$21,974,969	\$16,039,290

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 11 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (“OPERS”)

Plan Description – 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.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, 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. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2016, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

A. Ohio Public Employees Retirement System (“OPERS”) (Continued)

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the RMA for participants in the Member-Directed Plan for 2016 was 4.0%.

The City's contributions for health care to the OPERS for the years ending December 31, 2016, 2015, and 2014 were \$104,441, \$112,933 and \$117,743, respectively, which were equal to the required contributions for each year.

B. Ohio Police and Fire Pension Fund (“OP&F”)

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority to establish and amend benefits is provided in Chapter 742 of the ORC.

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F’s website at www.op-f.org.

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. 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% and 24.0% of covered payroll for police and fire employers, respectively. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

B. Ohio Police and Fire Pension Fund ("OP&F") (Continued)

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2016, the portion of employer contributions allocated to health care was 0.5% of covered payroll for both police officers and firefighters. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2016, 2015, and 2014 were \$18,127, \$17,397 and \$16,640 for police and \$17,842, \$17,278 and \$16,633 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 12 - OTHER EMPLOYEE BENEFITS

A. Dental Optical Plan

The City sponsors a Dental/Optical Plan for full-time employees of the City. Amounts not paid as dental or optical claims are remitted to employees upon termination or retirement. At December 31, 2016 the City had \$3,082 payable to employees for the Dental/Optical Plan.

B. Compensated Absences

At December 31, 2016, the City's accumulated, unpaid compensated absences amounted to \$3,454,541. Of this amount, \$3,227,870 is recorded as Governmental Activities on the Entity Wide Statement of Net position (\$271,730 is reported as due within one year), \$226,671 is recorded as Business-type activities (\$17,371 is reported as due within one year).

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 13 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to, and payable no later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five year period.

Notes payable at December 31, 2016 were as follows:

	Balance December 31, 2015	Issued	(Retired)	Balance December 31, 2016
Debt Service Fund:				
Convention Hotel Debt Fund:				
2.13% Convention Hotel	\$2,350,000	\$2,350,000	(\$2,350,000)	\$2,350,000
Capital Projects Fund:				
Chester Road TIF Fund:				
1.75% Chester Road TIF Project	0	1,000,000	0	1,000,000
Enterprise Fund:				
Convention Center Fund:				
1.75% Convention Center Imprv.	2,400,000	2,050,000	(2,400,000)	2,050,000
Total Notes Payable	<u>\$4,750,000</u>	<u>\$5,400,000</u>	<u>(\$4,750,000)</u>	<u>\$5,400,000</u>

CITY OF SHARONVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 14 - LONG-TERM OBLIGATIONS

Long-term obligations of the City at December 31, 2016 were as follows:

	Balance December 31, 2015	Issued	(Retired)	Balance December 31, 2016	Amount Due Within One Year
Business-Type Activities:					
General Obligation Bonds:					
2.00% - 4.00% Convention Center - Issue II Refunding	\$450,000	\$0	(\$220,000)	\$230,000	\$230,000
Total General Obligation Bonds	450,000	0	(220,000)	230,000	230,000
Revenue Bonds:					
3.88 - 6.30% Convention Center - RZEDB - BAB	28,060,000	0	(385,000)	27,675,000	395,000
Discount on Bonds	(281,817)	0	12,525	(269,292)	(12,525)
Total Revenue Bonds	27,778,183	0	(372,475)	27,405,708	382,475
Net Pension Liability:					
Ohio Public Employees Retirement System	745,230	351,183	0	1,096,413	0
Compensated Absences	218,362	117,490	(109,181)	226,671	17,371
Total Business-Type Activities	\$29,191,775	\$468,673	(\$701,656)	\$28,958,792	\$629,846
Governmental Activities:					
General Obligation Bonds:					
2.50% - 4.25% Recreation Center Refunding	\$850,000	\$0	(\$415,000)	\$435,000	\$435,000
Unamortized Premium	17,283	0	(11,523)	5,760	5,760
2.00% - 4.00% Fire House Construction Refunding	1,290,000	0	(630,000)	660,000	660,000
2.00% - 4.00% Pool Construction Refunding	730,000	0	(355,000)	375,000	375,000
Total General Obligation Bonds	2,887,283	0	(1,411,523)	1,475,760	1,475,760
Special Assessment Bonds:					
1.75%-4.38% GSA Property Road	1,170,000	0	(60,000)	1,110,000	65,000
Total Special Assessment Bonds (with Government Commitment)	1,170,000	0	(60,000)	1,110,000	65,000
Net Pension Liability:					
Ohio Public Employees Retirement System	4,558,163	1,683,272	0	6,241,435	0
Ohio Police and Fire Pension	17,502,349	4,472,620	0	21,974,969	0
Total Net Pension Liability	22,060,512	6,155,892	0	28,216,404	0
Ohio Public Works Commission Loan	58,065	41,845	0	99,910	0
Compensated Absences	3,273,920	445,038	(491,088)	3,227,870	271,730
Total Governmental Activities	\$29,449,780	\$6,642,775	(\$1,962,611)	\$34,129,944	\$1,812,490

CITY OF SHARONVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 14 - LONG-TERM OBLIGATIONS (Continued)

The principal amount of the City's special assessment debt outstanding at December 31, 2016, \$1,110,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners.

A. Principal and Interest Requirements

A summary of the City's future long-term debt funding requirements, including principal and interest payments as of December 31, 2016 follows:

Years	Business-Type Activities General Obligation Bonds		Business-Type Activities Revenue Bonds	
	Principal	Interest	Principal	Interest
2017	\$230,000	\$3,450	\$395,000	\$1,662,963
2018	0	0	650,000	1,646,373
2019	0	0	670,000	1,616,798
2020	0	0	695,000	1,585,308
2021	0	0	715,000	1,546,597
2022-2026	0	0	4,255,000	7,094,287
2027-2031	0	0	7,240,000	5,512,021
2032-2036	0	0	9,005,000	3,010,845
2037-2038	0	0	4,050,000	384,930
Totals	\$230,000	\$3,450	\$27,675,000	\$24,060,122

Years	Governmental Activities General Obligation Bonds		Governmental Activities Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2017	\$1,470,000	\$29,663	\$65,000	\$43,815
2018	0	0	65,000	41,800
2019	0	0	65,000	39,785
2020	0	0	70,000	37,380
2021	0	0	70,000	34,790
2022-2026	0	0	395,000	131,300
2027-2030	0	0	380,000	42,219
Totals	\$1,470,000	\$29,663	\$1,110,000	\$371,089

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2016**

NOTE 14 - LONG-TERM OBLIGATIONS (Continued)

B. Recovery Zone Economic Development and Build America Bond Subsidy

In 2010, the Convention Center Fund issued Series 2010A taxable bonds as Recovery Zone Economic Development (RZEDB) Bonds and Series 2010B taxable bonds as Build America (BAB) Bonds under the provisions of the American Recovery and Reinvestment Act of 2009. The RZEDB Bonds have a par value of \$20,295,000 and the BAB Bonds have a par value of \$7,765,000 totaling \$28,060,000. Under this agreement, the Convention Center is to receive 45% of the bond interest on the RZEDB as a subsidy and 35% of the bond interest on the BA Bonds as a subsidy. The amount of the subsidy received in 2016 was \$713,652. Below is a schedule of the amounts to be received in future years:

Years	Revenue Bond Subsidy	
	RZEDB	BAB
2017	\$568,770	\$139,662
2018	568,770	133,854
2019	568,770	123,504
2020	568,770	112,482
2021	568,770	98,932
2022-2026	2,843,850	271,118
2027-2031	2,480,408	0
2032-2036	1,354,880	0
2037-2038	173,215	0
Totals	<u>\$9,696,203</u>	<u>\$879,552</u>

C. Convention Center Revenue Bond

A cooperative agreement was entered into on March 18, 2010 between the Convention Facilities Authority for Hamilton County, Ohio, the County of Hamilton and the City of Sharonville to provide for a funding agreement to pay for the Convention Center RZEDB – BAB Bonds. The agreement provides for the County to contribute up to the lesser of the balance in the County Residual Account on each County Annual Contribution Calculation Date (February 28), or \$1,300,000. In the event that the balance in the residual account is less than \$1.3 million, the City of Sharonville is responsible for the first \$200,000 of the County Annual Contribution Deficit, the second \$200,000 is the responsibility of the County and any deficit above \$400,000 will be shared 50-50% between the City and the County.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 14 - LONG-TERM OBLIGATIONS (Continued)

D. Defeased Debt

In July 2012, the City refunded \$4,825,000 of General Obligation Bonds, through the issuance of \$4,800,000 of General Obligation Bonds. The net proceeds of the 2012 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$1,300,000 at December 31, 2016, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

NOTE 15 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 2007, the City joined the Ohio Government Risk Management Plan (OGRMP), a public entity risk plan formed under 2744.081 of the Ohio Revised Code that operates as a common risk management and insurance program for 550 member political subdivisions. The City pays an annual premium to OGRMP for its general insurance coverage. The agreement for formation of OGRMP provides that the organization will be self-sustaining through member premiums and will reinsure through commercial insurance and reinsurance companies.

Workers' Compensation claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

The City also pays unemployment claims to the State of Ohio as incurred.

The City continues to carry commercial insurance for other risks of loss, including employee health and life insurance. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

NOTE 16 – CONTRACTUAL COMMITMENTS

As of December 31, 2016 the City had contractual commitments with respect to capital projects in the amounts of \$3,445,842 for the third phase of improvements in the Chester Road TIF. The improvements will continue the repaving, new curbs, new decorative sidewalks, and relocation of the utilities underground. The commitments will be completed in 2016.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2016***

NOTE 17 - CONTINGENCIES

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

NOTE 18 - RELATED PARTY TRANSACTIONS

The Community Improvement Corporation of Sharonville (CIC), a discretely presented component unit of the City, did not receive transfers from the City for operations in 2016. Property located in the City and owned by the City at 11083 Reading Road and 3327 Creek Road is being managed by the CIC. In exchange for its services, the CIC has been assigned any rent to be earned from tenant use of the property. The City is paying maintenance, insurance and taxes on the property. The tenant at 11083 Reading Road paid \$750 per month in 2016, while the tenant at 3327 Creek Road paid \$500 per month in 2016.

NOTE 19 – CONVENTION HOTEL LOAN AGREEMENT

The City renewed one year taxable notes in the amount of \$2,350,000 on November 10, 2016. The City signed a development agreement with Rolling Hills Properties, LLC to loan the proceeds of the note to the developer to assist in the development of a hotel to be connected to the Sharonville Convention Center. The City will issue one year notes for up to 20 years with payment from the Developer commencing no later than the fourth anniversary of the issuance of the original note. The loan will be amortized over 16 years. The capitalized \$38,869 worth of interest paid by the City on the first anniversary date of the note.

NOTE 20 – TAX ABATEMENT DISCLOSURES

As of December 31, 2016, the City of Sharonville provides tax incentives under the Community Reinvestment Area (CRA) program and has a Tax Increment Financing Agreement (TIF) created under 5709.41 of the Ohio Revised Code. These incentives abate only property taxes. The City levies 0 mills of property tax millage therefore these abatements have zero impact on the tax revenues of the City.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF SHARONVILLE, OHIO

***Schedule of City's Proportionate Share of the Net Pension Liability
Last Three Years***

Ohio Public Employees Retirement System

Year	2014	2015	2016
City's proportion of the net pension liability (asset)	0.043971%	0.043971%	0.042363%
City's proportionate share of the net pension liability (asset)	\$5,183,608	\$5,303,393	\$7,337,848
City's covered-employee payroll	\$5,820,692	\$5,480,633	\$5,272,533
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	89.05%	96.77%	139.17%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2014	2015	2016
City's proportion of the net pension liability (asset)	0.3378560%	0.3378560%	0.3415938%
City's proportionate share of the net pension liability (asset)	\$16,454,647	\$17,502,349	\$21,794,969
City's covered-employee payroll	\$6,821,253	\$6,930,565	\$6,934,966
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	241.23%	252.54%	314.28%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2014 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability which is the prior fiscal year.

CITY OF SHARONVILLE, OHIO

***Schedule of City Contributions
Last Four Years***

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$756,690	\$657,676	\$632,704	\$626,643
Contributions in relation to the contractually required contribution	<u>756,690</u>	<u>657,676</u>	<u>632,704</u>	<u>626,643</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$5,820,692	\$5,480,633	\$5,272,533	\$5,222,025
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%	12.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$1,165,070	\$1,411,063	\$1,473,147	\$1,527,382
Contributions in relation to the contractually required contribution	<u>1,165,070</u>	<u>1,411,063</u>	<u>1,473,147</u>	<u>1,527,382</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$6,821,253	\$6,930,565	\$6,934,966	\$7,193,710
Contributions as a percentage of covered-employee payroll	17.08%	20.36%	21.24%	21.23%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.



*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS, AND
FIDUCIARY FUNDS.*

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Street Construction, Maintenance and Repair Fund

To account for state-levied and controlled gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

State Highway Fund

To account for the portion of the state gasoline tax and motor vehicle registration fees designated for street maintenance and repair of state highways within the City.

Permissive Motor Vehicle Tax Fund

To account for county-levied motor vehicle registration fees designated for maintenance and repair of roads within the City.

Federal Emergency Management Agency (FEMA) Fund

To account for grant monies received from the Federal Emergency Management Agency for assistance with public or individual restoration of disaster-damaged projects.

State Health Licenses Fund

To account for the revenues and expenditures of the State-mandated Health Licensing programs such as Food Service, Temporary Food Service, Swimming Pools and Mobile Home Parks.

Teen Fund

To account for monies received from fund raising for the City's teen group.

Law Enforcement Trust Fund

To account for revenues received from local law enforcement grants from the US Department of Justice for Law Enforcement. Expenditures are restricted to law enforcement including restricted personnel costs and equipment as defined in the grants.

Drug Law Enforcement Fund

To account for mandatory fines collected for drug offenses.

DUI Checkpoint Grant Fund

To account for financial resources used enhance law enforcement activities as a deterrent to the operation of motor vehicles while under the influence of alcohol.

(Continued)

Special Revenue Funds

DUI Education and Enforcement Fund

To account for financial resources used to educate and treat persons with alcohol related problems and to enhance law enforcement activities as a deterrent to the operation of motor vehicles while under the influence of alcohol.

Mayor's Court Computer Fund

To account for revenues from fines to be used for computers and updating Mayor's Court computer functions.

Clerk of Courts Computer Fund

To account for revenues from fines to be used for computers and updating Clerk of Courts computer functions.

Confinement Reimbursement Fund

To account for revenues from fines imposed on individuals who are incarcerated in the Hamilton County Jail.

Community Oriented Policing Services (COPS) Grant Fund

To account for proceeds from federal and state grant monies. The grant funds must be used toward the salary and benefits of police officers.

Drug Enforcement Agency (DEA) Federal Sharing Fund

To account for funds received from the federal Drug Enforcement Agency.

Termination Benefits Fund

To account for the large sum payout of retirees for sick, vacation and compensatory time accrued through their employment with the City. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

Other Grants Fund

To account for miscellaneous grant proceeds. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because only budgeted amounts were present in the current year.)

Police Grants Fund

To account for the grant monies for the Police Department.

Debt Service Funds

Debt Service Funds are used to account for retirement of the City's general obligation and special assessment bonds.

Note Debt Retirement Fund

To account for the accumulation of resources for the payments of general obligation note debt of the City including self-supporting obligations not otherwise paid from proprietary funds.

Debt Retirement Fund

To account for the accumulation of resources for the payments of general obligation debt of the City including self-supporting obligations not otherwise paid from proprietary funds.

Special Assessment Bond Retirement Fund

To accumulate special assessment revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of special assessment bonds.

Convention Hotel Debt Fund

To account for a note issuance and subsequent loan to the hotel developer.

Zind Lane Sewer Fund

To account for payments of principal and interest on the City's Zind Lane Sewer special assessment bond. Revenues for this purpose include special assessment collections.

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

Capital Improvement Issue II Fund

To account for government and local portions of Issue II funds that will be expended as they are approved. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Gateway 75 TIF Fund

To account for receipts and expenditures related to the TIF created to make improvements along the I-75 exit for Sharonville.

Downtown TIF Fund

To account for receipts and expenditures related to the TIF created to make improvements to the downtown area of Sharonville.

Facility Improvement Fund

To account for the accumulation of funds for facility improvements and repairs including roofs, HVAC systems and other improvements for the continued and improved usage of City Facilities.

Fire Equipment Fund

To account for the accumulation of funds for the purchase of Fire Aerial and/or other Fire Department vehicles and equipment.

Storm Water Fund

To account for the collection of assessments for the construction of a storm water system within the City.

CITY OF SHARONVILLE, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 2,617,728	\$ 860,602	\$ 1,381,557	\$ 4,859,887
Receivables:				
Taxes	0	0	377,112	377,112
Accounts	35	0	0	35
Intergovernmental	1,356,055	0	0	1,356,055
Special Assessments	0	1,489,023	0	1,489,023
Loans	0	2,388,869	0	2,388,869
Inventory of Supplies, at Cost	159,878	0	0	159,878
Prepaid Items	9,083	0	0	9,083
Total Assets	<u>\$ 4,142,779</u>	<u>\$ 4,738,494</u>	<u>\$ 1,758,669</u>	<u>\$ 10,639,942</u>
Liabilities:				
Accounts Payable	\$ 25,499	\$ 0	\$ 70	\$ 25,569
Accrued Wages and Benefits Payable	32,297	0	0	32,297
Intergovernmental Payable	10,486	0	0	10,486
Interfund Loans Payable	0	59,401	5,000	64,401
Accrued Interest Payable	0	6,978	0	6,978
General Obligation Notes Payable	0	2,350,000	0	2,350,000
Total Liabilities	<u>68,282</u>	<u>2,416,379</u>	<u>5,070</u>	<u>2,489,731</u>
Deferred Inflows of Resources:				
Unavailable Amounts	902,309	1,489,023	0	2,391,332
Property Tax Levy for Next Fiscal Year	0	0	377,112	377,112
Total Deferred Inflows of Resources	<u>902,309</u>	<u>1,489,023</u>	<u>377,112</u>	<u>2,768,444</u>
Fund Balances:				
Nonspendable	168,961	0	0	168,961
Restricted	2,998,513	396,054	1,376,487	4,771,054
Committed	4,714	449,137	0	453,851
Unassigned	0	(12,099)	0	(12,099)
Total Fund Balances	<u>3,172,188</u>	<u>833,092</u>	<u>1,376,487</u>	<u>5,381,767</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,142,779</u>	<u>\$ 4,738,494</u>	<u>\$ 1,758,669</u>	<u>\$ 10,639,942</u>

CITY OF SHARONVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 0	\$ 0	\$ 353,328	\$ 353,328
Intergovernmental Revenues	2,480,992	0	163,804	2,644,796
Charges for Services	186	0	0	186
Investment Earnings	20,135	0	0	20,135
Special Assessments	0	97,101	195,493	292,594
Fines and Forfeitures	33,323	0	0	33,323
All Other Revenue	10,432	7,150	0	17,582
Total Revenue	2,545,068	104,251	712,625	3,361,944
Expenditures:				
Current:				
Security of Persons and Property	58,295	0	0	58,295
Transportation	2,060,580	0	0	2,060,580
General Government	0	0	572,326	572,326
Capital Outlay	0	0	1,408,004	1,408,004
Debt Service:				
Principal Retirement	0	1,460,000	0	1,460,000
Interest & Fiscal Charges	0	128,660	0	128,660
Total Expenditures	2,118,875	1,588,660	1,980,330	5,687,865
Excess (Deficiency) of Revenues Over Expenditures	426,193	(1,484,409)	(1,267,705)	(2,325,921)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	60,000	60,000
Transfers In	0	1,474,725	321,000	1,795,725
Total Other Financing Sources (Uses)	0	1,474,725	381,000	1,855,725
Net Change in Fund Balance	426,193	(9,684)	(886,705)	(470,196)
Fund Balances at Beginning of Year	2,888,117	842,776	2,263,192	5,994,085
Change in Inventory Reserve	(142,122)	0	0	(142,122)
Fund Balances End of Year	\$ 3,172,188	\$ 833,092	\$ 1,376,487	\$ 5,381,767

CITY OF SHARONVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016**

	Street Construction, Maintenance & Repair Fund	State Highway Fund	Permissive Motor Vehicle Tax Fund	FEMA Fund
Assets:				
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 1,875,408	\$ 238,827	\$ 220,044	\$ 928
Receivables:				
Accounts	0	0	0	0
Intergovernmental	1,035,183	83,934	234,347	0
Inventory of Supplies, at Cost	107,118	52,760	0	0
Prepaid Items	6,000	0	0	0
Total Assets	<u>\$ 3,023,709</u>	<u>\$ 375,521</u>	<u>\$ 454,391</u>	<u>\$ 928</u>
Liabilities:				
Accounts Payable	\$ 17,239	\$ 7,615	\$ 637	\$ 0
Accrued Wages and Benefits Payable	28,898	0	2,867	0
Intergovernmental Payable	9,738	0	748	0
Total Liabilities	<u>55,875</u>	<u>7,615</u>	<u>4,252</u>	<u>0</u>
Deferred Inflows of Resources:				
Unavailable Amounts	690,122	55,956	156,231	0
Total Deferred Inflows of Resources	<u>690,122</u>	<u>55,956</u>	<u>156,231</u>	<u>0</u>
Fund Balances:				
Nonspendable	113,118	52,760	0	0
Restricted	2,164,594	259,190	293,908	928
Committed	0	0	0	0
Total Fund Balances	<u>2,277,712</u>	<u>311,950</u>	<u>293,908</u>	<u>928</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,023,709</u>	<u>\$ 375,521</u>	<u>\$ 454,391</u>	<u>\$ 928</u>

CITY OF SHARONVILLE, OHIO

State Health Licenses Fund	Teen Fund	Law Enforcement Trust Fund	Drug Law Enforcement Fund	DUI Checkpoint Grant Fund	DUI Education and Enforcement Fund
\$ 3	\$ 4,714	\$ 76,250	\$ 22,977	\$ 14,642	\$ 11,359
0	0	0	0	0	35
0	0	0	165	1,437	25
0	0	0	0	0	0
0	0	194	0	0	0
<u>\$ 3</u>	<u>\$ 4,714</u>	<u>\$ 76,444</u>	<u>\$ 23,142</u>	<u>\$ 16,079</u>	<u>\$ 11,419</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	532	0
0	0	0	0	0	0
0	0	0	0	532	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	194	0	0	0
3	0	76,250	23,142	15,547	11,419
0	4,714	0	0	0	0
<u>3</u>	<u>4,714</u>	<u>76,444</u>	<u>23,142</u>	<u>15,547</u>	<u>11,419</u>
<u>\$ 3</u>	<u>\$ 4,714</u>	<u>\$ 76,444</u>	<u>\$ 23,142</u>	<u>\$ 16,079</u>	<u>\$ 11,419</u>

(Continued)

CITY OF SHARONVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016**

	Mayor's Court Computer Fund	Clerk of Courts Computer Fund	Confinement Reimbursement Fund	COPS Grant Fund
Assets:				
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 27,728	\$ 69,697	\$ 3,299	\$ 5,752
Receivables:				
Accounts	0	0	0	0
Intergovernmental	279	651	34	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	545	2,146	0	0
Total Assets	<u>\$ 28,552</u>	<u>\$ 72,494</u>	<u>\$ 3,333</u>	<u>\$ 5,752</u>
Liabilities:				
Accounts Payable	\$ 2	\$ 6	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Total Liabilities	<u>2</u>	<u>6</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Nonspendable	545	2,146	0	0
Restricted	28,005	70,342	3,333	5,752
Committed	0	0	0	0
Total Fund Balances	<u>28,550</u>	<u>72,488</u>	<u>3,333</u>	<u>5,752</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 28,552</u>	<u>\$ 72,494</u>	<u>\$ 3,333</u>	<u>\$ 5,752</u>

CITY OF SHARONVILLE, OHIO

DEA Federal Sharing Fund	Police Grants Fund	Total Nonmajor Special Revenue Funds
\$ 40,340	\$ 5,760	\$ 2,617,728
0	0	35
0	0	1,356,055
0	0	159,878
198	0	9,083
<u>\$ 40,538</u>	<u>\$ 5,760</u>	<u>\$ 4,142,779</u>
\$ 0	\$ 0	\$ 25,499
0	0	32,297
<u>0</u>	<u>0</u>	<u>10,486</u>
<u>0</u>	<u>0</u>	<u>68,282</u>
<u>0</u>	<u>0</u>	<u>902,309</u>
<u>0</u>	<u>0</u>	<u>902,309</u>
198	0	168,961
40,340	5,760	2,998,513
0	0	4,714
<u>40,538</u>	<u>5,760</u>	<u>3,172,188</u>
<u>\$ 40,538</u>	<u>\$ 5,760</u>	<u>\$ 4,142,779</u>

CITY OF SHARONVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016**

	Street Construction, Maintenance & Repair Fund	State Highway Fund	Permissive Motor Vehicle Tax Fund	FEMA Fund
Revenues:				
Intergovernmental Revenues	\$ 1,989,603	\$ 193,239	\$ 285,783	\$ 0
Charges for Services	0	0	170	0
Investment Earnings	16,070	2,056	2,009	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	8,158	0	1,204	0
Total Revenue	<u>2,013,831</u>	<u>195,295</u>	<u>289,166</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Transportation	1,707,772	149,836	202,972	0
Total Expenditures	<u>1,707,772</u>	<u>149,836</u>	<u>202,972</u>	<u>0</u>
Net Change in Fund Balance	306,059	45,459	86,194	0
Fund Balances at Beginning of Year	2,066,875	313,391	207,714	928
Change in Inventory Reserve	(95,222)	(46,900)	0	0
Fund Balances End of Year	<u>\$ 2,277,712</u>	<u>\$ 311,950</u>	<u>\$ 293,908</u>	<u>\$ 928</u>

CITY OF SHARONVILLE, OHIO

State Health Licenses Fund	Teen Fund	Law Enforcement Trust Fund	Drug Law Enforcement Fund	DUI Checkpoint Grant Fund	DUI Education and Enforcement Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,607	\$ 0
0	16	0	0	0	0
0	0	0	0	0	0
0	0	2,466	5,849	0	308
0	0	84	84	0	902
<u>0</u>	<u>16</u>	<u>2,550</u>	<u>5,933</u>	<u>6,607</u>	<u>1,210</u>
0	0	4,006	446	4,249	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>4,006</u>	<u>446</u>	<u>4,249</u>	<u>0</u>
0	16	(1,456)	5,487	2,358	1,210
3	4,698	77,900	17,655	13,189	10,209
0	0	0	0	0	0
<u>\$ 3</u>	<u>\$ 4,714</u>	<u>\$ 76,444</u>	<u>\$ 23,142</u>	<u>\$ 15,547</u>	<u>\$ 11,419</u>

(Continued)

CITY OF SHARONVILLE, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

	Mayor's Court Computer Fund	Clerk of Courts Computer Fund	Confinement Reimbursement Fund	COPS Grant Fund
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	6,732	15,718	2,250	0
All Other Revenue	0	0	0	0
Total Revenue	<u>6,732</u>	<u>15,718</u>	<u>2,250</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property	16,816	32,377	0	0
Transportation	0	0	0	0
Total Expenditures	<u>16,816</u>	<u>32,377</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(10,084)	(16,659)	2,250	0
Fund Balances at Beginning of Year	38,634	89,147	1,083	5,752
Change in Inventory Reserve	0	0	0	0
Fund Balances End of Year	<u>\$ 28,550</u>	<u>\$ 72,488</u>	<u>\$ 3,333</u>	<u>\$ 5,752</u>

CITY OF SHARONVILLE, OHIO

DEA Federal Sharing Fund	Police Grants Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 5,760	\$ 2,480,992
0	0	186
0	0	20,135
0	0	33,323
0	0	10,432
<u>0</u>	<u>5,760</u>	<u>2,545,068</u>
401	0	58,295
<u>0</u>	<u>0</u>	<u>2,060,580</u>
<u>401</u>	<u>0</u>	<u>2,118,875</u>
(401)	5,760	426,193
40,939	0	2,888,117
0	0	(142,122)
<u>\$ 40,538</u>	<u>\$ 5,760</u>	<u>\$ 3,172,188</u>

CITY OF SHARONVILLE, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2016**

	Note Debt Retirement Fund	Debt Retirement Fund	Special Assessment Bond Retirement Fund	Convention Hotel Debt Fund
Assets:				
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 449,137	\$ 380,625	\$ 15,411	\$ 0
Receivables:				
Special Assessments	0	0	1,489,023	0
Loans	0	0	0	2,388,869
Total Assets	<u>\$ 449,137</u>	<u>\$ 380,625</u>	<u>\$ 1,504,434</u>	<u>\$ 2,388,869</u>
Liabilities:				
Interfund Loans Payable	\$ 0	\$ 0	\$ 23,345	\$ 36,056
Accrued Interest Payable	0	0	0	6,978
General Obligation Notes Payable	0	0	0	2,350,000
Total Liabilities	<u>0</u>	<u>0</u>	<u>23,345</u>	<u>2,393,034</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	1,489,023	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>1,489,023</u>	<u>0</u>
Fund Balances:				
Restricted	0	380,625	0	0
Committed	449,137	0	0	0
Unassigned	0	0	(7,934)	(4,165)
Total Fund Balances	<u>449,137</u>	<u>380,625</u>	<u>(7,934)</u>	<u>(4,165)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 449,137</u>	<u>\$ 380,625</u>	<u>\$ 1,504,434</u>	<u>\$ 2,388,869</u>

CITY OF SHARONVILLE, OHIO

<u>Zind Lane Sewer Fund</u>	<u>Total Nonmajor Debt Service Funds</u>
\$ 15,429	\$ 860,602
0	1,489,023
0	2,388,869
<u>\$ 15,429</u>	<u>\$ 4,738,494</u>
\$ 0	\$ 59,401
0	6,978
0	2,350,000
<u>0</u>	<u>2,416,379</u>
0	1,489,023
<u>0</u>	<u>1,489,023</u>
15,429	396,054
0	449,137
0	(12,099)
<u>15,429</u>	<u>833,092</u>
<u>\$ 15,429</u>	<u>\$ 4,738,494</u>

CITY OF SHARONVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended December 31, 2016**

	Note Debt Retirement Fund	Debt Retirement Fund	Special Assessment Bond Retirement Fund	Convention Hotel Debt Fund
Revenues:				
Special Assessments	\$ 0	\$ 0	\$ 97,101	\$ 0
All Other Revenue	7,150	0	0	0
Total Revenue	7,150	0	97,101	0
Expenditures:				
Debt Service:				
Principal Retirement	415,000	985,000	60,000	0
Interest & Fiscal Charges	31,775	50,750	45,675	460
Total Expenditures	446,775	1,035,750	105,675	460
Excess (Deficiency) of Revenues Over Expenditures	(439,625)	(1,035,750)	(8,574)	(460)
Other Financing Sources (Uses):				
Transfers In	438,975	1,035,750	0	0
Total Other Financing Sources (Uses)	438,975	1,035,750	0	0
Net Change in Fund Balance	(650)	0	(8,574)	(460)
Fund Balances at Beginning of Year	449,787	380,625	640	(3,705)
Fund Balances End of Year	\$ 449,137	\$ 380,625	\$ (7,934)	\$ (4,165)

CITY OF SHARONVILLE, OHIO

<u>Zind Lane Sewer Fund</u>	<u>Total Nonmajor Debt Service Funds</u>
\$ 0	\$ 97,101
<u>0</u>	<u>7,150</u>
<u>0</u>	<u>104,251</u>
0	1,460,000
<u>0</u>	<u>128,660</u>
<u>0</u>	<u>1,588,660</u>
0	(1,484,409)
<u>0</u>	<u>1,474,725</u>
<u>0</u>	<u>1,474,725</u>
0	(9,684)
<u>15,429</u>	<u>842,776</u>
<u>\$ 15,429</u>	<u>\$ 833,092</u>

CITY OF SHARONVILLE, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2016**

	Gateway 75 TIF Fund	Downtown TIF Fund	Facility Improvement Fund	Fire Equipment Fund
Assets:				
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 0	\$ 6,785	\$ 235,256	\$ 892,323
Receivables:				
Taxes	361,516	15,596	0	0
Total Assets	<u>\$ 361,516</u>	<u>\$ 22,381</u>	<u>\$ 235,256</u>	<u>\$ 892,323</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Interfund Loans Payable	0	5,000	0	0
Total Liabilities	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:				
Property Tax Levy for Next Fiscal Year	361,516	15,596	0	0
Total Deferred Inflows of Resources	<u>361,516</u>	<u>15,596</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Restricted	0	1,785	235,256	892,323
Total Fund Balances	<u>0</u>	<u>1,785</u>	<u>235,256</u>	<u>892,323</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 361,516</u>	<u>\$ 22,381</u>	<u>\$ 235,256</u>	<u>\$ 892,323</u>

CITY OF SHARONVILLE, OHIO

Storm Water Fund	Total Nonmajor Capital Projects Funds
\$ 247,193	\$ 1,381,557
<u>0</u>	<u>377,112</u>
<u>\$ 247,193</u>	<u>\$ 1,758,669</u>
\$ 70	\$ 70
<u>0</u>	<u>5,000</u>
<u>70</u>	<u>5,070</u>
<u>0</u>	<u>377,112</u>
<u>0</u>	<u>377,112</u>
<u>247,123</u>	<u>1,376,487</u>
<u>247,123</u>	<u>1,376,487</u>
<u>\$ 247,193</u>	<u>\$ 1,758,669</u>

CITY OF SHARONVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016**

	Capital Improvement Issue II Fund	Gateway 75 TIF Fund	Downtown TIF Fund	Facility Improvement Fund
Revenues:				
Taxes	\$ 0	\$ 350,000	\$ 3,328	\$ 0
Intergovernmental Revenues	163,804	0	0	0
Special Assessments	0	0	0	0
Total Revenue	<u>163,804</u>	<u>350,000</u>	<u>3,328</u>	<u>0</u>
Expenditures:				
Current:				
General Government	0	350,000	1,076	0
Capital Outlay	163,804	0	0	30,027
Total Expenditures	<u>163,804</u>	<u>350,000</u>	<u>1,076</u>	<u>30,027</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	2,252	(30,027)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	21,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>21,000</u>
Net Change in Fund Balance	0	0	2,252	(9,027)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>(467)</u>	<u>244,283</u>
Fund Balances End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,785</u>	<u>\$ 235,256</u>

CITY OF SHARONVILLE, OHIO

Fire Equipment Fund	Storm Water Fund	Total Nonmajor Capital Project Funds
\$ 0	\$ 0	\$ 353,328
0	0	163,804
0	195,493	195,493
0	195,493	712,625
0	221,250	572,326
1,214,173	0	1,408,004
1,214,173	221,250	1,980,330
(1,214,173)	(25,757)	(1,267,705)
60,000	0	60,000
300,000	0	321,000
360,000	0	381,000
(854,173)	(25,757)	(886,705)
1,746,496	272,880	2,263,192
\$ 892,323	\$ 247,123	\$ 1,376,487

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 14,986,199	\$ 14,986,199	\$ 17,166,807	\$ 2,180,608
Intergovernmental Revenues	312,977	312,977	280,349	(32,628)
Charges for Services	372,730	356,230	412,132	55,902
Licenses and Permits	432,310	440,810	497,190	56,380
Investment Earnings	125,000	195,000	213,402	18,402
Fines and Forfeitures	337,600	272,600	276,068	3,468
All Other Revenues	218,010	221,010	294,037	73,027
Total Revenues	<u>16,784,826</u>	<u>16,784,826</u>	<u>19,139,985</u>	<u>2,355,159</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Personal Services	5,926,525	5,961,690	5,711,424	250,266
Materials and Supplies	141,119	176,541	147,134	29,407
Contractual Services	475,380	507,903	440,292	67,611
Total Security of Persons and Property	<u>6,543,024</u>	<u>6,646,134</u>	<u>6,298,850</u>	<u>347,284</u>
Public Health and Welfare Services:				
Health Department:				
Personal Services	51,195	51,455	46,332	5,123
Materials and Supplies	2,025	2,518	1,421	1,097
Contractual Services	35,550	35,550	29,915	5,635
Total Public Health and Welfare Services	<u>88,770</u>	<u>89,523</u>	<u>77,668</u>	<u>11,855</u>
Leisure Time Activities:				
Recreation Parks:				
Personal Services	602,700	606,419	535,222	71,197
Materials and Supplies	43,750	46,863	39,557	7,306
Contractual Services	77,585	81,061	68,367	12,694
Total Recreation Parks	<u>724,035</u>	<u>734,343</u>	<u>643,146</u>	<u>91,197</u>
Recreation Community Center:				
Personal Services	1,189,200	1,181,952	1,104,283	77,669
Materials and Supplies	47,445	50,375	36,103	14,272
Contractual Services	316,218	332,341	297,234	35,107
Total Recreation Community Center	<u>1,552,863</u>	<u>1,564,668</u>	<u>1,437,620</u>	<u>127,048</u>

(Continued)

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2016***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Recreation Programs:				
Contractual Services	0	474	0	474
Total Recreation Programs	<u>0</u>	<u>474</u>	<u>0</u>	<u>474</u>
Recreation Pools:				
Personal Services	266,610	266,610	255,293	11,317
Materials and Supplies	38,680	38,914	36,284	2,630
Contractual Services	84,339	80,640	76,676	3,964
Total Recreation Pools	<u>389,629</u>	<u>386,164</u>	<u>368,253</u>	<u>17,911</u>
Total Leisure Time Activities	<u>2,666,527</u>	<u>2,685,649</u>	<u>2,449,019</u>	<u>236,630</u>
Community Environment:				
Building and Planning:				
Personal Services	466,686	470,210	450,987	19,223
Materials and Supplies	8,250	10,294	6,424	3,870
Contractual Services	55,600	68,947	36,230	32,717
Total Community Environment	<u>530,536</u>	<u>549,451</u>	<u>493,641</u>	<u>55,810</u>
Basic Utility Services:				
Waste Collection:				
Contractual Services	595,000	763,808	763,808	0
Total Basic Utility Services	<u>595,000</u>	<u>763,808</u>	<u>763,808</u>	<u>0</u>
General Government:				
Mayor:				
Personal Services	69,620	69,620	65,090	4,530
Materials and Supplies	350	418	336	82
Contractual Services	8,600	10,056	6,394	3,662
Total Mayor	<u>78,570</u>	<u>80,094</u>	<u>71,820</u>	<u>8,274</u>
Council:				
Personal Services	126,100	126,100	125,318	782
Materials and Supplies	350	350	238	112
Contractual Services	6,700	6,976	3,431	3,545
Total Council	<u>133,150</u>	<u>133,426</u>	<u>128,987</u>	<u>4,439</u>

(Continued)

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2016***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Auditor and Treasurer:				
Personal Services	39,100	39,100	38,543	557
Contractual Services	46,815	48,032	43,592	4,440
Total Auditor and Treasurer	<u>85,915</u>	<u>87,132</u>	<u>82,135</u>	<u>4,997</u>
Law Director:				
Personal Services	87,000	87,000	86,246	754
Contractual Services	67,690	69,460	39,150	30,310
Total Law Director	<u>154,690</u>	<u>156,460</u>	<u>125,396</u>	<u>31,064</u>
Civil Service:				
Personal Services	25,600	43,600	40,705	2,895
Materials and Supplies	200	200	0	200
Contractual Services	16,000	16,000	13,304	2,696
Total Civil Service	<u>41,800</u>	<u>59,800</u>	<u>54,009</u>	<u>5,791</u>
Safety/Service Director:				
Personal Services	1,056,950	1,063,454	1,043,494	19,960
Materials and Supplies	750	800	700	100
Contractual Services	85,140	99,378	77,056	22,322
Total Safety/Service Director	<u>1,142,840</u>	<u>1,163,632</u>	<u>1,121,250</u>	<u>42,382</u>
Tax Department:				
Personal Services	614,760	617,999	570,013	47,986
Materials and Supplies	13,375	37,869	36,778	1,091
Contractual Services	66,061	71,730	63,101	8,629
Total Tax Department	<u>694,196</u>	<u>727,598</u>	<u>669,892</u>	<u>57,706</u>
Building and Lands:				
Personal Services	173,700	178,822	175,663	3,159
Materials and Supplies	41,299	50,824	46,098	4,726
Contractual Services	410,865	428,054	371,313	56,741
Total Buildings and Lands	<u>625,864</u>	<u>657,700</u>	<u>593,074</u>	<u>64,626</u>
Miscellaneous Government:				
Personal Services	25,000	3,000	0	3,000
Materials and Supplies	17,200	26,126	20,379	5,747
Contractual Services	620,369	677,589	595,830	81,759
Total Miscellaneous Government	<u>662,569</u>	<u>706,715</u>	<u>616,209</u>	<u>90,506</u>

(Continued)

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Economic Development:				
Contractual Services	329,400	383,071	328,179	54,892
Total Economic Development	329,400	383,071	328,179	54,892
Total General Government	3,948,994	4,155,628	3,790,951	364,677
Total Expenditures	14,372,851	14,890,193	13,873,937	1,016,256
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,411,975	1,894,633	5,266,047	3,371,415
Other Financing Sources (Uses):				
Transfers Out	(2,362,707)	(5,468,042)	(5,467,392)	650
Advances In	0	0	9,500	9,500
Advances Out	(37,869)	(60,707)	(58,894)	1,813
Total Other Financing Sources (Uses)	(2,400,576)	(5,528,749)	(5,516,786)	11,963
Net Change in Fund Balance	11,399	(3,634,116)	(250,738)	3,383,378
Fund Balance at Beginning of Year	8,064,834	8,064,834	8,064,834	0
Prior Year Encumbrances	447,111	447,111	447,111	0
Fund Balance at End of Year	<u>\$ 8,523,344</u>	<u>\$ 4,877,829</u>	<u>\$ 8,261,207</u>	<u>\$ 3,383,378</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund
For the Year Ended December 31, 2016**

	FIRE DEPARTMENT FUND			Variance with Final Budget Positive Negative
	Original Budget	Final Budget	Actual	(Negative)
Revenues:				
Taxes	\$ 7,071,001	\$ 7,071,001	\$ 8,098,389	\$ 1,027,388
Intergovernmental Revenues	0	0	147,012	147,012
Charges for Services	525,000	525,000	513,847	(11,153)
All Other Revenues	0	0	25,373	25,373
Total Revenues	<u>7,596,001</u>	<u>7,596,001</u>	<u>8,784,621</u>	<u>1,188,620</u>
Expenditures:				
Security of Persons and Property:				
Fire Department:				
Personal Services	5,949,800	6,011,535	5,739,712	271,823
Materials and Supplies	206,800	242,326	217,504	24,822
Contractual Services	664,950	717,445	630,605	86,840
Total Security of Persons and Property	<u>6,821,550</u>	<u>6,971,306</u>	<u>6,587,821</u>	<u>383,485</u>
Capital Outlay	343,500	705,562	671,843	33,719
Total Expenditures	<u>7,165,050</u>	<u>7,676,868</u>	<u>7,259,664</u>	<u>417,204</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	430,951	(80,867)	1,524,957	1,605,824
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	875	875
Transfers In	0	0	200,000	200,000
Transfers Out	(662,400)	(1,162,400)	(1,162,400)	0
Total Other Financing Sources (Uses)	<u>(662,400)</u>	<u>(1,162,400)</u>	<u>(961,525)</u>	<u>200,875</u>
Net Change in Fund Balance	(231,449)	(1,243,267)	563,432	1,806,699
Fund Balance at Beginning of Year	1,400,000	1,400,000	1,400,000	0
Prior Year Encumbrances	350,756	350,756	350,756	0
Fund Balance at End of Year	<u>\$ 1,519,307</u>	<u>\$ 507,489</u>	<u>\$ 2,314,188</u>	<u>\$ 1,806,699</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Fund
For the Year Ended December 31, 2016**

CAPITAL IMPROVEMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Capital Outlay	3,364,206	3,176,494	187,712
Total Expenditures	3,364,206	3,176,494	187,712
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,364,206)	(3,176,494)	187,712
Other Financing Sources (Uses):			
Sale of Capital Assets	0	802,393	802,393
Transfers In	2,000,000	4,309,067	2,309,067
Total Other Financing Sources (Uses)	2,000,000	5,111,460	3,111,460
Net Change in Fund Balance	(1,364,206)	1,934,966	3,299,172
Fund Balance at Beginning of Year	1,241,603	1,241,603	0
Prior Year Encumbrances	179,139	179,139	0
Fund Balance at End of Year	\$ 56,536	\$ 3,355,708	\$ 3,299,172

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Fund
For the Year Ended December 31, 2016***

CHESTER ROAD TIF PROJECT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 500,000	\$ 728,042	\$ 228,042
Intergovernmental Revenues	0	291	291
Total Revenues	<u>500,000</u>	<u>728,333</u>	<u>228,333</u>
Expenditures:			
Capital Outlay	3,765,355	2,016,953	1,748,402
Debt Service:			
Interest Charges	208,500	134,297	74,203
Total Expenditures	<u>3,973,855</u>	<u>2,151,250</u>	<u>1,822,605</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,473,855)	(1,422,917)	2,050,938
Other Financing Sources (Uses):			
OPWC Loan Initiated	1,609,000	41,475	(1,567,525)
Premium on Notes Issued	0	7,270	7,270
General Obligation Notes Issued	1,000,000	1,000,000	0
Advances Out	(175,000)	(175,000)	0
Total Other Financing Sources (Uses)	<u>2,434,000</u>	<u>873,745</u>	<u>(1,560,255)</u>
Net Change in Fund Balance	(1,039,855)	(549,172)	490,683
Fund Balance at Beginning of Year	906,874	906,874	0
Prior Year Encumbrances	138,079	138,079	0
Fund Balance at End of Year	<u>\$ 5,098</u>	<u>\$ 495,781</u>	<u>\$ 490,683</u>

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND			Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental Revenues	\$ 1,486,000	\$ 1,967,058	\$ 481,058
Investment Earnings	6,500	16,070	9,570
All Other Revenues	4,000	20,210	16,210
Total Revenues	<u>1,496,500</u>	<u>2,003,338</u>	<u>506,838</u>
Expenditures:			
Transportation:			
Street Maintenance and Repair Department:			
Personal Services	1,018,753	935,438	83,315
Materials and Supplies	93,856	71,311	22,545
Contractual Services	163,700	135,464	28,236
Snow and Ice Removal Department:			
Personal Services	28,000	8,981	19,019
Materials and Supplies	50,212	33,414	16,798
Contractual Services	9,350	5,000	4,350
Traffic Signs and Signals Department:			
Materials and Supplies	1,000	990	10
Contractual Services	44,354	32,323	12,031
Total Transportation	<u>1,409,225</u>	<u>1,222,921</u>	<u>186,304</u>
Capital Outlay	760,120	705,188	54,932
Total Expenditures	<u>2,169,345</u>	<u>1,928,109</u>	<u>241,236</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(672,845)	75,229	748,074
Fund Balance at Beginning of Year	1,350,295	1,350,295	0
Prior Year Encumbrances	243,327	243,327	0
Fund Balance at End of Year	<u>\$ 920,777</u>	<u>\$ 1,668,851</u>	<u>\$ 748,074</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016**

STATE HIGHWAY FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 124,000	\$ 191,411	\$ 67,411
Investment Earnings	850	2,056	1,206
Total Revenues	<u>124,850</u>	<u>193,467</u>	<u>68,617</u>
Expenditures:			
Transportation:			
Street Maintenance and Repair Department:			
Contractual Services	31,908	29,160	2,748
Snow and Ice Removal Department:			
Materials and Supplies	42,000	14,000	28,000
Traffic Signs and Signals Department:			
Materials and Supplies	1,000	300	700
Contractual Services	27,809	25,584	2,225
Total Transportation	<u>102,717</u>	<u>69,044</u>	<u>33,673</u>
Capital Outlay	95,000	91,241	3,759
Total Expenditures	<u>197,717</u>	<u>160,285</u>	<u>37,432</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(72,867)	33,182	106,049
Fund Balance at Beginning of Year	184,563	184,563	0
Prior Year Encumbrances	10,817	10,817	0
Fund Balance at End of Year	<u>\$ 122,513</u>	<u>\$ 228,562</u>	<u>\$ 106,049</u>

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

PERMISSIVE MOTOR VEHICLE TAX FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 250,000	\$ 283,021	\$ 33,021
Charges for Services	0	170	170
Investment Earnings	800	2,009	1,209
All Other Revenues	0	1,204	1,204
Total Revenues	<u>250,800</u>	<u>286,404</u>	<u>35,604</u>
Expenditures:			
Transportation:			
Street Maintenance and Repair Department:			
Personal Services	104,643	90,221	14,422
Materials and Supplies	55,696	26,470	29,226
Contractual Services	17,869	12,004	5,865
Traffic Signs and Signals Department:			
Contractual Services	120	116	4
Total Transportation	<u>178,328</u>	<u>128,811</u>	<u>49,517</u>
Capital Outlay	95,000	75,239	19,761
Total Expenditures	<u>273,328</u>	<u>204,050</u>	<u>69,278</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,528)	82,354	104,882
Fund Balance at Beginning of Year	131,236	131,236	0
Prior Year Encumbrances	5,608	5,608	0
Fund Balance at End of Year	<u>\$ 114,316</u>	<u>\$ 219,198</u>	<u>\$ 104,882</u>

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	928	928	0
Fund Balance at End of Year	<u>\$ 928</u>	<u>\$ 928</u>	<u>\$ 0</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016**

STATE HEALTH LICENSES FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Public Health and Welfare Services:			
Health Department:			
Materials and Supplies	<u>4</u>	<u>0</u>	<u>4</u>
Total Expenditures	<u>4</u>	<u>0</u>	<u>4</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4)	0	4
Fund Balance at Beginning of Year	<u>3</u>	<u>3</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (1)</u>	<u>\$ 3</u>	<u>\$ 4</u>

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

	TEEN FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:			
Charges for Services	<u>\$ 0</u>	<u>\$ 16</u>	<u>\$ 16</u>
Total Revenues	<u>0</u>	<u>16</u>	<u>16</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	16	16
Fund Balance at Beginning of Year	<u>4,698</u>	<u>4,698</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,698</u>	<u>\$ 4,714</u>	<u>\$ 16</u>

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 0	\$ 2,466	\$ 2,466
All Other Revenues	0	84	84
Total Revenues	0	2,550	2,550
Expenditures:			
Security of Persons and Property:			
Police Department:			
Contractual Services	8,200	7,200	1,000
Total Security of Persons and Property	8,200	7,200	1,000
Capital Outlay	40,000	0	40,000
Total Expenditures	48,200	7,200	41,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(48,200)	(4,650)	43,550
Fund Balance at Beginning of Year	77,900	77,900	0
Fund Balance at End of Year	\$ 29,700	\$ 73,250	\$ 43,550

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 0	\$ 6,769	\$ 6,769
All Other Revenues	0	84	84
Total Revenues	0	6,853	6,853
Expenditures:			
Security of Persons and Property:			
Police Department:			
Materials and Supplies	4,000	324	3,676
Contractual Services	5,481	942	4,539
Total Security of Persons and Property	9,481	1,266	8,215
Capital Outlay	1,353	1,353	0
Total Expenditures	10,834	2,619	8,215
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,834)	4,234	15,068
Fund Balance at Beginning of Year	11,951	11,951	0
Prior Year Encumbrances	6,334	6,334	0
Fund Balance at End of Year	\$ 7,451	\$ 22,519	\$ 15,068

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016**

DUI CHECKPOINT GRANT FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 4,800	\$ 6,668	\$ 1,868
Total Revenues	<u>4,800</u>	<u>6,668</u>	<u>1,868</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Personal Services	9,720	4,203	5,517
Total Expenditures	<u>9,720</u>	<u>4,203</u>	<u>5,517</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,920)	2,465	7,385
Fund Balance at Beginning of Year	12,177	12,177	0
Fund Balance at End of Year	<u>\$ 7,257</u>	<u>\$ 14,642</u>	<u>\$ 7,385</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016**

DUI EDUCATION AND ENFORCEMENT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 0	\$ 308	\$ 308
All Other Revenues	0	1,100	1,100
Total Revenues	<u>0</u>	<u>1,408</u>	<u>1,408</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Materials and Supplies	500	0	500
Total Expenditures	<u>500</u>	<u>0</u>	<u>500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500)	1,408	1,908
Fund Balance at Beginning of Year	9,951	9,951	0
Fund Balance at End of Year	<u>\$ 9,451</u>	<u>\$ 11,359</u>	<u>\$ 1,908</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016**

MAYOR'S COURT COMPUTER FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	<u>\$ 7,000</u>	<u>\$ 7,116</u>	<u>\$ 116</u>
Total Revenues	<u>7,000</u>	<u>7,116</u>	<u>116</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Materials and Supplies	5,900	77	5,823
Contractual Services	<u>12,347</u>	<u>7,925</u>	<u>4,422</u>
Total Security of Persons and Property	<u>18,247</u>	<u>8,002</u>	<u>10,245</u>
Capital Outlay	<u>10,858</u>	<u>10,777</u>	<u>81</u>
Total Expenditures	<u>29,105</u>	<u>18,779</u>	<u>10,326</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,105)	(11,663)	10,442
Fund Balance at Beginning of Year	28,579	28,579	0
Prior Year Encumbrances	<u>7,800</u>	<u>7,800</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,274</u>	<u>\$ 24,716</u>	<u>\$ 10,442</u>

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

CLERK OF COURTS COMPUTER FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 16,000	\$ 16,614	\$ 614
Total Revenues	<u>16,000</u>	<u>16,614</u>	<u>614</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Materials and Supplies	3,400	181	3,219
Contractual Services	<u>28,736</u>	<u>19,527</u>	<u>9,209</u>
Total Security of Persons and Property	<u>32,136</u>	<u>19,708</u>	<u>12,428</u>
Capital Outlay	<u>16,648</u>	<u>15,180</u>	<u>1,468</u>
Total Expenditures	<u>48,784</u>	<u>34,888</u>	<u>13,896</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,784)	(18,274)	14,510
Fund Balance at Beginning of Year	69,045	69,045	0
Prior Year Encumbrances	<u>13,200</u>	<u>13,200</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 49,461</u>	<u>\$ 63,971</u>	<u>\$ 14,510</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016**

CONFINEMENT REIMBURSEMENT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	<u>\$ 0</u>	<u>\$ 2,216</u>	<u>\$ 2,216</u>
Total Revenues	<u> 0</u>	<u> 2,216</u>	<u> 2,216</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Contractual Services	<u> 630</u>	<u> 210</u>	<u> 420</u>
Total Expenditures	<u> 630</u>	<u> 210</u>	<u> 420</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u> (630)</u>	<u> 2,006</u>	<u> 2,636</u>
Fund Balance at Beginning of Year	763	763	0
Prior Year Encumbrances	<u>530</u>	<u>530</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 663</u>	<u>\$ 3,299</u>	<u>\$ 2,636</u>

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

	COPS GRANT FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	5,752	5,752	0
Fund Balance at End of Year	<u>\$ 5,752</u>	<u>\$ 5,752</u>	<u>\$ 0</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016**

DEA FEDERAL SHARING FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Security of Persons and Property:			
Police Department:			
Contractual Services	500	400	100
Total Expenditures	500	400	100
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500)	(400)	100
Fund Balance at Beginning of Year	40,740	40,740	0
Fund Balance at End of Year	\$ 40,240	\$ 40,340	\$ 100

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
General Government:			
Personal Services	<u>305,000</u>	<u>125,886</u>	<u>179,114</u>
Total Expenditures	<u>305,000</u>	<u>125,886</u>	<u>179,114</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(305,000)</u>	<u>(125,886)</u>	<u>179,114</u>
Other Financing Sources (Uses):			
Transfers In	<u>175,000</u>	<u>325,000</u>	<u>150,000</u>
Total Other Financing Sources (Uses)	<u>175,000</u>	<u>325,000</u>	<u>150,000</u>
Net Change in Fund Balance	<u>(130,000)</u>	<u>199,114</u>	<u>329,114</u>
Fund Balance at Beginning of Year	<u>402,833</u>	<u>402,833</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 272,833</u>	<u>\$ 601,947</u>	<u>\$ 329,114</u>

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 67,325	\$ 0	\$ (67,325)
Total Revenues	<u>67,325</u>	<u>0</u>	<u>(67,325)</u>
Expenditures:			
General Government:			
Contractual Services	67,325	0	67,325
Total Expenditures	<u>67,325</u>	<u>0</u>	<u>67,325</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016**

POLICE GRANTS FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 5,760	\$ 5,760	\$ 0
Total Revenues	<u>5,760</u>	<u>5,760</u>	<u>0</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Personal Services	5,760	0	5,760
Total Expenditures	<u>5,760</u>	<u>0</u>	<u>5,760</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	5,760	5,760
Other Financing Sources (Uses):			
Advances Out	(9,500)	(9,500)	0
Total Other Financing Sources (Uses)	<u>(9,500)</u>	<u>(9,500)</u>	<u>0</u>
Net Change in Fund Balance	(9,500)	(3,740)	5,760
Fund Balance at Beginning of Year	9,500	9,500	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 5,760</u>	<u>\$ 5,760</u>

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2016***

NOTE DEBT RETIREMENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 7,150	\$ 7,150	\$ 0
Total Revenues	<u>7,150</u>	<u>7,150</u>	<u>0</u>
Expenditures:			
Debt Service:			
Principal Retirement	415,000	415,000	0
Interest Charges	31,775	31,775	0
Total Expenditures	<u>446,775</u>	<u>446,775</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(439,625)	(439,625)	0
Other Financing Sources (Uses):			
Transfers In	439,625	438,975	(650)
Total Other Financing Sources (Uses)	<u>439,625</u>	<u>438,975</u>	<u>(650)</u>
Net Change in Fund Balance	0	(650)	(650)
Fund Balance at Beginning of Year	449,787	449,787	0
Fund Balance at End of Year	<u>\$ 449,787</u>	<u>\$ 449,137</u>	<u>\$ (650)</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2016**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Debt Service:			
Principal Retirement	985,000	985,000	0
Interest Charges	50,750	50,750	0
Total Expenditures	1,035,750	1,035,750	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,035,750)	(1,035,750)	0
Other Financing Sources (Uses):			
Transfers In	1,035,750	1,035,750	0
Total Other Financing Sources (Uses)	1,035,750	1,035,750	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	380,625	380,625	0
Fund Balance at End of Year	\$ 380,625	\$ 380,625	\$ 0

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2016**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 97,101	\$ 97,101	\$ 0
Total Revenues	<u>97,101</u>	<u>97,101</u>	<u>0</u>
Expenditures:			
Debt Service:			
Principal Retirement	60,000	60,000	0
Interest Charges	<u>45,675</u>	<u>45,675</u>	<u>0</u>
Total Expenditures	<u>105,675</u>	<u>105,675</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,574)	(8,574)	0
Other Financing Sources (Uses):			
Advances In	22,838	22,838	0
Advances Out	<u>(14,264)</u>	<u>0</u>	<u>14,264</u>
Total Other Financing Sources (Uses)	<u>8,574</u>	<u>22,838</u>	<u>14,264</u>
Net Change in Fund Balance	0	14,264	14,264
Fund Balance at Beginning of Year	<u>1,147</u>	<u>1,147</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,147</u>	<u>\$ 15,411</u>	<u>\$ 14,264</u>

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2016***

CONVENTION HOTEL DEBT FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Debt Service:			
Principal Retirement	2,350,000	2,350,000	0
Interest Charges	63,869	53,058	10,811
Total Expenditures	<u>2,413,869</u>	<u>2,403,058</u>	<u>10,811</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,413,869)	(2,403,058)	10,811
Other Financing Sources (Uses):			
General Obligation Notes Issued	2,350,000	2,350,000	0
Premium on Notes Issued	26,000	15,580	(10,420)
Advances In	37,869	36,056	(1,813)
Total Other Financing Sources (Uses)	<u>2,413,869</u>	<u>2,401,636</u>	<u>(12,233)</u>
Net Change in Fund Balance	0	(1,422)	(1,422)
Fund Balance at Beginning of Year	1,422	1,422	0
Fund Balance at End of Year	<u>\$ 1,422</u>	<u>\$ 0</u>	<u>\$ (1,422)</u>

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2016***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	15,429	15,429	0
Fund Balance at End of Year	<u>\$ 15,429</u>	<u>\$ 15,429</u>	<u>\$ 0</u>

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 201,058	\$ 163,804	\$ (37,254)
Total Revenues	<u>201,058</u>	<u>163,804</u>	<u>(37,254)</u>
Expenditures:			
Capital Outlay	201,058	163,804	37,254
Total Expenditures	<u>201,058</u>	<u>163,804</u>	<u>37,254</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 350,000	\$ 350,000	\$ 0
Total Revenues	<u>350,000</u>	<u>350,000</u>	<u>0</u>
Expenditures:			
General Government:			
Contractual Services	350,000	350,000	0
Total Expenditures	<u>350,000</u>	<u>350,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 2,000	\$ 3,328	\$ 1,328
Total Revenues	<u>2,000</u>	<u>3,328</u>	<u>1,328</u>
Expenditures:			
General Government:			
Contractual Services	1,500	1,076	424
Total Expenditures	<u>1,500</u>	<u>1,076</u>	<u>424</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	500	2,252	1,752
Fund Balance at Beginning of Year	4,533	4,533	0
Fund Balance at End of Year	<u>\$ 5,033</u>	<u>\$ 6,785</u>	<u>\$ 1,752</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Capital Outlay	31,920	30,947	973
Total Expenditures	31,920	30,947	973
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,920)	(30,947)	973
Other Financing Sources (Uses):			
Transfers In	10,000	21,000	11,000
Total Other Financing Sources (Uses)	10,000	21,000	11,000
Net Change in Fund Balance	(21,920)	(9,947)	11,973
Fund Balance at Beginning of Year	244,283	244,283	0
Prior Year Encumbrances	920	920	0
Fund Balance at End of Year	\$ 223,283	\$ 235,256	\$ 11,973

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016**

FIRE EQUIPMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Capital Outlay	1,218,000	1,214,173	3,827
Total Expenditures	1,218,000	1,214,173	3,827
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,218,000)	(1,214,173)	3,827
Other Financing Sources (Uses):			
Sale of Capital Assets	0	60,000	60,000
Transfers In	0	300,000	300,000
Total Other Financing Sources (Uses)	0	360,000	360,000
Net Change in Fund Balance	(1,218,000)	(854,173)	363,827
Fund Balance at Beginning of Year	528,496	528,496	0
Prior Year Encumbrances	1,218,000	1,218,000	0
Fund Balance at End of Year	\$ 528,496	\$ 892,323	\$ 363,827

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 190,000	\$ 195,493	\$ 5,493
Total Revenues	<u>190,000</u>	<u>195,493</u>	<u>5,493</u>
Expenditures:			
General Government:			
Miscellaneous Financing Department:			
Personal Services	15,000	8,335	6,665
Contractual Services	<u>280,490</u>	<u>220,876</u>	<u>59,614</u>
Total Expenditures	<u>295,490</u>	<u>229,211</u>	<u>66,279</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(105,490)	(33,718)	71,772
Fund Balance at Beginning of Year	263,246	263,246	0
Prior Year Encumbrances	<u>12,440</u>	<u>12,440</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 170,196</u>	<u>\$ 241,968</u>	<u>\$ 71,772</u>

Fiduciary Funds

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Agency Funds

Mayor's Court Fund

To account for funds that flow through the Mayor's Court.

Employee Benefits Fund

To account for funds related to the IRS 125 Employee Benefits Plan.

Ohio Board of Building Standards Fund

To account for funds from the three percent (3%) fees as required by Ohio Revised Code.

Tax Rebate 1.5% Fund

To account for funds being claimed by taxpayers for over-payment of taxes at the 1.5% tax rate.

CITY OF SHARONVILLE, OHIO

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2016**

	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
Mayor's Court Fund				
Assets:				
Equity in Pooled Cash, Cash Equivalents and Investments	\$64,302	\$384,399	(\$407,939)	\$40,762
Total Assets	<u>\$64,302</u>	<u>\$384,399</u>	<u>(\$407,939)</u>	<u>\$40,762</u>
Liabilities:				
Due to Others	\$64,302	\$384,399	(\$407,939)	\$40,762
Total Liabilities	<u>\$64,302</u>	<u>\$384,399</u>	<u>(\$407,939)</u>	<u>\$40,762</u>
Employee Benefits Fund				
Assets:				
Equity in Pooled Cash, Cash Equivalents and Investments	\$7,586	\$3,000	(\$7,504)	\$3,082
Total Assets	<u>\$7,586</u>	<u>\$3,000</u>	<u>(\$7,504)</u>	<u>\$3,082</u>
Liabilities:				
Due to Others	\$7,586	\$3,000	(\$7,504)	\$3,082
Total Liabilities	<u>\$7,586</u>	<u>\$3,000</u>	<u>(\$7,504)</u>	<u>\$3,082</u>
Ohio Board of Building Standards Fund				
Assets:				
Equity in Pooled Cash, Cash Equivalents and Investments	\$3,228	\$6,925	(\$6,589)	\$3,564
Total Assets	<u>\$3,228</u>	<u>\$6,925</u>	<u>(\$6,589)</u>	<u>\$3,564</u>
Liabilities:				
Intergovernmental Payables	\$3,228	\$6,925	(\$6,589)	\$3,564
Total Liabilities	<u>\$3,228</u>	<u>\$6,925</u>	<u>(\$6,589)</u>	<u>\$3,564</u>
Tax Rebate 1.5% Fund				
Assets:				
Equity in Pooled Cash, Cash Equivalents and Investments	\$488,634	\$848,233	(\$674,613)	\$662,254
Total Assets	<u>\$488,634</u>	<u>\$848,233</u>	<u>(\$674,613)</u>	<u>\$662,254</u>
Liabilities:				
Due to Others	\$488,634	\$848,233	(\$674,613)	\$662,254
Total Liabilities	<u>\$488,634</u>	<u>\$848,233</u>	<u>(\$674,613)</u>	<u>\$662,254</u>
Totals - All Agency Funds				
Assets:				
Equity in Pooled Cash, Cash Equivalents and Investments	\$563,750	\$1,242,557	(\$1,096,645)	\$709,662
Total Assets	<u>\$563,750</u>	<u>\$1,242,557</u>	<u>(\$1,096,645)</u>	<u>\$709,662</u>
Liabilities:				
Intergovernmental Payables	\$3,228	\$6,925	(\$6,589)	\$3,564
Due to Others	560,522	1,235,632	(1,090,056)	706,098
Total Liabilities	<u>\$563,750</u>	<u>\$1,242,557</u>	<u>(\$1,096,645)</u>	<u>\$709,662</u>



STATISTICAL SECTION



STATISTICAL TABLES

This part of the City’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

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
Revenue Capacity	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue sources, the property tax and the income tax.	
Debt Capacity	S 18 – S 27
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.	
Economic and Demographic Information	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 32 – S 37
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 Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

City of Sharonville

*Net Position by Component
Last Ten Years
(accrual basis of accounting)*

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental Activities:				
Net Investment in Capital Assets	\$15,362,490	\$15,216,606	\$17,610,943	\$19,512,004
Restricted	5,583,479	9,135,665	8,172,552	10,520,510
Unrestricted	4,963,610	3,445,315	2,828,030	4,002,970
Total Governmental Activities Net Position	<u>\$25,909,579</u>	<u>\$27,797,586</u>	<u>\$28,611,525</u>	<u>\$34,035,484</u>
Business-type Activities:				
Net Investment in Capital Assets	\$3,415,488	\$3,769,217	\$4,993,028	\$5,420,257
Unrestricted	1,140,989	1,182,393	1,399,669	1,539,058
Total Business-type Activities Net Position	<u>\$4,556,477</u>	<u>\$4,951,610</u>	<u>\$6,392,697</u>	<u>\$6,959,315</u>
Primary Government:				
Net Investment in Capital Assets	\$18,777,978	\$18,985,823	\$22,603,971	\$24,932,261
Restricted	5,583,479	9,135,665	8,172,552	10,520,510
Unrestricted	6,104,599	4,627,708	4,227,699	5,542,028
Total Primary Government Net Position	<u>\$30,466,056</u>	<u>\$32,749,196</u>	<u>\$35,004,222</u>	<u>\$40,994,799</u>

Source: City Finance Office

* Restated

City of Sharonville

2011	2012	2013	2014	*	2016
\$20,570,792	\$23,538,956	\$34,248,573	\$37,768,260	\$40,026,910	\$43,788,718
10,797,191	11,720,978	6,858,105	5,833,900	9,320,501	12,944,368
6,124,529	5,986,344	7,032,960	(11,203,790)	(8,934,710)	(11,860,815)
<u>\$37,492,512</u>	<u>\$41,246,278</u>	<u>\$48,139,638</u>	<u>\$32,398,370</u>	<u>\$40,412,701</u>	<u>\$44,872,271</u>
\$9,817,339	\$2,132,289	\$4,047,435	\$4,838,436	\$4,417,067	\$4,535,259
(2,539,416)	3,984,237	2,215,847	1,305,642	2,087,174	2,239,785
<u>\$7,277,923</u>	<u>\$6,116,526</u>	<u>\$6,263,282</u>	<u>\$6,144,078</u>	<u>\$6,504,241</u>	<u>\$6,775,044</u>
\$30,388,131	\$25,671,245	\$38,296,008	\$42,606,696	\$44,443,977	\$48,323,977
10,797,191	11,720,978	6,858,105	5,833,900	9,320,501	12,944,368
3,585,113	9,970,581	9,248,807	(9,898,148)	(6,847,536)	(9,621,030)
<u>\$44,770,435</u>	<u>\$47,362,804</u>	<u>\$54,402,920</u>	<u>\$38,542,448</u>	<u>\$46,916,942</u>	<u>\$51,647,315</u>

City of Sharonville

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2007	2008	2009	2010
Expenses				
Governmental Activities:				
Security of Persons and Property	\$12,781,602	\$12,627,634	\$11,820,345	\$12,016,995
Public Health and Welfare Services	325,641	417,441	345,875	445,232
Leisure Time Activities	3,199,167	3,329,341	3,301,438	3,176,146
Community Environment	474,967	479,941	572,323	544,214
Basic Utility Services	541,779	555,320	560,329	466,805
Transportation	2,368,038	3,006,944	2,234,076	2,509,460
General Government	4,703,522	4,181,862	3,923,301	3,538,547
Interest and Fiscal Charges	798,793	809,105	591,279	657,907
<i>Total Governmental Activities Expenses</i>	<u>25,193,509</u>	<u>25,407,588</u>	<u>23,348,966</u>	<u>23,355,306</u>
Business-type Activities:				
Convention Center	1,623,356	1,787,979	1,815,100	2,817,156
Senior Citizen Housing	199,472	252,945	420,419	310,768
<i>Total Business-type Activities Expenses</i>	<u>1,822,828</u>	<u>2,040,924</u>	<u>2,235,519</u>	<u>3,127,924</u>
<i>Total Primary Government Expenses</i>	<u>\$27,016,337</u>	<u>\$27,448,512</u>	<u>\$25,584,485</u>	<u>\$26,483,230</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$858,087	\$912,430	\$950,231	\$1,081,070
Public Health and Welfare Services	81,458	84,322	89,594	84,412
Leisure Time Activities	361,611	359,354	306,803	351,563
Community Environment	213,804	264,345	181,447	204,974
Transportation	989	176,334	178,811	3,125
General Government	0	0	92,526	0
Operating Grants and Contributions	1,989,130	1,836,691	1,571,977	2,277,689
Capital Grants and Contributions	130,725	806,472	13,847	2,959,518
<i>Total Governmental Activities</i>	<u>3,635,804</u>	<u>4,439,948</u>	<u>3,385,236</u>	<u>6,962,351</u>
<i>Program Revenues</i>	<u>3,635,804</u>	<u>4,439,948</u>	<u>3,385,236</u>	<u>6,962,351</u>

City of Sharonville

2011	2012	2013	2014	2015	2016
\$12,287,143	\$12,311,523	\$12,866,090	\$13,331,572	\$13,547,078	\$15,015,104
374,700	372,910	391,627	363,600	127,317	81,100
3,087,936	3,141,715	3,235,379	3,203,395	3,055,940	2,983,583
586,111	490,488	453,644	504,322	521,513	448,558
527,483	511,018	518,709	611,860	532,248	622,051
2,721,535	2,847,491	2,630,047	3,455,866	2,989,107	3,689,504
4,033,393	3,401,228	4,351,283	4,299,338	4,249,319	4,391,854
536,851	248,444	364,632	354,957	312,927	262,293
<u>24,155,152</u>	<u>23,324,817</u>	<u>24,811,411</u>	<u>26,124,910</u>	<u>25,335,449</u>	<u>27,494,047</u>
3,480,293	4,306,004	4,376,503	4,349,039	4,351,164	4,456,786
317,767	219,144	244,868	224,506	274,671	248,991
<u>3,798,060</u>	<u>4,525,148</u>	<u>4,621,371</u>	<u>4,573,545</u>	<u>4,625,835</u>	<u>4,705,777</u>
<u>\$27,953,212</u>	<u>\$27,849,965</u>	<u>\$29,432,782</u>	<u>\$30,698,455</u>	<u>\$29,961,284</u>	<u>\$32,199,824</u>
\$950,816	\$910,580	\$1,044,925	\$919,592	\$1,163,344	\$907,237
87,806	91,685	87,679	93,602	205	0
318,241	355,784	351,727	327,732	325,317	384,008
242,856	249,090	169,417	370,082	334,187	287,923
6,032	8,375	25,758	28,640	25,889	19,532
0	0	0	0	0	0
2,627,355	2,127,023	2,010,617	2,036,397	2,262,061	2,612,933
209,596	577,073	2,511,272	189,339	2,112,686	195,493
<u>4,442,702</u>	<u>4,319,610</u>	<u>6,201,395</u>	<u>3,965,384</u>	<u>6,223,689</u>	<u>4,407,126</u>

(continued)

City of Sharonville

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2007	2008	2009	2010
Business-type Activities:				
Charges for Services				
Convention Center	1,084,056	1,021,770	888,091	1,060,764
Senior Citizen Housing	223,811	235,671	253,653	253,705
Operating Grants and Contributions	1,526,405	1,178,616	3,427,312	2,380,073
<i>Total Business-type Activities</i>				
<i>Program Revenues</i>	2,834,272	2,436,057	4,569,056	3,694,542
<i>Total Primary Government</i>				
<i>Program Revenues</i>	6,470,076	6,876,005	7,954,292	10,656,893
Net (Expense)/Revenue				
Governmental Activities	(21,557,705)	(20,967,640)	(19,963,730)	(16,392,955)
Business-type Activities	1,011,444	395,133	2,333,537	566,618
<i>Total Primary Government</i>				
<i>Net (Expense)/Revenue</i>	(\$20,546,261)	(\$20,572,507)	(\$17,630,193)	(\$15,826,337)
General Revenues and				
Other Changes in Net Position				
Governmental Activities:				
Income Taxes	\$20,141,422	\$19,591,472	\$17,656,370	\$18,411,406
Other Local Taxes	0	0	0	0
Property Taxes	0	699,857	736,368	800,688
Grants and Entitlements not				
Restricted to Specific Programs	1,478,133	1,683,303	965,973	1,810,874
Investment Earnings	727,051	418,611	159,497	21,198
Miscellaneous	291,470	462,404	367,011	772,748
Transfers	0	0	892,450	0
<i>Total Governmental Activities</i>	22,638,076	22,855,647	20,777,669	21,816,914
Business-type Activities:				
Investment Earnings	5,412	0	0	0
Transfers	0	0	(892,450)	0
<i>Total Business-type Activities</i>	5,412	0	(892,450)	0
<i>Total Primary Government</i>	\$22,643,488	\$22,855,647	\$19,885,219	\$21,816,914
Change in Net Position				
Governmental Activities	\$1,080,371	\$1,888,007	\$813,939	\$5,423,959
Business-type Activities	1,016,856	395,133	1,441,087	566,618
<i>Total Primary Government</i>				
<i>Change in Net Position</i>	\$2,097,227	\$2,283,140	\$2,255,026	\$5,990,577

Source: City Finance Office

City of Sharonville

2011	2012	2013	2014	2015	2016
869,989	1,201,706	1,613,198	1,643,178	1,798,019	1,808,225
264,277	287,648	283,775	298,235	304,892	306,113
2,982,402	3,103,120	2,871,154	3,146,799	2,883,087	2,862,242
4,116,668	4,592,474	4,768,127	5,088,212	4,985,998	4,976,580
8,559,370	8,912,084	10,969,522	9,053,596	11,209,687	9,383,706
(19,712,450)	(19,005,207)	(18,610,016)	(22,159,526)	(19,111,760)	(23,086,921)
318,608	67,326	146,756	514,667	360,163	270,803
(\$19,393,842)	(\$18,937,881)	(\$18,463,260)	(\$21,644,859)	(\$18,751,597)	(\$22,816,118)
\$19,970,964	\$20,413,196	\$22,211,407	\$22,289,746	\$23,841,272	\$25,160,352
89,592	115,628	189,934	197,499	206,227	172,743
788,376	0	547,938	490,620	648,277	1,035,282
1,326,156	887,933	1,917,434	1,139,430	337,929	283,204
15,512	309,911	85,082	155,836	154,296	233,537
978,878	459,307	551,581	1,080,772	457,597	661,373
0	0	0	0	0	0
23,169,478	22,185,975	25,503,376	25,353,903	25,645,598	27,546,491
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
\$23,169,478	\$22,185,975	\$25,503,376	\$25,353,903	\$25,645,598	\$27,546,491
\$3,457,028	\$3,180,768	\$6,893,360	\$3,194,377	\$6,533,838	\$4,459,570
318,608	67,326	146,756	514,667	360,163	270,803
\$3,775,636	\$3,248,094	\$7,040,116	\$3,709,044	\$6,894,001	\$4,730,373

City of Sharonville

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	99,020	169,259	210,733	267,522
Unreserved	<u>6,130,065</u>	<u>4,851,999</u>	<u>4,137,756</u>	<u>5,197,710</u>
<i>Total General Fund</i>	<u>6,229,085</u>	<u>5,021,258</u>	<u>4,348,489</u>	<u>5,465,232</u>
All Other Governmental Funds				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Unassigned	0	0	0	0
Reserved	1,642,931	2,179,525	2,626,872	1,779,935
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	3,162,766	3,207,347	3,080,558	3,368,477
Capital Projects Funds	<u>(3,336,410)</u>	<u>(1,932,395)</u>	<u>(2,132,286)</u>	<u>(1,627,149)</u>
<i>Total All Other Governmental Funds</i>	<u>1,469,287</u>	<u>3,454,477</u>	<u>3,575,144</u>	<u>3,521,263</u>
<i>Total Governmental Funds</i>	<u><u>\$7,698,372</u></u>	<u><u>\$8,475,735</u></u>	<u><u>\$7,923,633</u></u>	<u><u>\$8,986,495</u></u>

Source: City Finance Office

Note: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

City of Sharonville

2011	2012	2013	2014	2015	2016
\$44,636	\$43,071	\$35,267	\$51,398	\$50,618	\$53,466
90,050	160,085	171,476	72,426	402,833	601,947
286,206	405,917	491,033	267,365	741,664	783,774
6,569,528	6,782,041	7,629,295	9,472,808	9,538,592	9,418,906
0	0	0	0	0	0
0	0	0	0	0	0
<u>6,990,420</u>	<u>7,391,114</u>	<u>8,327,071</u>	<u>9,863,997</u>	<u>10,733,707</u>	<u>10,858,093</u>
146,170	128,360	126,496	296,732	335,509	197,539
5,184,934	5,696,440	5,618,202	5,772,932	7,717,489	7,750,357
220,130	1,093,355	1,111,908	518,140	1,804,497	3,943,203
(1,730,479)	(1,764,639)	(2,105,941)	(3,164,619)	(2,894,642)	(2,396,660)
0	0	0	0	0	0
0	0	0	0	0	0
<u>3,820,755</u>	<u>5,153,516</u>	<u>4,750,665</u>	<u>3,423,185</u>	<u>6,962,853</u>	<u>9,494,439</u>
<u>\$10,811,175</u>	<u>\$12,544,630</u>	<u>\$13,077,736</u>	<u>\$13,287,182</u>	<u>\$17,696,560</u>	<u>\$20,352,532</u>

City of Sharonville

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

	2007	2008	2009	2010
Revenues:				
Taxes	\$20,290,549	\$19,912,399	\$18,241,043	\$19,058,599
Intergovernmental Revenues	3,261,644	4,470,345	2,807,875	4,481,399
Charges for Services	867,879	933,899	959,323	867,218
Licenses and Permits	476,617	523,759	467,005	483,849
Investment Earnings	708,184	425,854	44,140	21,198
Special Assessments	130,725	137,004	13,847	200,419
Fines and Forfeitures	417,104	348,046	370,313	425,628
All Other Revenue	81,330	348,964	521,468	579,722
Total Revenue	<u>26,234,032</u>	<u>27,100,270</u>	<u>23,425,014</u>	<u>26,118,032</u>
Expenditures:				
Current:				
Security of Persons and Property	12,148,459	11,958,679	11,249,572	11,522,061
Public Health and Welfare Services	347,062	419,725	345,561	445,765
Leisure Time Activities	2,809,181	2,900,484	2,824,218	2,664,712
Community Environment	497,291	466,570	557,096	543,526
Basic Utility Services	541,779	555,320	560,329	466,805
Transportation	1,972,165	1,739,059	1,578,400	1,785,519
General Government	3,410,862	3,732,419	3,423,205	3,252,463
Capital Outlay	5,456,038	3,010,260	2,472,773	3,921,251
Debt Service:				
Principal Retirement	1,175,000	1,210,000	1,335,000	1,325,000
Interest and Fiscal Charges	810,970	821,227	653,034	643,042
Advance Refunding to Escrow	0	0	0	0
Total Expenditures	<u>29,168,807</u>	<u>26,813,743</u>	<u>24,999,188</u>	<u>26,570,144</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,934,775)	286,527	(1,574,174)	(452,112)

City of Sharonville

2011	2012	2013	2014	2015	2016
\$20,441,385	\$21,073,012	\$22,643,497	\$23,268,446	\$24,531,434	\$26,022,842
3,919,570	3,459,320	4,043,194	3,512,276	4,552,180	3,065,887
846,721	841,214	830,509	912,351	925,983	929,165
525,503	533,099	474,164	658,217	546,038	492,497
15,512	18,599	85,082	155,836	154,296	233,537
236,426	298,704	296,203	297,894	304,279	292,594
427,874	446,816	385,746	366,993	437,446	294,165
770,398	310,193	387,599	672,156	264,374	249,742
<u>27,183,389</u>	<u>26,980,957</u>	<u>29,145,994</u>	<u>29,844,169</u>	<u>31,716,030</u>	<u>31,580,429</u>
11,643,831	11,723,745	12,030,985	12,241,157	12,386,571	12,834,365
374,322	369,086	387,357	368,868	131,092	75,032
2,481,596	2,587,134	2,625,215	2,597,876	2,486,569	2,417,275
584,908	482,632	467,141	499,794	513,219	482,053
527,483	511,018	518,709	611,860	532,248	622,051
2,113,934	2,265,281	1,786,230	2,166,899	1,793,813	2,060,580
3,400,002	3,193,038	4,021,247	4,079,195	3,896,980	4,309,051
2,286,976	2,285,638	4,996,877	5,506,072	3,925,065	5,161,445
1,783,777	1,426,471	1,411,529	1,375,000	1,425,000	1,460,000
538,968	476,693	368,322	355,268	313,515	264,221
0	854,584	0	0	0	0
<u>25,735,797</u>	<u>26,175,320</u>	<u>28,613,612</u>	<u>29,801,989</u>	<u>27,404,072</u>	<u>29,686,073</u>
1,447,592	805,637	532,382	42,180	4,311,958	1,894,356

(Continued)

City of Sharonville

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

	2007	2008	2009	2010
Other Financing Sources (Uses):				
Sale of Capital Assets	11,705	19,638	15,161	0
Issuance of Capital Leases	0	499,000	0	203,289
General Obligation Refunding Bonds Issued	0	0	3,460,000	0
OPWC Loan Initiated	0	0	0	0
Special Assessment Bonds Issued	0	0	0	1,400,000
Premiums on Debt Issuances	18,867	0	115,357	0
Payment to Refunded Bond Escrow Agent	0	0	(3,491,022)	0
Transfers In	4,506,118	4,966,559	3,356,021	1,957,663
Transfers Out	(4,506,118)	(4,966,559)	(2,463,571)	(1,957,663)
Total Other Financing Sources (Uses)	<u>30,572</u>	<u>518,638</u>	<u>991,946</u>	<u>1,603,289</u>
Net Change in Fund Balance	<u>(\$2,904,203)</u>	<u>\$805,165</u>	<u>(\$582,228)</u>	<u>\$1,151,177</u>
 Debt Service as a Percentage of Noncapital Expenditures	 4.79%	 4.89%	 5.83%	 5.82%

Source: City Finance Office

City of Sharonville

2011	2012	2013	2014	2015	2016
285,304	21,791	17,293	18	0	861,893
0	108,000	0	0	0	0
0	3,935,000	0	0	0	0
0	0	0	0	58,065	41,845
0	0	0	0	0	0
0	291,312	0	0	0	0
0	(4,144,334)	0	0	0	0
2,999,168	5,104,206	4,274,825	3,900,372	4,955,949	6,104,792
(2,999,168)	(5,104,206)	(4,274,825)	(3,900,372)	(4,955,949)	(6,104,792)
285,304	211,769	17,293	18	58,065	903,738
<u>\$1,732,896</u>	<u>\$1,017,406</u>	<u>\$549,675</u>	<u>\$42,198</u>	<u>\$4,370,023</u>	<u>\$2,798,094</u>
7.40%	11.73%	8.23%	6.90%	7.24%	7.16%

City of Sharonville

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income (in thousands)	\$593,596	\$607,689	\$595,058	\$595,528
Total Tax Collected	\$20,971,260	\$20,594,952	\$18,677,400	\$19,027,828
Income Tax Receipts				
Withholding	17,064,053	16,611,460	15,354,257	15,235,792
Percentage	81.37%	80.65%	82.21%	80.06%
Corporate	2,502,457	2,581,828	1,990,915	2,389,008
Percentage	11.93%	12.54%	10.66%	12.56%
Individuals	1,353,362	1,340,718	1,250,076	1,275,819
Percentage	6.45%	6.51%	6.69%	6.71%
Penalty and Interest	51,388	60,946	82,152	127,209
Percentage	0.25%	0.30%	0.44%	0.67%

Source: City Income Tax Department

City of Sharonville

2011	2012	2013	2014	2015	2016
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$621,753	\$635,706	\$681,187	\$668,630	\$694,665	\$706,218
\$20,365,647	\$21,541,108	\$22,597,127	\$23,124,833	\$23,971,156	\$25,940,714
16,494,415	17,292,457	17,761,741	18,529,411	18,996,322	20,395,902
80.99%	80.28%	78.60%	80.12%	79.24%	78.63%
2,431,248	2,764,329	3,311,307	3,162,648	3,321,539	3,971,610
11.94%	12.83%	14.65%	13.68%	13.86%	15.31%
1,326,586	1,345,664	1,445,247	1,336,170	1,512,284	1,461,112
6.51%	6.25%	6.40%	5.78%	6.31%	5.63%
113,398	138,658	78,832	96,604	141,011	112,090
0.56%	0.64%	0.35%	0.42%	0.59%	0.43%



City of Sharonville

Income Tax Collections Current Year and Nine Years Ago

Calendar Year 2016						
Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	0.08%	\$443,136,333	25.62%	\$6,647,045	25.62%
All Others	11,804	99.92%	1,286,244,600	74.38%	19,293,669	74.38%
Total	11,814	100.00%	\$1,729,380,933	100.00%	\$25,940,714	100.00%

Calendar Year 2007						
Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	0.09%	\$415,684,147	29.73%	\$6,235,262	29.73%
All Others	10,890	99.91%	982,399,877	70.27%	14,735,998	70.27%
Total	10,900	100.00%	\$1,398,084,024	100.00%	\$20,971,260	100.00%

Source: City Income Tax Department

City of Sharonville

Ratio of Outstanding Debt By Type Last Ten Years

	2007	2008	2009	2010
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$14,174,214	\$12,995,875	\$11,755,186	\$10,464,827
Special Assessment Bonds Payable	180,000	120,000	60,000	1,400,000
Ohio Public Works Commission Loan (OPWC)	0	0	0	0
Capital Leases	53,077	535,265	423,436	488,777
Business-type Activities ⁽¹⁾				
General Obligation Bonds Payable	\$5,321,089	\$4,784,783	\$4,233,477	\$3,667,171
Revenue Bonds Payable	0	0	0	27,715,558
Total Primary Government	<u>\$19,728,380</u>	<u>\$18,435,923</u>	<u>\$16,472,099</u>	<u>\$43,736,333</u>
Population ⁽²⁾				
City of Sharonville	13,926	13,926	13,926	13,560
Outstanding Debt Per Capita	\$1,417	\$1,324	\$1,183	\$3,225
Income ⁽³⁾				
Personal (in thousands)	593,596	607,689	595,058	595,528
Percentage of Personal Income	3.32%	3.03%	2.77%	7.34%

Sources:

(1) City Finance Office

(2) US Bureau of Census, Population Division

(3) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Sharonville

2011	2012	2013	2014	2015	2016
\$9,224,233	\$6,876,852	\$5,590,329	\$4,263,806	\$2,887,283	\$1,475,760
1,400,000	1,345,000	1,290,000	1,230,000	1,170,000	1,110,000
0	0	0	0	58,065	99,910
0	81,529	0	0	0	0
\$3,205,537	\$2,556,812	\$1,878,087	\$660,000	\$450,000	\$230,000
27,728,083	27,740,608	27,753,133	27,765,658	27,778,183	27,405,708
<u>\$41,557,853</u>	<u>\$38,600,801</u>	<u>\$36,511,549</u>	<u>\$33,919,464</u>	<u>\$32,343,531</u>	<u>\$30,321,378</u>
13,560	13,560	13,560	13,560	13,560	13,560
\$3,065	\$2,847	\$2,693	\$2,501	\$2,385	\$2,236
621,753	635,706	681,187	668,630	694,665	706,218
6.68%	6.07%	5.36%	5.07%	4.66%	4.29%

City of Sharonville

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2007	2008	2009	2010
Population ⁽¹⁾	13,926	13,926	13,926	13,560
Personal Income (in thousands) ⁽²⁾	\$593,596	\$607,689	\$595,058	\$595,528
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$19,495,303	\$17,780,658	\$15,988,663	\$14,131,998
Resources Available to Pay Principal ⁽⁴⁾	\$21,747	\$324,400	\$467,770	\$425,719
Net General Bonded Debt	\$19,473,556	\$17,456,258	\$15,520,893	\$13,706,279
Ratio of Net Bonded Debt to Estimated Personal Income	3.28%	2.87%	2.61%	2.30%
Net Bonded Debt per Capita	\$1,398.36	\$1,253.50	\$1,114.53	\$1,010.79

Source:

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

(2) Hamilton County Auditor

(3) Includes general obligation bonded debt of governmental and business-type activities.

(4) Includes only Debt Service funds available for general obligation bonded debt supported by income taxes.

City of Sharonville

2011	2012	2013	2014	2015	2016
13,560	13,560	13,560	13,560	13,560	13,560
\$621,753	\$635,706	\$681,187	\$668,630	\$694,665	\$706,218
\$12,429,770	\$9,433,664	\$7,468,416	\$4,923,806	\$3,337,283	\$1,705,760
\$188,240	\$188,240	\$650	\$0	\$380,625	\$380,625
\$12,241,530	\$9,245,424	\$7,467,766	\$4,923,806	\$2,956,658	\$1,325,135
1.97%	1.45%	1.10%	0.74%	0.43%	0.19%
\$902.77	\$681.82	\$550.72	\$363.11	\$218.04	\$97.72



City of Sharonville

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2016*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Sharonville</u>	<u>Amount Applicable to the City of Sharonville</u>
Direct:			
City of Sharonville	\$2,685,670	100.00%	\$2,685,670
Overlapping:			
Princeton City School District	168,510,137	33.12%	55,810,557
Sycamore City School District	39,655,000	0.01%	3,966
Great Oaks Joint Vocational School District	8,630,000	2.62%	226,106
Hamilton County	74,508,000	2.42%	1,803,094
Butler County	47,447,760	0.60%	284,687
		Subtotal	<u>58,128,410</u>
		Total	<u><u>\$60,814,080</u></u>

Source: Ohio Municipal Advisory Council

Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

City of Sharonville

Debt Limitations Last Ten Years

Collection Year	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Debt				
Net Assessed Valuation	\$495,320,220	\$476,015,410	\$478,329,590	\$478,384,600
Legal Debt Limitation (%) ⁽¹⁾	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) ⁽¹⁾	52,008,623	49,981,618	50,224,607	50,230,383
City Debt Outstanding ⁽²⁾	0	0	0	0
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Overall Legal Debt Margin	<u><u>\$52,008,623</u></u>	<u><u>\$49,981,618</u></u>	<u><u>\$50,224,607</u></u>	<u><u>\$50,230,383</u></u>
Unvoted Debt				
Net Assessed Valuation	\$495,320,220	\$476,015,410	\$478,329,590	\$478,384,600
Legal Debt Limitation (%) ⁽¹⁾	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) ⁽¹⁾	27,242,612	26,180,848	26,308,127	26,311,153
City Debt Outstanding ⁽²⁾	0	0	0	0
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Overall Legal Debt Margin	<u><u>\$27,242,612</u></u>	<u><u>\$26,180,848</u></u>	<u><u>\$26,308,127</u></u>	<u><u>\$26,311,153</u></u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding does not include General Obligation Bonds and Notes supported by income taxes. Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: City Finance Office

City of Sharonville

2011	2012	2013	2014	2015	2016
\$449,119,680	\$447,683,050	\$444,119,190	\$438,387,390	\$442,092,870	\$447,113,160
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
47,157,566	47,006,720	46,632,515	46,030,676	46,419,751	46,946,882
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$47,157,566</u>	<u>\$47,006,720</u>	<u>\$46,632,515</u>	<u>\$46,030,676</u>	<u>\$46,419,751</u>	<u>\$46,946,882</u>
\$449,119,680	\$447,683,050	\$444,119,190	\$438,387,390	\$442,092,870	\$447,113,160
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
24,701,582	24,622,568	24,426,555	24,111,306	24,315,108	24,591,224
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$24,701,582</u>	<u>\$24,622,568</u>	<u>\$24,426,555</u>	<u>\$24,111,306</u>	<u>\$24,315,108</u>	<u>\$24,591,224</u>

City of Sharonville

*Pledged Revenue Coverage
Last Ten Years*

	2007	2008	2009	2010	2011
Special Assessment Bonds (1)					
Special Assessment Collections	\$130,725	\$137,004	\$13,847	\$200,419	\$236,426
Debt Service					
Principal	55,000	60,000	60,000	60,000	0
Interest	14,705	12,645	8,430	4,215	50,425
Coverage	1.88	1.89	0.20	3.12	4.69
Convention Center Revenue Bonds (2) (3)					
Intergovernmental Revenues	\$0	\$0	\$0	\$0	\$0
Debt Service					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Coverage	0.00	0.00	0.00	0.00	0.00

(1) The GSA Property Road Special Assessment Bonds were issued in 2010, in the amount of \$1,400,000

(2) The Convention Center Revenue Bonds began debt service in 2016.

(3) Although not included above; General Fund Income Taxes are used as a pledge for credit purposes.

Intergovernmental Revenues of the Convention Center Fund have and are forecasted to be adequate resources.

Source: City Finance Office

City of Sharonville

2012	2013	2014	2015	2016
\$298,704	\$296,203	\$297,894	\$304,279	\$292,594
55,000	55,000	60,000	60,000	60,000
50,425	49,490	48,555	47,535	45,675
2.83	2.83	2.74	2.83	2.77
\$0	\$0	\$0	\$0	\$2,862,242
0	0	0	0	385,000
0	0	0	0	1,677,882
0.00	0.00	0.00	0.00	1.39

City of Sharonville

Demographic and Economic Statistics Last Ten Years

Calendar Year	2007	2008	2009	2010
Population (1)				
City of Sharonville	13,926	13,926	13,926	13,560
Hamilton County	806,652	806,652	806,652	802,374
Income (2) (a)				
Total Personal (in thousands)	593,596	607,689	595,058	595,528
Per Capita	42,625	43,637	42,730	43,918
Unemployment Rate (3)				
Federal	4.6%	5.8%	9.3%	9.4%
State	5.6%	6.6%	10.2%	9.6%
Hamilton County	5.0%	5.6%	8.9%	8.5%
Civilian Work Force Estimates (3)				
State	5,976,500	5,986,400	5,986,400	5,906,000
Hamilton County	431,200	432,400	432,400	434,700

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

(3) State Department of Labor Statistics

City of Sharonville

2011	2012	2013	2014	2015	2016
13,560	13,560	13,560	13,560	13,560	13,560
802,374	802,374	802,374	802,374	802,374	802,374
621,753	635,706	681,187	668,630	694,665	706,218
45,852	46,881	50,235	49,309	51,229	52,081
8.9%	8.1%	7.4%	6.2%	5.3%	4.9%
8.6%	7.2%	7.4%	5.7%	4.9%	4.9%
8.6%	7.0%	7.1%	5.3%	4.5%	4.3%
5,806,000	5,474,900	5,765,700	5,719,500	5,700,300	5,713,100
406,900	400,000	403,300	404,100	402,700	404,200



City of Sharonville

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2016	
		Rank	Number of Employees
Ford Motor Company	Auto Parts Manufacturing	1	N/A
United Parcel Service	Bulk Mail Processing	2	N/A
TSS Aviation	Manufacturing	3	N/A
US Postal Service	Bulk Mail Processing	4	N/A
Princeton School District	Public Education	5	N/A
Ferguson Enterprises Inc.	Wholesale Plumbing Supply	6	N/A
Beacon Ortho & Sports Medicine	Health Care	7	N/A
Cincinnati Sub Zero	Manufacturing	8	N/A
Hobsons Inc.	Publishing & Technology	9	N/A
Xtek Inc.	Steel Fabrication	10	N/A
Total			N/A

Employer	Nature of Business	2007	
		Rank	Number of Employees
Ford Motor Company	AutoParts Manufacturing	1	N/A
US Postal Service	Bulk Mail Processing	2	N/A
Princeton City School District	Public Education	3	N/A
United Parcel Service	Bulk Mail Processing	4	N/A
Xtek	Steel Fabrication	5	N/A
Johnson Diversey	Health and Beauty Products	6	N/A
General Mills	Cereal Manufacturing	7	N/A
Champion	Manufacturing	8	N/A
Great Oaks JVSD	Public Education	9	N/A
City of Sharonville	Municipal Government	10	N/A
Total			N/A

Sources:

City Income Tax Department

The City's Income Tax Department will not disclose number of employees due to privacy concerns.

City of Sharonville

Full Time Equivalent Employees by Function Last Ten Years

	2007	2008	2009	2010	2011
Governmental Activities					
General Government					
Finance	11.00	11.00	11.00	11.00	11.00
Legal/Court	2.00	2.00	2.00	2.00	2.00
Administration	5.00	6.00	6.00	6.00	6.00
Maintenance	5.00	6.00	5.00	5.00	5.00
Security of Persons and Property					
Police	47.00	50.00	48.00	47.00	43.00
Fire	59.00	55.00	56.00	54.00	48.00
Transportation					
Street	14.00	13.00	13.00	16.00	13.00
Leisure Time Activities					
Recreation	52.00	47.00	34.00	52.00	45.00
Parks and Grounds	9.00	9.00	7.00	7.00	7.00
Public Health and Welfare Services					
Health	5.00	5.00	5.00	5.00	5.00
Community Environment					
Building and Planning	7.00	7.00	7.00	8.00	8.00
Business-Type Activities					
Senior Citizen Housing	1.00	1.00	1.00	1.00	1.00
Convention Center	11.00	12.00	12.00	12.00	12.00
<i>Total Employees</i>	<u>228.00</u>	<u>224.00</u>	<u>207.00</u>	<u>226.00</u>	<u>206.00</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee.
An hour limit of 900 was used to differentiate between part time and seasonal.

Source: City Finance Office

City of Sharonville

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
12.00	12.00	12.00	11.50	11.50
2.00	2.00	2.00	2.00	2.00
6.00	6.00	6.00	6.00	6.00
6.00	6.00	6.00	5.50	5.50
46.00	46.00	46.00	48.00	49.00
55.50	56.50	56.50	50.50	51.50
12.00	12.00	12.00	12.00	12.00
40.00	40.00	40.00	39.00	38.50
9.00	9.00	9.00	9.00	8.00
5.00	5.00	4.00	0.50	0.50
7.00	5.00	5.00	5.00	5.00
1.00	1.00	1.00	1.00	1.00
12.00	14.50	14.50	14.50	14.50
<u>213.50</u>	<u>215.00</u>	<u>214.00</u>	<u>204.50</u>	<u>205.00</u>

City of Sharonville

Operating Indicators by Function Last Ten Years

	2007	2008	2009	2010	2011
Governmental Activities					
General Government					
Court					
Number of Traffic Cases	3,145	3,076	3,441	4,016	4,552
Number of Open Cases	138	71	180	136	135
Licenses and Permits					
Number of Building Permits	662	526	497	640	630
Number of Building Inspections	1,433	1,309	1,199	1,669	1,587
Security of Persons and Property					
Police					
Number of Citations Issued	3,761	2,725	3,446	3,891	3,775
Number of Arrests	1,188	991	914	906	940
Number of Accidents	1,076	1,124	979	812	845
Fire					
Number of Fire Calls	992	1,163	1,109	1,228	1,340
Number of EMS Runs	2,113	2,337	2,085	2,061	2,242
Number of Inspections	1,172	1,131	1,087	1,042	1,085
Transportation					
Street					
Number of Streets Resurfaced	7	6	3	3	12
Number of Potholes Repaired	185	170	185	250	200
Leisure Time Activities					
Recreation					
Number of Programs Offered	150	150	120	120	120
Number of Pool Passes Issued	1,776	1,895	1,816	1,973	1,952

Source: City Finance Office

City of Sharonville

2012	2013	2014	2015	2016
3,709	3,296	2,800	2,948	2,148
136	128	85	73	44
613	492	500	572	523
1,690	1,323	923	1,693	1,025
3,505	3,565	2,860	4,629	3,015
876	1,025	1,102	778	626
810	852	957	1,461	1,443
1,422	1,471	1,676	1,340	1,424
2,557	2,139	2,264	2,282	2,375
1,016	1,012	1,195	1,055	1,366
6	10	2	5	10
300	300	275	225	150
150	175	200	225	250
3,565	3,434	3,295	3,160	3,050

City of Sharonville

Capital Asset Statistics by Function Last Ten Years

	2007	2008	2009	2010	2011
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	6,848	6,848	6,848	6,848	6,848
Buildings	1	1	1	1	1
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	24	24	24	24	23
Fire					
Stations	3	3	3	3	3
Vehicles	18	18	19	19	20
Transportation					
Street					
Streets (lane miles)	135	135	135	136	135
Street Lights	935	935	935	935	936
Vehicles	18	17	17	17	17
Leisure Time Activities					
Recreation					
Land (acres)	35	35	35	35	35
Buildings	2	2	2	2	2
Parks	4	4	4	4	4
Playgrounds	4	4	4	4	4
Swimming Pools	2	2	2	2	2
Tennis Courts	5	5	5	5	5
Baseball/Softball Diamonds	14	14	14	14	14
Soccer Fields	11	11	11	11	11
Business-Type Activities					
Senior Citizen Housing					
Buildings	3	3	3	3	3
Convention Center					
Buildings	1	1	1	1	1

Source: City Finance Office

(1) Information prior to 2004 is not available.

City of Sharonville

2012	2013	2014	2015	2016
6,848	6,848	6,848	6,848	6,848
1	1	1	1	1
1	1	1	1	1
23	23	23	23	23
3	3	3	3	3
17	17	18	18	18
135	135	135	135	135
936	936	936	936	936
17	17	17	17	17
46	46	46	46	46
2	2	2	2	2
4	4	4	4	4
4	4	4	4	4
2	2	2	2	2
5	5	5	5	5
14	14	14	14	14
13	13	13	13	13
3	3	3	3	3
1	1	1	1	1

