



City of Sharonville

Ohio



2017 Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017





COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2017

Prepared by the Auditor's Office

Ed Cunningham
City Auditor

and

M. Scott McKeehan, CPA
Finance Director



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HAMILTON COUNTY, OHIO

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INTRODUCTORY SECTION





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June 26, 2018

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

We are pleased to submit the sixteenth Comprehensive Annual Financial Report for the City of Sharonville for the fiscal year ended December 31, 2017. 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, 2017***

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 49 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 11 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, 2017***

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 27.6% 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.

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:

Ferguson expanded and consolidated their operations to a facility on Kemper Road. They made \$9.4M in capital improvements, will retain 113 employees and create 30 new positions.

***Letter of Transmittal
For the Year Ended December 31, 2017***

Kloeckner Metals entered into an exclusive distributorship agreement/technology sharing to install US based manufacturing equipment. They made \$2.8M in capital investment; they will retain 60 jobs and create 29 new jobs.

Cincinnati Preserving Co, who operates as Clearbrook Farms, a maker of gourmet preserves, butters and fillings and sauces acquired Rothschild Farm. As a result of the acquisition, they made \$2.55 in capital improvements, will retain 26 positions and create 41 new positions.

Headquarters/Back Office:

Baker Hughes, a GE company opened an Inspection Technology Customer Solution Center in Sharonville at 11988 Tramway Drive. Baker Hughes made \$4M in building acquisition and remodel costs. The development will serve the aero, oil and gas, additive, automotive and wind and heavy industries and create 50 new positions.

Gird Systems-This Research and Development firm relocated their operations and brought 18 new jobs to Sharonville. GIRD works closely with major research branches within the DOD, other government agencies and various private defense agencies to provide the latest, up to date services in digital signal processing.

Strategic Data Systems- This Greater Dayton technology company recently opened their first Cincinnati office location in Sharonville creating 20 new positions. SDS is a full-service IT provider that provides staffing, Agile Coaching, E-Commerce assistance, and cloud services to small and medium-sized businesses.

Team Fitz Graphics, a design and production company who serve the athletic industry, expanded their facility making \$850 in capital improvements, retained 30 positions and created 30 new positions.

Convention/Tourism:

Home to the Sharonville Convention Center, the Northern Lights Entertainment District continues to work to become the premier meeting, athletic, performance and entertainment center in the Region. The Hyatt Place @ Sharonville Convention Center opened in July of 2017. The new 120 room will improve the Center's competitiveness when courting events and conventions.

The final phase of Chester Road improvements has been underway and scheduled to be completed mid-2018. Additional projects in the district include the announcement of a Tru by Hilton, a Checkers restaurant, a new home to My Independence, expansion of Mallard Cove, a transitional care center.

***Letter of Transmittal
For the Year Ended December 31, 2017***

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, 2017***

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, 2016. 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

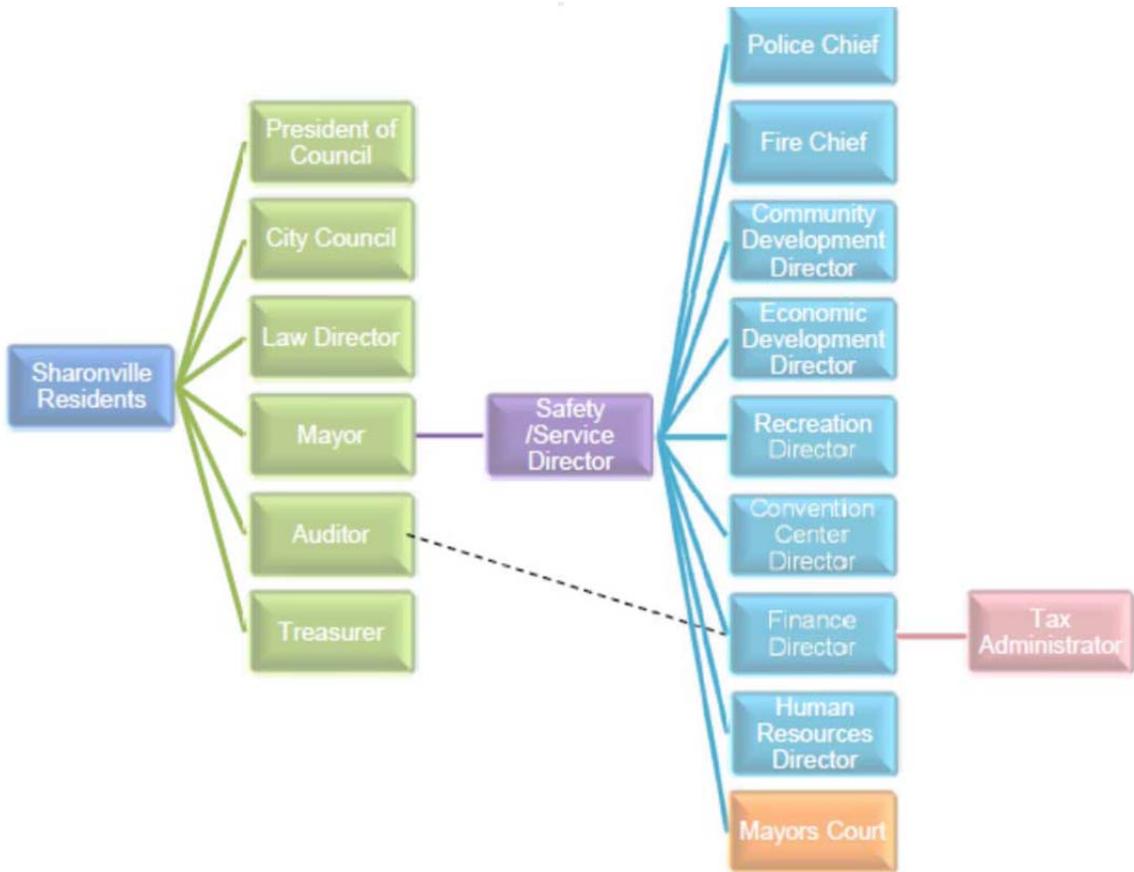
***Elected Officials
For the Year Ended December 31, 2017***

Office	Elected Official	Term Expires
Mayor	Kevin Hardman	12/31/2019
President of Council	Vicki Hoppe	12/31/2019
Council Ward 1	Shayok Dutta	12/31/2019
Council Ward 2	David Koch	12/31/2019
Council Ward 3	Paul Schmidt	12/31/2019
Council Ward 4	Robert Tankersley	12/31/2019
Council at Large	Mike Wilson	12/31/2019
Council at Large	Charles Lippert	12/31/2019
Council at Large	Sue Knight	12/31/2019
Treasurer	Kurt Irely	12/31/2021
Auditor	Ed Cunningham	12/31/2019
Law Director	Mark Piepmeier	12/31/2019

Office	Official
Safety/Service Director	Jim Lukas
Finance Director	Scott McKeehan
Tax Administrator	Linda Collins
Human Resources Director	Noah Powers
Police Chief	Steve Vanover
Fire Chief	Kirk Mousa
Building and Planning Director	John Creech
Public Works Director	Joe Kempe
Recreation Director	Michael Blomer
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, 2017***





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, 2016

Christopher P. Morvill

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, 2017, 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, 2017, 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 26, 2018, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 26, 2018

***Management's Discussion and Analysis
For the Year Ended December 31, 2017***

Unaudited

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, 2017. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the 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 2017 are as follows:

- ❑ In total, net position increased by \$7,005,689. Net position of governmental activities increased by \$6,988,636, which represents a 15.6% increase from 2016. Net position of business-type activities increased by \$17,053, or .3% from 2016.
- ❑ General revenues accounted for \$30,583,000 in revenue, or 75.8% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$9,747,986, or 24.2% of total revenues of \$40,330,986.
- ❑ The City had \$28,433,151 in expenses related to governmental activities; only \$4,838,787 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily income taxes) of \$30,583,000 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$20,258,116 in revenues and \$20,148,728 in expenditures and other financing uses. The general fund's fund balance increased \$109,388.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplementary information* 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, basic utility services, 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.

CITY OF SHARONVILLE, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

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, 2017 and 2016:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$38,367,315	\$31,730,241	\$4,777,209	\$4,820,544	\$43,144,524	\$36,550,785
Capital assets, Net	47,665,782	45,857,126	33,572,557	34,220,967	81,238,339	80,078,093
Total assets	86,033,097	77,587,367	38,349,766	39,041,511	124,382,863	116,628,878
Deferred Outflows of Resources	6,665,820	7,478,917	552,506	415,909	7,218,326	7,894,826
Net Pension Liability	29,245,858	28,216,404	1,440,803	1,096,413	30,686,661	29,312,817
Long-term debt outstanding	5,172,806	5,913,540	27,326,028	27,862,379	32,498,834	33,775,919
Other liabilities	5,030,049	4,614,033	3,335,168	3,702,399	8,365,217	8,316,432
Total liabilities	39,448,713	38,743,977	32,101,999	32,661,191	71,550,712	71,405,168
Deferred Inflows of Resources	1,389,297	1,450,036	8,176	21,185	1,397,473	1,471,221
Net position						
Net investment in capital assets	44,668,633	43,788,718	4,849,324	4,535,259	49,517,957	48,323,977
Restricted	10,758,994	12,944,368	0	0	10,758,994	12,944,368
Unrestricted	(3,566,720)	(11,860,815)	1,942,773	2,239,785	(1,623,947)	(9,621,030)
Total net position	\$51,860,907	\$44,872,271	\$6,792,097	\$6,775,044	\$58,653,004	\$51,647,315

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.

***Management's Discussion and Analysis
For the Year Ended December 31, 2017***

Unaudited

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, 2017**

Unaudited

Changes in Net Position – The following table shows the changes in net position for the fiscal years 2017 and 2016:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for Services and Sales	\$1,967,235	\$1,598,700	\$2,052,670	\$2,114,338	\$4,019,905	\$3,713,038
Operating Grants and Contributions	2,434,600	2,612,933	2,856,529	2,862,242	5,291,129	5,475,175
Capital Grants and Contributions	436,952	195,493	0	0	436,952	195,493
Total Program revenues	4,838,787	4,407,126	4,909,199	4,976,580	9,747,986	9,383,706
General revenues:						
Income Taxes	26,857,313	25,160,352	0	0	26,857,313	25,160,352
Other Local Taxes	206,332	172,743	0	0	206,332	172,743
Payments in Lieu of Taxes	1,415,045	1,035,282	0	0	1,415,045	1,035,282
Grants and Entitlements not Restricted to Specific Programs	300,060	283,204	0	0	300,060	283,204
Investment Earnings	395,515	233,537	0	0	395,515	233,537
Miscellaneous	1,408,735	661,373	0	0	1,408,735	661,373
Total General revenues	30,583,000	27,546,491	0	0	30,583,000	27,546,491
Total revenues	35,421,787	31,953,617	4,909,199	4,976,580	40,330,986	36,930,197
Program Expenses						
Security of Persons and Property	15,210,738	15,015,104	0	0	15,210,738	15,015,104
Public Health and Welfare Services	86,266	81,100	0	0	86,266	81,100
Leisure Time Activities	3,212,295	2,983,583	0	0	3,212,295	2,983,583
Community Environment	491,244	448,558	0	0	491,244	448,558
Basic Utility Services	540,293	622,051	0	0	540,293	622,051
Transportation	3,740,463	3,689,504	0	0	3,740,463	3,689,504
General Government	4,940,874	4,391,854	0	0	4,940,874	4,391,854
Interest and Fiscal Charges	210,978	262,293	0	0	210,978	262,293
Convention Center	0	0	4,675,308	4,456,786	4,675,308	4,456,786
Senior Citizen Housing	0	0	216,838	248,991	216,838	248,991
Total expenses	28,433,151	27,494,047	4,892,146	4,705,777	33,325,297	32,199,824
Total Change in Net Position	6,988,636	4,459,570	17,053	270,803	7,005,689	4,730,373
Beginning Net Position	44,872,271	40,412,701	6,775,044	6,504,241	51,647,315	46,916,942
Ending Net Position	\$51,860,907	\$44,872,271	\$6,792,097	\$6,775,044	\$58,653,004	\$51,647,315

***Management’s Discussion and Analysis
For the Year Ended December 31, 2017***

Unaudited

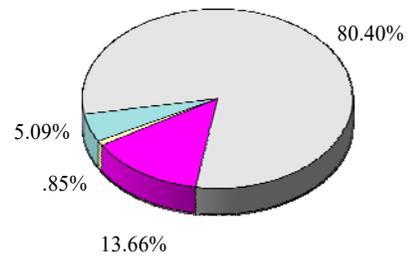
Governmental Activities

Net position of the City’s governmental activities increased by \$6,988,636. 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 80.40% of revenues for governmental activities for the City in fiscal year 2017. The City’s reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2017	Percent of Total
Taxes	\$28,478,690	80.40%
Program Revenues	4,838,787	13.66%
Shared Revenues	300,060	0.85%
General Other	1,804,250	5.09%
Total Revenue	<u>\$35,421,787</u>	<u>100.00%</u>



Business-Type Activities

The net position of the business-type activities increased by \$17,053 during 2017. 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, 2017**

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FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$25,915,024, which is an increase from last year's balance of \$20,352,532. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2017 and 2016:

	Fund Balance December 31, 2017	Fund Balance December 31, 2016	Increase (Decrease)
General	\$10,967,481	\$10,858,093	\$109,388
Fire Department	3,464,995	3,007,881	457,114
Convention Hotel Debt	(4,165)	(4,165)	0
Capital Improvement	7,802,407	3,489,352	4,313,055
Chester Road TIF	(2,460,176)	(2,384,561)	(75,615)
Other Governmental	6,144,482	5,385,932	758,550
Total	<u>\$25,915,024</u>	<u>\$20,352,532</u>	<u>\$5,562,492</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:

	2017 Revenues	2016 Revenues	Increase (Decrease)
Municipal Income Taxes	\$17,790,792	\$16,778,248	\$1,012,544
Other Local Taxes	206,332	172,743	33,589
Intergovernmental Revenues	264,541	279,738	(15,197)
Charges for Services	456,821	415,080	41,741
Licenses and Permits	708,908	492,497	216,411
Investment Earnings	362,792	213,402	149,390
Fines and Forfeitures	170,267	260,842	(90,575)
All Other Revenue	297,663	202,167	95,496
Total	<u>\$20,258,116</u>	<u>\$18,814,717</u>	<u>\$1,443,399</u>

General Fund revenues in 2017 increased by 7.7% compared to revenues in fiscal year 2016. 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, 2017***

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	2017	2016	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
Security of Persons and Property	\$6,394,574	\$6,214,803	\$179,771
Public Health and Welfare Services	78,047	75,032	3,015
Leisure Time Activities	2,401,250	2,417,275	(16,025)
Community Environment	480,135	482,053	(1,918)
Basic Utility Services	540,293	622,051	(81,758)
General Government	4,002,156	3,736,725	265,431
Total	<u>\$13,896,455</u>	<u>\$13,547,939</u>	<u>\$348,516</u>

The General Fund expenditures increased only slightly by 2.6%. Operations remained very similar from year to year. There were increases in Economic Development Grants and Salaries that contributed to the small increase. The Recreation and Park Maintenance Departments continued to skinny-down overall operations.

Convention Hotel Debt Fund – This fund did not change in 2017. Repayments to the City from the developer are scheduled to begin in early 2019.

Fire Department Fund – The fund balance increased by \$457,114 during 2017. 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 their three fire stations at the corner of Cornell and Reading Road.

Capital Improvement Fund – This fund balance increased by \$4,313,055 during 2017. 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 decreased by \$75,615 during the year due to rising 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 2017 the City amended its General Fund budget several times.

For the General Fund, final budget basis revenue of \$17.5 million was unchanged when compared to the original budget estimates. The City increased appropriations by \$5.3 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 \$4.8 million from the final budgeted amounts. Actual revenues exceeded final budgeted amounts by \$2.9 and actual expenditures were below final budgeted amounts by \$1.9 million.

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2017 the City had \$81,238,339 net of accumulated depreciation invested in land, construction in progress, land improvements, buildings and improvements, machinery and equipment, infrastructure and vehicles. Of this total, \$47,665,782 was related to governmental activities and \$33,572,557 to the business-type activities. The following table shows fiscal year 2017 and 2016 balances:

	Governmental Activities		Increase (Decrease)
	2017	2016	
Land	\$6,892,272	\$6,639,810	\$252,462
Construction in Progress	2,764,488	1,869,285	895,203
Land Improvements	8,725,088	8,546,670	178,418
Buildings and Improvements	17,707,497	17,616,544	90,953
Infrastructure	39,463,433	36,824,199	2,639,234
Machinery and Equipment	4,094,962	3,868,725	226,237
Vehicles	6,600,000	7,092,971	(492,971)
Less: Accumulated Depreciation	(38,581,958)	(36,601,078)	(1,980,880)
Totals	<u>\$47,665,782</u>	<u>\$45,857,126</u>	<u>\$1,808,656</u>

	Business-Type Activities		Increase (Decrease)
	2017	2016	
Land	\$5,067,188	\$5,067,188	\$0
Land Improvements	380,417	380,417	0
Buildings and Improvements	35,559,264	35,396,462	162,802
Infrastructure	89,136	95,599	(6,463)
Machinery and Equipment	1,408,251	1,343,486	64,765
Vehicles	36,961	36,961	0
Less: Accumulated Depreciation	(8,968,660)	(8,099,146)	(869,514)
Totals	<u>\$33,572,557</u>	<u>\$34,220,967</u>	<u>(\$648,410)</u>

The primary increases in governmental activities' capital assets occurred in infrastructure and construction in progress. During 2017 the City completed several infrastructure projects throughout the City including an annual street repair program that was just short of \$1 million. Work continued on the Chester Road Phase III Improvements that are relocating utilities underground, installing new curbs, decorative sidewalks, decorative crosswalks, street lighting, and repaving. Additionally, the business type activities experienced very little activity in 2017. Additional information on the City's capital assets can be found in Note 9.

CITY OF SHARONVILLE, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

Unaudited

Debt

At December 31, 2017, the City had \$1,045,000 in special assessment bonds outstanding, \$65,000 of which is due within one year. The following table summarizes the City's debt outstanding as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Governmental Activities:		
General Obligation Bonds	\$0	\$1,475,760
Special Assessment Bonds	1,045,000	1,110,000
Compensated Absences	3,175,657	3,227,870
Ohio Public Works Commission Loan	952,149	99,910
Net Pension Liability	29,245,858	28,216,404
Total Governmental Activities	<u>34,418,664</u>	<u>34,129,944</u>
Business-Type Activities:		
General Obligation Bonds	0	230,000
Revenue Bonds	27,023,233	27,405,708
Net Pension Liability	1,440,803	1,096,413
Compensated Absences	302,795	226,671
Total Business-Type Activities	<u>28,766,831</u>	<u>28,958,792</u>
Totals	<u><u>\$63,185,495</u></u>	<u><u>\$63,088,736</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, 2017, 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 continued 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 2017 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, 2017**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Community Improvement Corporation of Sharonville
Assets:				
Cash and Cash Equivalents	\$ 24,646,151	\$ 4,521,301	\$ 29,167,452	\$ 15,221
Receivables:				
Taxes	7,081,177	0	7,081,177	0
Accounts	592,907	267,155	860,062	0
Intergovernmental	1,800,472	150,000	1,950,472	0
Special Assessments	1,372,077	0	1,372,077	0
Loans	2,434,375	0	2,434,375	0
Internal Balances	220,000	(220,000)	0	0
Inventory of Supplies at Cost	136,177	0	136,177	0
Prepaid Items	83,979	9,545	93,524	0
Restricted Assets:				
Cash and Cash Equivalents	0	49,208	49,208	0
Capital Assets:				
Capital Assets Not Being Depreciated	9,656,760	5,067,188	14,723,948	0
Capital Assets Being Depreciated, Net	38,009,022	28,505,369	66,514,391	0
Total Assets	86,033,097	38,349,766	124,382,863	15,221
Deferred Outflows of Resources:				
Pension	6,665,820	552,506	7,218,326	0
Total Deferred Outflows of Resources	6,665,820	552,506	7,218,326	0
Liabilities:				
Accounts Payable	709,845	32,953	742,798	3,367
Accrued Wages and Benefits	506,942	32,821	539,763	0
Intergovernmental Payable	441,272	49,560	490,832	0
Customer Deposits	0	52,161	52,161	1,050
Unearned Revenue	0	1,313,242	1,313,242	0
Accrued Interest Payable	21,990	154,431	176,421	0
General Obligation Notes Payable	3,350,000	1,700,000	5,050,000	0
Noncurrent liabilities:				
Due within one year	425,519	654,302	1,079,821	0
Due in more than one year:				
Net Pension Liability	29,245,858	1,440,803	30,686,661	0
Other Amounts Due in More Than One Year	4,747,287	26,671,726	31,419,013	0
Total Liabilities	39,448,713	32,101,999	71,550,712	4,417

CITY OF SHARONVILLE, OHIO

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Community Improvement Corporation of Sharonville
Deferred Inflows of Resources:				
Property Tax Levy for Next Fiscal Year	1,293,745	0	1,293,745	0
Pension	95,552	8,176	103,728	0
Total Deferred Inflows of Resources	<u>1,389,297</u>	<u>8,176</u>	<u>1,397,473</u>	<u>0</u>
Net Position:				
Net Investment in Capital Assets	44,668,633	4,849,324	49,517,957	0
Restricted For:				
Capital Projects	1,116,663	0	1,116,663	0
Debt Service	1,380,055	0	1,380,055	0
Streets and Highways	4,166,477	0	4,166,477	0
Security of Persons and Property	4,095,799	0	4,095,799	0
Unrestricted (Deficit)	(3,566,720)	1,942,773	(1,623,947)	10,804
Total Net Position	<u>\$ 51,860,907</u>	<u>\$ 6,792,097</u>	<u>\$ 58,653,004</u>	<u>\$ 10,804</u>

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Activities
For the Year Ended December 31, 2017**

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 15,210,738	\$ 1,009,980	\$ 24,240	\$ 0
Public Health and Welfare Services	86,266	0	0	0
Leisure Time Activities	3,212,295	420,692	53,280	0
Community Environment	491,244	499,094	0	0
Basic Utility Services	540,293	0	0	0
Transportation	3,740,463	37,335	2,357,080	436,952
General Government	4,940,874	134	0	0
Interest and Fiscal Charges	210,978	0	0	0
Total Governmental Activities	<u>28,433,151</u>	<u>1,967,235</u>	<u>2,434,600</u>	<u>436,952</u>
Business-Type Activities:				
Convention Center	4,675,308	1,729,671	2,856,529	0
Senior Citizen Housing	216,838	322,999	0	0
Total Business-Type Activities	<u>4,892,146</u>	<u>2,052,670</u>	<u>2,856,529</u>	<u>0</u>
Totals	<u>\$ 33,325,297</u>	<u>\$ 4,019,905</u>	<u>\$ 5,291,129</u>	<u>\$ 436,952</u>
Component Unit:				
Community Improvement Corporation of Sharonville	\$ 9,672	\$ 14,752	\$ 0	\$ 0

General Revenues

Municipal Income Taxes
Other Local Taxes
Payments in Lieu of Taxes
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Miscellaneous
Total General Revenues
 Change in Net Position
 Net Position Beginning of Year
 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
\$ (14,176,518)	\$ 0	\$ (14,176,518)	
(86,266)	0	(86,266)	
(2,738,323)	0	(2,738,323)	
7,850	0	7,850	
(540,293)	0	(540,293)	
(909,096)	0	(909,096)	
(4,940,740)	0	(4,940,740)	
(210,978)	0	(210,978)	
<u>(23,594,364)</u>	<u>0</u>	<u>(23,594,364)</u>	
0	(89,108)	(89,108)	
<u>0</u>	<u>106,161</u>	<u>106,161</u>	
<u>0</u>	<u>17,053</u>	<u>17,053</u>	
<u>(23,594,364)</u>	<u>17,053</u>	<u>(23,577,311)</u>	
			\$ 5,080
26,857,313	0	26,857,313	0
206,332	0	206,332	0
1,415,045	0	1,415,045	0
300,060	0	300,060	0
395,515	0	395,515	0
<u>1,408,735</u>	<u>0</u>	<u>1,408,735</u>	<u>0</u>
<u>30,583,000</u>	<u>0</u>	<u>30,583,000</u>	<u>0</u>
6,988,636	17,053	7,005,689	5,080
<u>44,872,271</u>	<u>6,775,044</u>	<u>51,647,315</u>	<u>5,724</u>
<u>\$ 51,860,907</u>	<u>\$ 6,792,097</u>	<u>\$ 58,653,004</u>	<u>\$ 10,804</u>

CITY OF SHARONVILLE, OHIO

**Balance Sheet
Governmental Funds
December 31, 2017**

	General Fund	Fire Department Fund	Convention Hotel Debt Fund	Capital Improvement Fund
Assets:				
Cash and Cash Equivalents	\$ 5,946,300	\$ 2,930,974	\$ 0	\$ 7,917,305
Receivables:				
Taxes	3,839,001	1,919,500	0	0
Accounts	60,243	532,574	0	0
Intergovernmental	108,436	0	0	37,767
Special Assessments	0	0	0	0
Loans	0	0	2,434,375	0
Interfund Loans Receivables	108,515	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	55,007	19,694	0	0
Advance to Other Funds	3,805,000	0	0	0
Total Assets	\$ 13,922,502	\$ 5,402,742	\$ 2,434,375	\$ 7,955,072
Liabilities:				
Accounts Payable	\$ 198,365	\$ 62,285	\$ 0	\$ 114,898
Accrued Wages and Benefits Payable	274,645	199,440	0	0
Intergovernmental Payable	240,696	132,795	0	37,767
Interfund Loans Payable	0	0	80,170	0
Accrued Interest Payable	0	0	8,370	0
General Obligation Notes Payable	0	0	2,350,000	0
Advances from Other Funds	0	0	0	0
Total Liabilities	713,706	394,520	2,438,540	152,665
Deferred Inflows of Resources:				
Unavailable Amounts	2,241,315	1,543,227	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	2,241,315	1,543,227	0	0
Fund Balances:				
Nonspendable	55,007	19,694	0	0
Restricted	0	3,445,301	0	0
Committed	706,968	0	0	7,802,407
Assigned	989,350	0	0	0
Unassigned	9,216,156	0	(4,165)	0
Total Fund Balances	10,967,481	3,464,995	(4,165)	7,802,407
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$ 13,922,502	\$ 5,402,742	\$ 2,434,375	\$ 7,955,072

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

Chester Road TIF Fund	Other Governmental Funds	Total Governmental Funds
\$ 2,143,433	\$ 5,708,139	\$ 24,646,151
951,801	370,875	7,081,177
0	90	592,907
228,620	1,425,649	1,800,472
0	1,372,077	1,372,077
0	0	2,434,375
0	0	108,515
0	136,177	136,177
0	9,278	83,979
0	0	3,805,000
<u>\$ 3,323,854</u>	<u>\$ 9,022,285</u>	<u>\$ 42,060,830</u>
\$ 233,679	\$ 100,618	\$ 709,845
0	32,857	506,942
3,413	26,601	441,272
0	28,345	108,515
10,137	0	18,507
1,000,000	0	3,350,000
<u>3,585,000</u>	<u>0</u>	<u>3,585,000</u>
<u>4,832,229</u>	<u>188,421</u>	<u>8,720,081</u>
28,039	2,319,399	6,131,980
<u>923,762</u>	<u>369,983</u>	<u>1,293,745</u>
<u>951,801</u>	<u>2,689,382</u>	<u>7,425,725</u>
0	145,455	220,156
0	5,994,313	9,439,614
0	4,714	8,514,089
0	0	989,350
<u>(2,460,176)</u>	<u>0</u>	<u>6,751,815</u>
<u>(2,460,176)</u>	<u>6,144,482</u>	<u>25,915,024</u>
<u>\$ 3,323,854</u>	<u>\$ 9,022,285</u>	<u>\$ 42,060,830</u>

CITY OF SHARONVILLE, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2017***

Total Governmental Fund Balances	\$ 25,915,024
<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.	47,665,782
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.	6,131,980
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	6,665,820
Deferred Inflows - Pension	(95,552)
Net Pension Liability	<u>(29,245,858)</u>
Total	(22,675,590)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Special Assessment Bonds Payable	(1,045,000)
OPWC Loan Payable	(952,149)
Compensated Absences Payable	(3,175,657)
Accrued Interest Payable	(3,483)
<i>Net Position of Governmental Activities</i>	<u><u>\$ 51,860,907</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, 2017**

	General Fund	Fire Department Fund	Convention Hotel Debt Fund	Capital Improvement Fund
Revenues:				
Municipal Income Taxes	\$ 17,790,792	\$ 8,485,633	\$ 0	\$ 0
Other Local Taxes	206,332	0	0	0
Payments in Lieu of Taxes	0	0	0	0
Intergovernmental Revenues	264,541	0	0	91,261
Charges for Services	456,821	570,574	0	0
Licenses and Permits	708,908	0	0	0
Investment Earnings	362,792	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	170,267	0	0	0
All Other Revenue	297,663	116,173	0	13,075
Total Revenue	20,258,116	9,172,380	0	104,336
Expenditures:				
Current:				
Security of Persons and Property	6,394,574	6,788,861	0	0
Public Health and Welfare Services	78,047	0	0	0
Leisure Time Activities	2,401,250	0	0	0
Community Environment	480,135	0	0	0
Basic Utility Services	540,293	0	0	0
Transportation	0	0	0	0
General Government	4,002,156	0	0	0
Capital Outlay	0	102,800	0	1,791,554
Debt Service:				
Principal Retirement	0	0	0	0
Interest & Fiscal Charges	0	0	0	0
Total Expenditures	13,896,455	6,891,661	0	1,791,554
Excess (Deficiency) of Revenues				
Over Expenditures	6,361,661	2,280,719	0	(1,687,218)
Other Financing Sources (Uses):				
Transfers In	0	0	0	6,000,273
Transfers Out	(6,252,273)	(1,823,605)	0	0
OPWC Loan Initiated	0	0	0	0
Total Other Financing Sources (Uses)	(6,252,273)	(1,823,605)	0	6,000,273
Net Change in Fund Balances	109,388	457,114	0	4,313,055
Fund Balances at Beginning of Year	10,858,093	3,007,881	(4,165)	3,489,352
Change in Inventory Reserve	0	0	0	0
Fund Balances End of Year	\$ 10,967,481	\$ 3,464,995	\$ (4,165)	\$ 7,802,407

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

Chester Road TIF Fund	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 0	\$ 26,276,425
0	0	206,332
1,025,706	373,495	1,399,201
652,974	2,561,606	3,570,382
0	0	1,027,395
0	0	708,908
0	32,723	395,515
0	301,436	301,436
0	32,522	202,789
0	25,410	452,321
<u>1,678,680</u>	<u>3,327,192</u>	<u>34,540,704</u>
0	82,578	13,266,013
0	0	78,047
0	53,280	2,454,530
0	0	480,135
0	0	540,293
0	1,931,875	1,931,875
0	584,715	4,586,871
2,466,589	359,621	4,720,564
0	1,535,000	1,535,000
139,945	73,477	213,422
<u>2,606,534</u>	<u>4,620,546</u>	<u>29,806,750</u>
(927,854)	(1,293,354)	4,733,954
0	2,075,605	8,075,878
0	0	(8,075,878)
852,239	0	852,239
<u>852,239</u>	<u>2,075,605</u>	<u>852,239</u>
(75,615)	782,251	5,586,193
(2,384,561)	5,385,932	20,352,532
0	(23,701)	(23,701)
<u>\$ (2,460,176)</u>	<u>\$ 6,144,482</u>	<u>\$ 25,915,024</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, 2017***

Net Change in Fund Balances - Total Governmental Funds \$ 5,586,193

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	5,016,152	
Depreciation Expense	<u>(3,207,496)</u>	1,808,656

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 628,621

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 2,179,166

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (3,927,717)

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position.
OPWC Loan Initiated (852,239)

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 1,470,000
Amortization of General Obligation Bond Premium 5,760
Special Assessment Bond Principal Payment 65,000 1,540,760

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 3,934

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 52,213
Change in Inventory (23,701)
Amorization of Deferred Loss on Defeasance (7,250) 21,262

Change in Net Position of Governmental Activities \$ 6,988,636

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, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 15,409,657	\$ 15,409,657	\$ 17,844,754	\$ 2,435,097
Other Local Taxes	150,000	150,000	206,332	56,332
Intergovernmental Revenue	318,980	318,980	263,160	(55,820)
Charges for Services	450,730	450,730	455,774	5,044
Licenses and Permits	431,990	431,990	708,301	276,311
Investment Earnings	140,000	140,000	362,792	222,792
Fines and Forfeitures	335,100	335,100	172,029	(163,071)
All Other Revenues	238,800	238,800	315,354	76,554
Total Revenues	<u>17,475,257</u>	<u>17,475,257</u>	<u>20,328,496</u>	<u>2,853,239</u>
Expenditures:				
Current:				
Security of Persons and Property	6,654,105	6,790,875	6,477,013	313,862
Public Health and Welfare Services	88,425	90,150	76,823	13,327
Leisure Time Activities	2,639,150	2,707,526	2,443,953	263,573
Community Environment	548,636	603,319	501,980	101,339
Basic Utility Services	610,000	798,162	798,162	0
General Government	4,343,743	4,510,624	4,023,513	487,111
Total Expenditures	<u>14,884,059</u>	<u>15,500,656</u>	<u>14,321,444</u>	<u>1,179,212</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,591,198	1,974,601	6,007,052	4,032,451
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	41,331	41,331
Transfers Out	(2,536,990)	(7,236,990)	(6,527,273)	709,717
Advances Out	(50,000)	(50,000)	(44,114)	5,886
Total Other Financing Sources (Uses):	<u>(2,586,990)</u>	<u>(7,286,990)</u>	<u>(6,530,056)</u>	<u>756,934</u>
Net Change in Fund Balance	4,208	(5,312,389)	(523,004)	4,789,385
Fund Balance at Beginning of Year	8,261,207	8,261,207	8,261,207	0
Prior Year Encumbrances	487,898	487,898	487,898	0
Fund Balance at End of Year	<u>\$ 8,753,313</u>	<u>\$ 3,436,716</u>	<u>\$ 8,226,101</u>	<u>\$ 4,789,385</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, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 7,350,343	\$ 7,350,343	\$ 8,512,614	\$ 1,162,271
Charges for Services	525,000	525,000	583,438	58,438
All Other Revenues	0	0	70,586	70,586
Total Revenues	<u>7,875,343</u>	<u>7,875,343</u>	<u>9,166,638</u>	<u>1,291,295</u>
Expenditures:				
Current:				
Security of Persons and Property	7,333,247	7,509,725	7,010,142	499,583
Capital Outlay	132,560	150,415	144,779	5,636
Total Expenditures	<u>7,465,807</u>	<u>7,660,140</u>	<u>7,154,921</u>	<u>505,219</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	409,536	215,203	2,011,717	1,796,514
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	50,207	50,207
Transfers In	0	0	150,000	150,000
Transfers Out	(669,900)	(2,479,900)	(1,973,605)	506,295
Total Other Financing Sources (Uses):	<u>(669,900)</u>	<u>(2,479,900)</u>	<u>(1,773,398)</u>	<u>706,502</u>
Net Change in Fund Balance	(260,364)	(2,264,697)	238,319	2,503,016
Fund Balance at Beginning of Year	2,314,188	2,314,188	2,314,188	0
Prior Year Encumbrances	154,334	154,334	154,334	0
Fund Balance at End of Year	<u>\$ 2,208,158</u>	<u>\$ 203,825</u>	<u>\$ 2,706,841</u>	<u>\$ 2,503,016</u>

See accompanying notes to the basic financial statements



CITY OF SHARONVILLE, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2017**

	Business-Type Activities		
	Enterprise Funds		
	Convention Center	Other Enterprise Fund	Total
Assets:			
Current Assets:			
Cash and Cash Equivalents	\$ 4,373,730	\$ 147,571	\$ 4,521,301
Receivables:			
Accounts Receivable	266,751	404	267,155
Intergovernmental Receivable	150,000	0	150,000
Prepaid Items	8,062	1,483	9,545
Total Current Assets	4,798,543	149,458	4,948,001
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents	0	49,208	49,208
Capital Assets:			
Capital Assets Not Being Depreciated	5,022,188	45,000	5,067,188
Capital Assets Being Depreciated, Net	27,852,061	653,308	28,505,369
Total Noncurrent Assets	32,874,249	747,516	33,621,765
Total Assets	37,672,792	896,974	38,569,766
Deferred Outflows of Resources:			
Pension	512,849	39,657	552,506
Total Deferred Outflows of Resources	512,849	39,657	552,506
Liabilities:			
Current Liabilities:			
Accounts Payable	31,550	1,403	32,953
Accrued Wages and Benefits	30,408	2,413	32,821
Intergovernmental Payable	29,703	19,857	49,560
Customer Deposits	0	52,161	52,161
Unearned Revenue	1,311,088	2,154	1,313,242
Accrued Interest Payable	154,431	0	154,431
General Obligation Notes Payable	1,700,000	0	1,700,000
Revenue Bond Payable - Current	637,475	0	637,475
Compensated Absences - Current	16,224	603	16,827
Total Current Liabilities	3,910,879	78,591	3,989,470

CITY OF SHARONVILLE, OHIO

	Business-Type Activities		
	Enterprise Funds		
	Convention Center	Other Enterprise Fund	Total
Noncurrent Liabilities:			
Revenue Bonds Payable	26,385,758	0	26,385,758
Advances from Other Funds	0	220,000	220,000
Compensated Absences Payable	255,298	30,670	285,968
Net Pension Liability	1,336,421	104,382	1,440,803
Total Noncurrent Liabilities	27,977,477	355,052	28,332,529
Total Liabilities	31,888,356	433,643	32,321,999
Deferred Inflows of Resources:			
Pension	7,954	222	8,176
Net Position:			
Net Investment in Capital Assets	4,151,016	698,308	4,849,324
Unrestricted	2,138,315	(195,542)	1,942,773
Total Net Position	\$ 6,289,331	\$ 502,766	\$ 6,792,097

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, 2017**

	Business-Type Activities		
	Enterprise Funds		
	Convention Center	Other Enterprise Fund	Total
Operating Revenues:			
Charges for Services	\$ 1,707,997	\$ 318,287	\$ 2,026,284
Other Operating Revenues	16,988	4,712	21,700
Total Operating Revenues	1,724,985	322,999	2,047,984
Operating Expenses:			
Personal Services	1,413,823	105,681	1,519,504
Materials and Supplies	44,039	9,580	53,619
Contractual Services	468,877	7,974	476,851
Utilities	222,141	33,063	255,204
Depreciation	815,437	60,540	875,977
Total Operating Expenses	2,964,317	216,838	3,181,155
Operating Income (Loss)	(1,239,332)	106,161	(1,133,171)
Non-Operating Revenue (Expenses):			
Interest Income	4,686	0	4,686
Interest and Fiscal Charges	(1,710,991)	0	(1,710,991)
Intergovernmental Revenues	2,856,529	0	2,856,529
Total Non-Operating Revenues (Expenses)	1,150,224	0	1,150,224
Change in Net Position	(89,108)	106,161	17,053
Net Position Beginning of Year	6,378,439	396,605	6,775,044
Net Position End of Year	\$ 6,289,331	\$ 502,766	\$ 6,792,097

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017**

	Business-Type Activities		
	Enterprise Funds		
	Convention Center	Other Enterprise Fund	Total
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$1,683,509	\$323,755	\$2,007,264
Cash Payments for Goods and Services	(758,269)	(58,697)	(816,966)
Cash Payments to Employees	(1,139,769)	(91,591)	(1,231,360)
Other Operating Revenues	16,988	4,712	21,700
Net Cash Provided (Used) by Operating Activities	(197,541)	178,179	(19,362)
<u>Cash Flows from Noncapital Financing Activities:</u>			
Payment on Advances from Other Funds	0	(50,000)	(50,000)
Intergovernmental Revenue Received	2,910,611	0	2,910,611
Net Cash Provided (Used) by Noncapital Financing Activities	2,910,611	(50,000)	2,860,611
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(70,503)	(155,435)	(225,938)
Sale of General Obligation Notes	1,700,000	0	1,700,000
Premium on Sale of General Obligation Notes	13,362	0	13,362
Payment on Revenue Bond	(395,000)	0	(395,000)
Payment on General Obligation Notes	(2,050,000)	0	(2,050,000)
Payment on General Obligation Bonds	(230,000)	0	(230,000)
Interest Paid on All Debt	(1,714,047)	0	(1,714,047)
Net Cash Used for Capital and Related Financing Activities	(2,746,188)	(155,435)	(2,901,623)
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	4,686	0	4,686
Net Cash Provided for Investing Activities	4,686	0	4,686
Net Decrease in Equity in Pooled Cash, Cash Equivalents and Investments	(28,432)	(27,256)	(55,688)
Equity in Pooled Cash, Cash Equivalents and Investments at the Beginning of Year	4,402,162	224,035	4,626,197
Equity in Pooled Cash, Cash Equivalents and Investments at the End of Year	\$4,373,730	\$196,779	\$4,570,509
<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	\$4,373,730	\$147,571	\$4,521,301
Restricted Cash and Cash Equivalents	0	49,208	49,208
Equity in Pooled Cash, Cash Equivalents and Investments	\$4,373,730	\$196,779	\$4,570,509

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)	(\$1,239,332)	\$106,161	(\$1,133,171)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	815,437	60,540	875,977
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(17,597)	(50)	(17,647)
(Increase) Decrease in Prepaid Items	1,290	(78)	1,212
Increase in Deferred Outflows - Pension	(129,074)	(7,523)	(136,597)
Decrease in Accounts Payable	(26,104)	(3,678)	(29,782)
Decrease in Accrued Wages and Benefits	(2,857)	(284)	(3,141)
Increase in Intergovernmental Payable	20,658	2,789	23,447
Increase in Customer Deposits Payable	0	4,545	4,545
Decrease in Unearned Revenue	(6,891)	(4,819)	(11,710)
Increase in Compensated Absences	73,804	2,320	76,124
Increase in Net Pension Liability	324,719	19,671	344,390
Decrease in Deferred Inflows - Pension	(11,594)	(1,415)	(13,009)
Total Adjustments	1,041,791	72,018	1,113,809
Net Cash Provided (Used) by Operating Activities	(\$197,541)	\$178,179	(\$19,362)

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Net Position
Fiduciary Fund
December 31, 2017**

	Private Purpose Trust	
	Unclaimed Monies Fund	Agency Funds
Assets:		
Cash and Cash Equivalents	\$ 330	\$ 774,440
Total Assets	<u>330</u>	<u>774,440</u>
Liabilities:		
Intergovernmental Payable	0	3,243
Due to Others	0	771,197
Total Liabilities	<u>0</u>	<u>\$ 774,440</u>
Net Position:		
Unrestricted	330	
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, 2017**

	Private Purpose Trust Unclaimed Monies Fund
Additions:	
Contributions:	
Total Contributions	\$ 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, 2017***

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 2017. 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, 2017***

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.

Convention Hotel Debt Fund - This fund is used to account for a note issuance and subsequent loan to the hotel developer.

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, 2017***

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 and tax refunds.

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, 2017***

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, 2017***

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, 2017***

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 2017.

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

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 2017, 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, 2017**

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)	\$109,388	\$457,114
Increase (Decrease):		
Accrued Revenues at December 31, 2017 received during 2018	(2,094,880)	(908,847)
Accrued Revenues at December 31, 2016 received during 2017	2,162,477	953,312
Accrued Expenditures at December 31, 2017 paid during 2018	713,706	394,520
Accrued Expenditures at December 31, 2016 paid during 2017	(708,902)	(442,531)
2017 Prepays for 2018	(55,007)	(19,694)
2016 Prepays for 2017	53,466	28,578
Perspective Difference:		
Activity of Funds Reclassified for GAAP Reporting Purposes	(105,021)	0
Outstanding Encumbrances	(598,231)	(224,133)
Budget Basis	<u>(\$523,004)</u>	<u>\$238,319</u>

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

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

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, 2017***

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 acquisition 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 acquisition 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:

Description	Governmental and Business-Type Activities Estimated Lives (Years)
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, 2017***

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, 2017***

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, 2017, 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, 2017***

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, 2017***

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 2017.

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

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, 2017***

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2017, the City has implemented GASB Statement No. 80 “Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14”, GASB Statement No. 81, “Irrevocable Split-Interest Agreements”, and GASB Statement No. 82, “Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73.”

GASB Statement No. 80 improves financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the City.

GASB Statement No. 81 improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the City.

GASB Statement No. 82 addresses certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and 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*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the City.

CITY OF SHARONVILLE, OHIO

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

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	Convention Hotel Debt	Capital Improvement	Chester Road TIF	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepaid Items	\$55,007	\$19,694	\$0	\$0	\$0	\$9,278	\$83,979
Supplies Inventory	0	0	0	0	0	136,177	136,177
Total Nonspendable	55,007	19,694	0	0	0	145,455	220,156
Restricted:							
Transportation Projects	0	0	0	0	0	3,184,075	3,184,075
Court Projects	0	0	0	0	0	72,666	72,666
Law Enforcement	0	0	0	0	0	173,107	173,107
Debt Service	0	0	0	0	0	15,626	15,626
Fire Department	0	3,445,301	0	0	0	928	3,446,229
Capital Improvements	0	0	0	0	0	2,547,908	2,547,908
Health	0	0	0	0	0	3	3
Total Restricted	0	3,445,301	0	0	0	5,994,313	9,439,614
Committed:							
Termination Benefits	706,968	0	0	0	0	0	706,968
Teen Activities	0	0	0	0	0	4,714	4,714
Debt Service	0	0	0	0	0	0	0
Capital Improvements	0	0	0	7,802,407	0	0	7,802,407
Total Committed	706,968	0	0	7,802,407	0	4,714	8,514,089
Assigned:							
Goods and Services	433,969	0	0	0	0	0	433,969
Projected Budget Deficit	555,381	0	0	0	0	0	555,381
Total Assigned	989,350	0	0	0	0	0	989,350
Unassigned (Deficit)	9,216,156	0	(4,165)	0	(2,460,176)	0	6,751,815
Total Fund Balances	\$10,967,481	\$3,464,995	(\$4,165)	\$7,802,407	(\$2,460,176)	\$6,144,482	\$25,915,024

NOTE 4 – FUND DEFICITS

The fund deficits at December 31, 2017 of \$4,165 in the Convention Hotel Debt Fund (debt service funds) and of \$2,460,176 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, 2017***

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, 2017**

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 City’s deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At year end the carrying amount of the City’s deposits was \$26,441,632 and the bank balance was \$27,378,229. Federal depository insurance covered \$7,988,916 of the bank balance and \$19,389,313 was exposed to custodial risk. \$17,505,762 of the uninsured bank balance was collateralized with securities held by the pledging financial institutions trust department or agent but not in the City’s name and securities held in the Ohio Pooled Collateral System. The remaining \$1,883,551 was uninsured and uncollateralized due to certain timing issues related to fluctuations in depository balances. These insufficiencies were corrected the next business day.

B. Investments

The City's investments at December 31, 2017 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>
STAR Ohio	<u>\$3,549,798</u>	AAAm ¹	N/A *	<u>\$3,549,798</u>
Total Investments	<u><u>\$3,549,798</u></u>			<u><u>\$3,549,798</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, 2017***

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. The City’s only investment is 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, 2017 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, 2017**

NOTE 8 – TRANSFERS AND INTERFUND BALANCES

Following is a summary of transfers in and out for all funds for 2017:

Fund	Transfers In	Transfers Out
General Fund	\$0	\$6,252,273
Fire Department Fund	0	1,823,605
Capital Improvement Fund	6,000,273	0
Other Governmental Funds	2,075,605	0
Totals	<u>\$8,075,878</u>	<u>\$8,075,878</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, 2017 are as follows:

Fund	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$108,515	\$0
Convention Hotel Debt Fund	0	80,170
Other Governmental Funds	0	28,345
Totals	<u>\$108,515</u>	<u>\$108,515</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, 2017 are as follows:

Fund	Advances to Other Funds	Advances from Other Funds
General Fund	\$3,805,000	\$0
Chester Road TIF Fund	0	3,585,000
Governmental Funds Total	<u>3,805,000</u>	<u>3,585,000</u>
Enterprise Fund:		
Senior Housing Fund	0	220,000
Totals	<u>\$3,805,000</u>	<u>\$3,805,000</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, 2017**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2017:

Historical Cost:

Class	December 31, 2016	Additions	Deletions	December 31, 2017
<i>Capital assets not being depreciated:</i>				
Land	\$6,639,810	\$252,462	\$0	\$6,892,272
Construction in Progress	1,869,285	2,511,733	(1,616,530)	2,764,488
<i>Capital assets not being depreciated</i>	<u>8,509,095</u>	<u>2,764,195</u>	<u>(1,616,530)</u>	<u>9,656,760</u>
<i>Capital assets being depreciated:</i>				
Land Improvements	8,546,670	178,418	0	8,725,088
Buildings and Improvements	17,616,544	90,953	0	17,707,497
Infrastructure	36,824,199	2,639,234	0	39,463,433
Machinery and Equipment	3,868,725	330,725	(104,488)	4,094,962
Vehicles	7,092,971	629,157	(1,122,128)	6,600,000
<i>Capital assets being depreciated</i>	<u>73,949,109</u>	<u>3,868,487</u>	<u>(1,226,616)</u>	<u>76,590,980</u>
Total Cost	<u>\$82,458,204</u>	<u>\$6,632,682</u>	<u>(\$2,843,146)</u>	<u>\$86,247,740</u>
 <i>Accumulated Depreciation:</i>				
Class	December 31, 2016	Additions	Deletions	December 31, 2017
Land Improvements	(\$5,568,957)	(\$404,134)	\$0	(\$5,973,091)
Buildings and Improvements	(7,357,601)	(391,435)	0	(7,749,036)
Infrastructure	(17,477,267)	(1,473,129)	0	(18,950,396)
Machinery and Equipment	(2,380,376)	(350,062)	104,488	(2,625,950)
Vehicles	(3,816,877)	(588,736)	1,122,128	(3,283,485)
Total Depreciation	<u>(\$36,601,078)</u>	<u>(\$3,207,496) *</u>	<u>\$1,226,616</u>	<u>(\$38,581,958)</u>
 <i>Net Value:</i>	 <u>\$45,857,126</u>			 <u>\$47,665,782</u>

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$778,271
Leisure Time Activities	544,962
Transportation	1,643,877
General Government	240,386
Total Depreciation Expense	<u>\$3,207,496</u>

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

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, 2017:

Historical Cost:

Class	December 31, 2016	Additions	Deletions	December 31, 2017
<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	380,417	0	0	380,417
Buildings and Improvements	35,396,462	162,802	0	35,559,264
Infrastructure	95,599	0	(6,463)	89,136
Machinery and Equipment	1,343,486	64,765	0	1,408,251
Vehicles	36,961	0	0	36,961
<i>Capital assets being depreciated</i>	37,252,925	227,567	(6,463)	37,474,029
Total Cost	\$42,320,113	\$227,567	(\$6,463)	\$42,541,217

Accumulated Depreciation:

Class	December 31, 2016	Additions	Deletions	December 31, 2017
Land Improvements	(\$138,772)	(\$25,263)	\$0	(\$164,035)
Buildings and Improvements	(7,080,345)	(729,509)	0	(7,809,854)
Infrastructure	(80,693)	(4,746)	6,463	(78,976)
Machinery and Equipment	(791,944)	(112,763)	0	(904,707)
Vehicles	(7,392)	(3,696)	0	(11,088)
Total Depreciation	(\$8,099,146)	(\$875,977)	\$6,463	(\$8,968,660)

Net Value:

	\$34,220,967		\$33,572,557
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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2017***

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 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, 2017**

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

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

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>
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	<u>1.0</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 \$686,679 for 2017.

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

Plan Description - City full-time police 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 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, 2017**

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>
2017 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2017 through December 31, 2017	12.25 %	12.25 %
2017 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2017 through December 31, 2017	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$1,600,341 for 2017.

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

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$9,173,265	\$21,513,396	\$30,686,661
Proportion of the Net Pension Liability-2017	0.040396%	0.339655%	
Proportion of the Net Pension Liability-2016	0.042363%	0.341594%	
Percentage Change	<u>(0.001967%)</u>	<u>(0.001939%)</u>	
Pension Expense	\$1,698,205	\$2,532,150	\$4,230,355

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$1,365,713	\$2,092,082	\$3,457,795
Changes in assumptions	1,454,992	0	1,454,992
Differences between expected and actual experience	12,433	6,086	18,519
City contributions subsequent to the measurement date	<u>686,679</u>	<u>1,600,341</u>	<u>2,287,020</u>
Total Deferred Outflows of Resources	<u>\$3,519,817</u>	<u>\$3,698,509</u>	<u>\$7,218,326</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	<u>\$54,196</u>	<u>\$49,532</u>	<u>\$103,728</u>
Total Deferred Inflows of Resources	<u>\$54,196</u>	<u>\$49,532</u>	<u>\$103,728</u>

\$2,287,020 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2018	\$1,146,262	\$793,912	\$1,940,174
2019	1,187,100	793,912	1,981,012
2020	485,623	604,325	1,089,948
2021	(40,043)	(142,579)	(182,622)
2022	0	(1,053)	(1,053)
2023	<u>0</u>	<u>119</u>	<u>119</u>
Total	<u>\$2,778,942</u>	<u>\$2,048,636</u>	<u>\$4,827,578</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, 2017***

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, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

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

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

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

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

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

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 2016 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$14,014,212	\$9,173,265	\$5,139,191

Changes in Benefit Terms and Assumptions – There were no significant changes to benefit terms, investment policies, the size or composition of the population covered by the benefit terms impacting the actuarial valuation study for the year ended December 31, 2016.

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

In 2016, a five-year experience study was completed on the period January 1, 2011 through December 31, 2015. The Board adopted changes to both the demographic and economic assumptions as a result of the study. The most notable change in demographic assumptions is an increased life expectancy of the members and the most notable change in economic assumptions is the reduction in the actuarially assumed rate of return from 8.00% down to 7.50% for the defined benefit investments. The new assumptions are included in the 2016 actuarial valuation.

In 2016, OPERS, in conjunction with the Board’s investment consultants, also completed an asset liability study. Periodically, the System engages in a more comprehensive study that examines the nature of the pension liabilities the plan will ultimately pay and the characteristics of the asset allocation projections and the associated level of risk. As a result of this study, OPERS modified the asset allocation slightly, but not substantively.

Actuarial Assumptions – OPF

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

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

Valuation Date	January 1, 2016
Experience Study	5 year period ending December 31, 2011
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	3.00 percent simple, 2.60 percent simple for increases based on the lessor of the increase in CPI and 3.00%

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 in 2017 covering the period 2012 - 2016.

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2016 are summarized below:

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

* levered 2x

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

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

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$28,653,294	\$21,513,396	\$15,462,235

Changes Between Measurement Date and Report Date - In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25% to 8.00%. Although the exact amount of these changes is not known, it has the potential to impact to the City's net pension liability.

NOTE 11 – POST EMPLOYMENT 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.

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

In order to qualify for 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 2016 CAFR for details.

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

NOTE 11 – POST EMPLOYMENT BENEFITS (Continued)

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

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible benefit recipients. 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 may be 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 2017, local government employers contributed at a rate of 14.0% 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.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0% during calendar year 2017. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited for Member-Directed Plan participants for 2017 was 4.0%.

The City's contributions for health care to the OPERS for the years ending December 31, 2017, 2016, and 2015 were \$52,821, \$104,441 and \$112,933, 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.

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

NOTE 11 – POST EMPLOYMENT BENEFITS (Continued)

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

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% of covered payroll for police. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2017, 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 ended December 31, 2017, 2016, and 2015 were \$18,467, \$18,127 and \$17,397 for police and \$19,119, \$17,842 and \$17,278 for firefighters, respectively, which were equal to the required contributions for each year.

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

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, 2017 the City had \$2,996 payable to employees for the Dental/Optical Plan.

B. Compensated Absences

At December 31, 2017, the City's accumulated, unpaid compensated absences amounted to \$3,478,452. Of this amount, \$3,175,657 is recorded as Governmental Activities on the Entity Wide Statement of Net position (\$360,519 is reported as due within one year), \$302,795 is recorded as Business-type activities (\$16,827 is reported as due within one year).

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, 2017 were as follows:

	Balance December 31, 2016	Issued	(Retired)	Balance December 31, 2017
Debt Service Fund:				
Convention Hotel Debt Fund:				
2.50% Convention Hotel	\$2,350,000	\$2,350,000	(\$2,350,000)	\$2,350,000
Capital Projects Fund:				
Chester Road TIF Fund:				
2.00% Chester Road TIF Project	1,000,000	1,000,000	(1,000,000)	1,000,000
Enterprise Fund:				
Convention Center Fund:				
2.00% Convention Center Imprv.	2,050,000	1,700,000	(2,050,000)	1,700,000
Total Notes Payable	<u>\$5,400,000</u>	<u>\$5,050,000</u>	<u>(\$5,400,000)</u>	<u>\$5,050,000</u>

CITY OF SHARONVILLE, OHIO

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

NOTE 14 - LONG-TERM OBLIGATIONS

Long-term obligations of the City at December 31, 2017 were as follows:

	Balance December 31, 2016	Issued	(Retired)	Balance December 31, 2017	Amount Due Within One Year
Business-Type Activities:					
General Obligation Bonds:					
2.00% - 4.00% Convention Center - Issue II Refunding	\$230,000	\$0	(\$230,000)	\$0	\$0
Total General Obligation Bonds	230,000	0	(230,000)	0	0
Revenue Bonds:					
3.88 - 6.30% Convention Center - RZEDB - BAB	27,675,000	0	(395,000)	27,280,000	650,000
Discount on Bonds	(269,292)	0	12,525	(256,767)	(12,525)
Total Revenue Bonds	27,405,708	0	(382,475)	27,023,233	637,475
Net Pension Liability:					
Ohio Public Employees Retirement System	1,096,413	344,390	0	1,440,803	0
Compensated Absences	226,671	189,460	(113,336)	302,795	16,827
Total Business-Type Activities	\$28,958,792	\$533,850	(\$725,811)	\$28,766,831	\$654,302
Governmental Activities:					
General Obligation Bonds:					
2.50% - 4.25% Recreation Center Refunding	\$435,000	\$0	(\$435,000)	\$0	\$0
Unamortized Premium	5,760	0	(5,760)	0	0
2.00% - 4.00% Fire House Construction Refunding	660,000	0	(660,000)	0	0
2.00% - 4.00% Pool Construction Refunding	375,000	0	(375,000)	0	0
Total General Obligation Bonds	1,475,760	0	(1,475,760)	0	0
Special Assessment Bonds:					
1.75%-4.38% GSA Property Road	1,110,000	0	(65,000)	1,045,000	65,000
Total Special Assessment Bonds (with Government Commitment)	1,110,000	0	(65,000)	1,045,000	65,000
Net Pension Liability:					
Ohio Public Employees Retirement System	6,241,435	1,491,027	0	7,732,462	0
Ohio Police and Fire Pension	21,974,969	(461,573)	0	21,513,396	0
Total Net Pension Liability	28,216,404	1,029,454	0	29,245,858	0
Ohio Public Works Commission Loan	99,910	852,239	0	952,149	0
Compensated Absences	3,227,870	431,967	(484,180)	3,175,657	360,519
Total Governmental Activities	\$34,129,944	\$2,313,660	(\$2,024,940)	\$34,418,664	\$425,519

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

NOTE 14 - LONG-TERM OBLIGATIONS (Continued)

The principal amount of the City's special assessment debt outstanding at December 31, 2017, \$1,045,000, 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, 2017 follows:

Years	Business-Type Activities Revenue Bonds		Governmental Activities Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2018	\$650,000	\$1,646,373	\$65,000	\$41,800
2019	670,000	1,616,798	65,000	39,785
2020	695,000	1,585,308	70,000	37,380
2021	715,000	1,546,597	70,000	34,790
2022	745,000	1,506,771	75,000	32,200
2023-2027	4,565,000	6,851,448	410,000	115,725
2028-2032	7,865,000	5,067,944	290,000	25,594
2033-2037	9,315,000	2,446,140	0	0
2038	2,060,000	129,780	0	0
Totals	\$27,280,000	\$22,397,159	\$1,045,000	\$327,274

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

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 2017 was \$708,432. Below is a schedule of the amounts to be received in future years:

<u>Years</u>	<u>Revenue Bond Subsidy</u>	
	<u>RZEDB</u>	<u>BAB</u>
2018	\$568,770	\$133,854
2019	568,770	123,504
2020	568,770	112,482
2021	568,770	98,932
2022	568,770	84,994
2023-2027	2,843,850	186,124
2028-2032	2,280,572	0
2033-2037	1,100,764	0
2038	58,397	0
Totals	<u>\$9,127,433</u>	<u>\$739,890</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, 2017***

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, 2017 the City had contractual commitments with respect to capital projects in the amounts of \$1,667,502 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 2018.

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

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 2017. 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 2017, while the tenant at 3327 Creek Road paid \$500 per month in 2017.

NOTE 19 – CONVENTION HOTEL LOAN AGREEMENT

The City renewed one year taxable notes in the amount of \$2,350,000 on November 9, 2017. 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. Interest expense in the amount of \$45,506 was paid by the City in 2017 and was added to the outstanding loan balance in accordance with the loan agreement.

NOTE 20 – TAX ABATEMENT DISCLOSURES

As of December 31, 2017, 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 Four Years***

Ohio Public Employees Retirement System

Year	2014	2015	2016	2017
City's proportion of the net pension liability (asset)	0.043971%	0.043971%	0.042363%	0.040396%
City's proportionate share of the net pension liability (asset)	\$5,183,608	\$5,303,393	\$7,337,848	\$9,173,265
City's covered-employee payroll	\$5,820,692	\$5,480,633	\$5,272,533	\$5,222,025
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	89.05%	96.77%	139.17%	175.66%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%	77.25%

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

Ohio Police and Fire Pension Fund

Year	2014	2015	2016	2017
City's proportion of the net pension liability (asset)	0.3378560%	0.3378560%	0.3415938%	0.339655%
City's proportionate share of the net pension liability (asset)	\$16,454,647	\$17,502,349	\$21,794,969	\$21,513,396
City's covered-employee payroll	\$6,821,253	\$6,930,565	\$6,934,966	\$7,193,710
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	241.23%	252.54%	314.28%	299.06%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%	68.36%

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

Notes: 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.

See Notes to the Required Supplementary Information

CITY OF SHARONVILLE, OHIO

***Schedule of City Contributions
Last Five Years***

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$756,690	\$657,676	\$632,704	\$626,643	\$686,679
Contributions in relation to the contractually required contribution	<u>756,690</u>	<u>657,676</u>	<u>632,704</u>	<u>626,643</u>	<u>686,679</u>
Contribution deficiency (excess)	<u>\$0</u>	<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	\$5,282,146
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%	12.00%	13.00%

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>	<u>2017</u>
Contractually required contribution	\$1,165,070	\$1,411,063	\$1,473,147	\$1,527,382	\$1,600,341
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>	<u>1,600,341</u>
Contribution deficiency (excess)	<u>\$0</u>	<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	\$7,517,200
Contributions as a percentage of covered-employee payroll	17.08%	20.36%	21.24%	21.23%	21.29%

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

Notes: Information prior to 2013 is not available.

See Notes to the Required Supplementary Information

***Notes to the Required Supplemental Information
For the Year Ended December 31, 2017***

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

There were no recent significant changes of benefit terms, investment policies, the size or composition of the population covered by the benefit terms impacting the actuarial valuation study for the year ended December 31, 2016.

In 2016, a five-year experience study was completed on the period January 1, 2011 through December 31, 2015. The Board adopted changes to both the demographic and economic assumptions as a result of the study. The most notable change in demographic assumptions is an increased life expectancy of the members and the most notable change in economic assumptions is the reduction in the actuarially assumed rate of return from 8.00% down to 7.50% for the defined benefit investments. The new assumptions are included in the 2016 actuarial valuation.

In 2016, OPERS, in conjunction with the Board's investment consultants, also completed an asset liability study. Periodically, the System engages in a more comprehensive study that examines the nature of the pension liabilities the plan will ultimately pay and the characteristics of the asset allocation projections and the associated level of risk. As a result of this study, OPERS modified the asset allocation slightly, but not substantively.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

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

*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 is not presented because there were no assets or liabilities at year end.)

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. (The Balance Sheet is not presented because there were no assets or liabilities at year end.)

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. (The Balance Sheet is not presented because there were no assets or liabilities at year end.)

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.

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.)

Fire Capital Improvement Fund

To account for the accumulation of funds for the purchase of various Fire Department capital assets.

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, 2017**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 3,101,074	\$ 38,971	\$ 2,568,094	\$ 5,708,139
Receivables:				
Taxes	0	0	370,875	370,875
Accounts	90	0	0	90
Intergovernmental	1,425,649	0	0	1,425,649
Special Assessments	0	1,372,077	0	1,372,077
Inventory of Supplies, at Cost	136,177	0	0	136,177
Prepaid Items	9,278	0	0	9,278
Total Assets	<u>\$ 4,672,268</u>	<u>\$ 1,411,048</u>	<u>\$ 2,938,969</u>	<u>\$ 9,022,285</u>
Liabilities:				
Accounts Payable	\$ 85,432	\$ 0	\$ 15,186	\$ 100,618
Accrued Wages and Benefits Payable	32,857	0	0	32,857
Intergovernmental Payable	26,601	0	0	26,601
Interfund Loans Payable	0	23,345	5,000	28,345
Total Liabilities	<u>144,890</u>	<u>23,345</u>	<u>20,186</u>	<u>188,421</u>
Deferred Inflows of Resources:				
Unavailable Amounts	946,430	1,372,077	892	2,319,399
Property Tax Levy for Next Fiscal Year	0	0	369,983	369,983
Total Deferred Inflows of Resources	<u>946,430</u>	<u>1,372,077</u>	<u>370,875</u>	<u>2,689,382</u>
Fund Balances:				
Nonspendable	145,455	0	0	145,455
Restricted	3,430,779	15,626	2,547,908	5,994,313
Committed	4,714	0	0	4,714
Total Fund Balances	<u>3,580,948</u>	<u>15,626</u>	<u>2,547,908</u>	<u>6,144,482</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,672,268</u>	<u>\$ 1,411,048</u>	<u>\$ 2,938,969</u>	<u>\$ 9,022,285</u>

CITY OF SHARONVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2017**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Payment in Lieu of Taxes	\$ 0	\$ 0	\$ 373,495	\$ 373,495
Intergovernmental Revenues	2,409,539	0	152,067	2,561,606
Investment Earnings	32,723	0	0	32,723
Special Assessments	0	116,946	184,490	301,436
Fines and Forfeitures	32,522	0	0	32,522
All Other Revenue	25,410	0	0	25,410
Total Revenue	<u>2,500,194</u>	<u>116,946</u>	<u>710,052</u>	<u>3,327,192</u>
Expenditures:				
Current:				
Security of Persons and Property	82,578	0	0	82,578
Leisure Time Activities	53,280	0	0	53,280
Transportation	1,931,875	0	0	1,931,875
General Government	0	0	584,715	584,715
Capital Outlay	0	0	359,621	359,621
Debt Service:				
Principal Retirement	0	1,535,000	0	1,535,000
Interest & Fiscal Charges	0	73,477	0	73,477
Total Expenditures	<u>2,067,733</u>	<u>1,608,477</u>	<u>944,336</u>	<u>4,620,546</u>
Excess (Deficiency) of Revenues Over Expenditures	432,461	(1,491,531)	(234,284)	(1,293,354)
Other Financing Sources (Uses):				
Transfers In	0	669,900	1,405,705	2,075,605
Total Other Financing Sources (Uses)	<u>0</u>	<u>669,900</u>	<u>1,405,705</u>	<u>2,075,605</u>
Net Change in Fund Balance	432,461	(821,631)	1,171,421	782,251
Fund Balances at Beginning of Year	3,172,188	837,257	1,376,487	5,385,932
Change in Inventory Reserve	(23,701)	0	0	(23,701)
Fund Balances End of Year	<u>\$ 3,580,948</u>	<u>\$ 15,626</u>	<u>\$ 2,547,908</u>	<u>\$ 6,144,482</u>

CITY OF SHARONVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017**

	Street Construction, Maintenance & Repair Fund	State Highway Fund	Permissive Motor Vehicle Tax Fund	FEMA Fund
Assets:				
Cash and Cash Equivalents	\$ 2,266,821	\$ 286,000	\$ 291,825	\$ 928
Receivables:				
Accounts	0	0	0	0
Intergovernmental	1,095,255	88,488	239,841	0
Inventory of Supplies, at Cost	91,238	44,939	0	0
Prepaid Items	6,774	0	0	0
Total Assets	\$ 3,460,088	\$ 419,427	\$ 531,666	\$ 928
Liabilities:				
Accounts Payable	\$ 71,002	\$ 6,621	\$ 1,091	\$ 0
Accrued Wages and Benefits Payable	29,844	0	2,566	0
Intergovernmental Payable	24,446	0	2,155	0
Total Liabilities	125,292	6,621	5,812	0
Deferred Inflows of Resources:				
Unavailable Amounts	727,544	58,992	159,894	0
Total Deferred Inflows of Resources	727,544	58,992	159,894	0
Fund Balances:				
Nonspendable	98,012	44,939	0	0
Restricted	2,509,240	308,875	365,960	928
Committed	0	0	0	0
Total Fund Balances	2,607,252	353,814	365,960	928
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,460,088	\$ 419,427	\$ 531,666	\$ 928

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	\$ 51,109	\$ 26,305	\$ 16,771	\$ 13,118
0	0	0	0	0	90
0	0	0	623	572	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 3</u>	<u>\$ 4,714</u>	<u>\$ 51,109</u>	<u>\$ 26,928</u>	<u>\$ 17,343</u>	<u>\$ 13,208</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	447	0
0	0	0	0	0	0
0	0	0	0	447	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
3	0	51,109	26,928	16,896	13,208
0	4,714	0	0	0	0
<u>3</u>	<u>4,714</u>	<u>51,109</u>	<u>26,928</u>	<u>16,896</u>	<u>13,208</u>
<u>\$ 3</u>	<u>\$ 4,714</u>	<u>\$ 51,109</u>	<u>\$ 26,928</u>	<u>\$ 17,343</u>	<u>\$ 13,208</u>

(Continued)

CITY OF SHARONVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017**

	Mayor's Court Computer Fund	Clerk of Courts Computer Fund	Confinement Reimbursement Fund	COPS Grant Fund
Assets:				
Cash and Cash Equivalents	\$ 20,873	\$ 57,741	\$ 4,654	\$ 5,752
Receivables:				
Accounts	0	0	0	0
Intergovernmental	231	539	100	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	751	1,753	0	0
Total Assets	<u>\$ 21,855</u>	<u>\$ 60,033</u>	<u>\$ 4,754</u>	<u>\$ 5,752</u>
Liabilities:				
Accounts Payable	\$ 826	\$ 5,892	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Total Liabilities	<u>826</u>	<u>5,892</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	751	1,753	0	0
Restricted	20,278	52,388	4,754	5,752
Committed	0	0	0	0
Total Fund Balances	<u>21,029</u>	<u>54,141</u>	<u>4,754</u>	<u>5,752</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 21,855</u>	<u>\$ 60,033</u>	<u>\$ 4,754</u>	<u>\$ 5,752</u>

CITY OF SHARONVILLE, OHIO

DEA Federal Sharing Fund	Police Grants Fund	Total Nonmajor Special Revenue Funds
\$ 40,340	\$ 14,120	\$ 3,101,074
0	0	90
0	0	1,425,649
0	0	136,177
0	0	9,278
<u>\$ 40,340</u>	<u>\$ 14,120</u>	<u>\$ 4,672,268</u>
\$ 0	\$ 0	\$ 85,432
0	0	32,857
<u>0</u>	<u>0</u>	<u>26,601</u>
<u>0</u>	<u>0</u>	<u>144,890</u>
0	0	946,430
<u>0</u>	<u>0</u>	<u>946,430</u>
0	0	145,455
40,340	14,120	3,430,779
0	0	4,714
<u>40,340</u>	<u>14,120</u>	<u>3,580,948</u>
<u>\$ 40,340</u>	<u>\$ 14,120</u>	<u>\$ 4,672,268</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, 2017***

	Street Construction, Maintenance & Repair Fund	State Highway Fund	Permissive Motor Vehicle Tax Fund	FEMA Fund
Revenues:				
Intergovernmental Revenues	\$ 1,919,406	\$ 157,142	\$ 266,471	\$ 0
Investment Earnings	26,076	3,060	3,587	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	22,343	20	927	0
Total Revenue	<u>1,967,825</u>	<u>160,222</u>	<u>270,985</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	0	0
Transportation	1,622,405	110,537	198,933	0
Total Expenditures	<u>1,622,405</u>	<u>110,537</u>	<u>198,933</u>	<u>0</u>
Net Change in Fund Balance	345,420	49,685	72,052	0
Fund Balances at Beginning of Year	2,277,712	311,950	293,908	928
Change in Inventory Reserve	(15,880)	(7,821)	0	0
Fund Balances End of Year	<u>\$ 2,607,252</u>	<u>\$ 353,814</u>	<u>\$ 365,960</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	\$ 4,880	\$ 0
0	0	0	0	0	0
0	0	14,853	3,918	0	0
0	0	6	325	0	1,789
<u>0</u>	<u>0</u>	<u>14,859</u>	<u>4,243</u>	<u>4,880</u>	<u>1,789</u>
0	0	40,194	457	3,531	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>40,194</u>	<u>457</u>	<u>3,531</u>	<u>0</u>
0	0	(25,335)	3,786	1,349	1,789
3	4,714	76,444	23,142	15,547	11,419
0	0	0	0	0	0
<u>\$ 3</u>	<u>\$ 4,714</u>	<u>\$ 51,109</u>	<u>\$ 26,928</u>	<u>\$ 16,896</u>	<u>\$ 13,208</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, 2017***

	Mayor's Court Computer Fund	Clerk of Courts Computer Fund	Confinement Reimbursement Fund	COPS Grant Fund
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Investment Earnings	0	0	0	0
Fines and Forfeitures	3,699	8,631	1,421	0
All Other Revenue	0	0	0	0
Total Revenue	<u>3,699</u>	<u>8,631</u>	<u>1,421</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property	11,220	26,978	0	0
Leisure Time Activities	0	0	0	0
Transportation	0	0	0	0
Total Expenditures	<u>11,220</u>	<u>26,978</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(7,521)	(18,347)	1,421	0
Fund Balances at Beginning of Year	28,550	72,488	3,333	5,752
Change in Inventory Reserve	0	0	0	0
Fund Balances End of Year	<u>\$ 21,029</u>	<u>\$ 54,141</u>	<u>\$ 4,754</u>	<u>\$ 5,752</u>

CITY OF SHARONVILLE, OHIO

<u>DEA Federal Sharing Fund</u>	<u>Other Grants Fund</u>	<u>Police Grants Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 53,280	\$ 8,360	\$ 2,409,539
0	0	0	32,723
0	0	0	32,522
0	0	0	25,410
<u>0</u>	<u>53,280</u>	<u>8,360</u>	<u>2,500,194</u>
198	0	0	82,578
0	53,280	0	53,280
0	0	0	1,931,875
<u>198</u>	<u>53,280</u>	<u>0</u>	<u>2,067,733</u>
(198)	0	8,360	432,461
40,538	0	5,760	3,172,188
0	0	0	(23,701)
<u>\$ 40,340</u>	<u>\$ 0</u>	<u>\$ 14,120</u>	<u>\$ 3,580,948</u>

CITY OF SHARONVILLE, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2017**

	Special Assessment Bond Retirement Fund	Zind Lane Sewer Fund	Total Nonmajor Debt Service Funds
Assets:			
Cash and Cash Equivalents	\$ 23,542	\$ 15,429	\$ 38,971
Receivables:			
Special Assessments	1,372,077	0	1,372,077
Total Assets	<u>\$ 1,395,619</u>	<u>\$ 15,429</u>	<u>\$ 1,411,048</u>
Liabilities:			
Interfund Loans Payable	23,345	0	23,345
Total Liabilities	<u>23,345</u>	<u>0</u>	<u>23,345</u>
Deferred Inflows of Resources:			
Unavailable Amounts	1,372,077	0	1,372,077
Total Deferred Inflows of Resources	<u>1,372,077</u>	<u>0</u>	<u>1,372,077</u>
Fund Balances:			
Restricted	197	15,429	15,626
Total Fund Balances	<u>197</u>	<u>15,429</u>	<u>15,626</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,395,619</u>	<u>\$ 15,429</u>	<u>\$ 1,411,048</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, 2017**

	Note Debt Retirement Fund	Debt Retirement Fund	Special Assessment Bond Retirement Fund	Zind Lane Sewer Fund	Total Nonmajor Debt Service Funds
Revenues:					
Special Assessments	\$ 0	\$ 0	\$ 116,946	\$ 0	\$ 116,946
Total Revenue	<u>0</u>	<u>0</u>	<u>116,946</u>	<u>0</u>	<u>116,946</u>
Expenditures:					
Debt Service:					
Principal Retirement	435,000	1,035,000	65,000	0	1,535,000
Interest & Fiscal Charges	14,137	15,525	43,815	0	73,477
Total Expenditures	<u>449,137</u>	<u>1,050,525</u>	<u>108,815</u>	<u>0</u>	<u>1,608,477</u>
Excess (Deficiency) of Revenues Over Expenditures	(449,137)	(1,050,525)	8,131	0	(1,491,531)
Other Financing Sources (Uses):					
Transfers In	0	669,900	0	0	669,900
Total Other Financing Sources (Uses)	<u>0</u>	<u>669,900</u>	<u>0</u>	<u>0</u>	<u>669,900</u>
Net Change in Fund Balance	(449,137)	(380,625)	8,131	0	(821,631)
Fund Balances at Beginning of Year	449,137	380,625	(7,934)	15,429	837,257
Fund Balances End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 197</u>	<u>\$ 15,429</u>	<u>\$ 15,626</u>

CITY OF SHARONVILLE, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017**

	Capital Improvement Issue II Fund	Fire Capital Fund	Gateway 75 TIF Fund	Downtown TIF Fund
Assets:				
Cash and Cash Equivalents	\$ 152,067	\$ 893,705	\$ 0	\$ 14,045
Receivables:				
Taxes	0	0	351,151	19,724
Total Assets	\$ 152,067	\$ 893,705	\$ 351,151	\$ 33,769
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Interfund Loans Payable	0	0	0	5,000
Total Liabilities	0	0	0	5,000
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	892
Property Tax Levy for Next Fiscal Year	0	0	351,151	18,832
Total Deferred Inflows of Resources	0	0	351,151	19,724
Fund Balances:				
Restricted	152,067	893,705	0	9,045
Total Fund Balances	152,067	893,705	0	9,045
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 152,067	\$ 893,705	\$ 351,151	\$ 33,769

CITY OF SHARONVILLE, OHIO

Facility Improvement Fund	Fire Equipment Fund	Storm Water Fund	Total Nonmajor Capital Projects Funds
\$ 400,794	\$ 894,350	\$ 213,133	\$ 2,568,094
<u>0</u>	<u>0</u>	<u>0</u>	<u>370,875</u>
<u>\$ 400,794</u>	<u>\$ 894,350</u>	<u>\$ 213,133</u>	<u>\$ 2,938,969</u>
\$ 0	\$ 15,186	\$ 0	\$ 15,186
<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>
<u>0</u>	<u>15,186</u>	<u>0</u>	<u>20,186</u>
0	0	0	892
<u>0</u>	<u>0</u>	<u>0</u>	<u>369,983</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>370,875</u>
400,794	879,164	213,133	2,547,908
<u>400,794</u>	<u>879,164</u>	<u>213,133</u>	<u>2,547,908</u>
<u>\$ 400,794</u>	<u>\$ 894,350</u>	<u>\$ 213,133</u>	<u>\$ 2,938,969</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, 2017**

	Capital Improvement Issue II Fund	Fire Capital Fund	Gateway 75 TIF Fund	Downtown TIF Fund
Revenues:				
Payment in Lieu of Taxes	\$ 0	\$ 0	\$ 362,858	\$ 10,637
Intergovernmental Revenues	152,067	0	0	0
Special Assessments	0	0	0	0
Total Revenue	152,067	0	362,858	10,637
Expenditures:				
Current:				
General Government	0	0	362,858	3,377
Capital Outlay	0	0	0	0
Total Expenditures	0	0	362,858	3,377
Excess (Deficiency) of Revenues Over Expenditures	152,067	0	0	7,260
Other Financing Sources (Uses):				
Transfers In	0	893,705	0	0
Total Other Financing Sources (Uses)	0	893,705	0	0
Net Change in Fund Balance	152,067	893,705	0	7,260
Fund Balances at Beginning of Year	0	0	0	1,785
Fund Balances End of Year	\$ 152,067	\$ 893,705	\$ 0	\$ 9,045

CITY OF SHARONVILLE, OHIO

Facility Improvement Fund	Fire Equipment Fund	Storm Water Fund	Total Nonmajor Capital Project Funds
\$ 0	\$ 0	\$ 0	\$ 373,495
0	0	0	152,067
<u>0</u>	<u>0</u>	<u>184,490</u>	<u>184,490</u>
<u>0</u>	<u>0</u>	<u>184,490</u>	<u>710,052</u>
0	0	218,480	584,715
<u>86,462</u>	<u>273,159</u>	<u>0</u>	<u>359,621</u>
<u>86,462</u>	<u>273,159</u>	<u>218,480</u>	<u>944,336</u>
(86,462)	(273,159)	(33,990)	(234,284)
<u>252,000</u>	<u>260,000</u>	<u>0</u>	<u>1,405,705</u>
<u>252,000</u>	<u>260,000</u>	<u>0</u>	<u>1,405,705</u>
165,538	(13,159)	(33,990)	1,171,421
<u>235,256</u>	<u>892,323</u>	<u>247,123</u>	<u>1,376,487</u>
<u>\$ 400,794</u>	<u>\$ 879,164</u>	<u>\$ 213,133</u>	<u>\$ 2,547,908</u>

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, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 15,409,657	\$ 15,409,657	\$ 17,844,754	\$ 2,435,097
Other Local Taxes	150,000	150,000	206,332	56,332
Intergovernmental Revenues	318,980	318,980	263,160	(55,820)
Charges for Services	450,730	450,730	455,774	5,044
Licenses and Permits	431,990	431,990	708,301	276,311
Investment Earnings	140,000	140,000	362,792	222,792
Fines and Forfeitures	335,100	335,100	172,029	(163,071)
All Other Revenues	238,800	238,800	315,354	76,554
Total Revenues	<u>17,475,257</u>	<u>17,475,257</u>	<u>20,328,496</u>	<u>2,853,239</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Personal Services	6,054,425	6,117,979	5,884,607	233,372
Materials and Supplies	129,000	153,880	134,313	19,567
Contractual Services	470,680	519,016	458,093	60,923
Total Security of Persons and Property	<u>6,654,105</u>	<u>6,790,875</u>	<u>6,477,013</u>	<u>313,862</u>
Public Health and Welfare Services:				
Health Department:				
Personal Services	51,450	52,144	46,378	5,766
Materials and Supplies	2,025	2,856	1,027	1,829
Contractual Services	34,950	35,150	29,418	5,732
Total Public Health and Welfare Services	<u>88,425</u>	<u>90,150</u>	<u>76,823</u>	<u>13,327</u>
Leisure Time Activities:				
Recreation Parks:				
Personal Services	586,950	593,556	500,833	92,723
Materials and Supplies	40,180	45,721	35,656	10,065
Contractual Services	90,465	92,255	66,227	26,028
Total Recreation Parks	<u>717,595</u>	<u>731,532</u>	<u>602,716</u>	<u>128,816</u>
Recreation Community Center:				
Personal Services	1,155,750	1,166,333	1,101,465	64,868
Materials and Supplies	54,590	58,271	46,512	11,759
Contractual Services	334,915	359,839	327,102	32,737
Total Recreation Community Center	<u>1,545,255</u>	<u>1,584,443</u>	<u>1,475,079</u>	<u>109,364</u>
Recreation Pools:				
Personal Services	261,460	273,972	268,300	5,672
Materials and Supplies	36,835	41,135	31,828	9,307
Contractual Services	78,005	76,444	66,030	10,414
Total Recreation Pools	<u>376,300</u>	<u>391,551</u>	<u>366,158</u>	<u>25,393</u>
Total Leisure Time Activities	<u>2,639,150</u>	<u>2,707,526</u>	<u>2,443,953</u>	<u>263,573</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, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Environment:				
Building and Planning:				
Personal Services	484,786	490,062	406,687	83,375
Materials and Supplies	8,250	10,799	6,572	4,227
Contractual Services	55,600	102,458	88,721	13,737
Total Community Environment	<u>548,636</u>	<u>603,319</u>	<u>501,980</u>	<u>101,339</u>
Basic Utility Services:				
Waste Collection:				
Contractual Services	610,000	798,162	798,162	0
Total Basic Utility Services	<u>610,000</u>	<u>798,162</u>	<u>798,162</u>	<u>0</u>
General Government:				
Mayor:				
Personal Services	71,500	71,611	61,582	10,029
Materials and Supplies	350	350	243	107
Contractual Services	8,600	10,964	4,188	6,776
Total Mayor	<u>80,450</u>	<u>82,925</u>	<u>66,013</u>	<u>16,912</u>
Council:				
Personal Services	132,200	132,436	131,739	697
Materials and Supplies	350	350	112	238
Contractual Services	6,700	6,700	1,827	4,873
Total Council	<u>139,250</u>	<u>139,486</u>	<u>133,678</u>	<u>5,808</u>
Auditor and Treasurer:				
Personal Services	40,800	40,869	39,302	1,567
Contractual Services	46,815	48,203	42,286	5,917
Total Auditor and Treasurer	<u>87,615</u>	<u>89,072</u>	<u>81,588</u>	<u>7,484</u>
Law Director:				
Personal Services	90,000	90,165	89,740	425
Contractual Services	68,000	73,984	61,434	12,550
Total Law Director	<u>158,000</u>	<u>164,149</u>	<u>151,174</u>	<u>12,975</u>
Civil Service:				
Personal Services	25,550	41,598	35,921	5,677
Materials and Supplies	200	0	0	0
Contractual Services	16,000	16,200	8,063	8,137
Total Civil Service	<u>41,750</u>	<u>57,798</u>	<u>43,984</u>	<u>13,814</u>
Safety/Service Director:				
Personal Services	1,130,050	1,143,843	1,100,862	42,981
Materials and Supplies	750	927	844	83
Contractual Services	89,580	99,549	76,667	22,882
Total Safety/Service Director	<u>1,220,380</u>	<u>1,244,319</u>	<u>1,178,373</u>	<u>65,946</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, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Tax Department:				
Personal Services	582,190	589,614	571,989	17,625
Materials and Supplies	13,500	22,140	19,371	2,769
Contractual Services	89,382	95,723	74,738	20,985
Capital Outlay	23,900	23,900	19,051	4,849
Total Tax Department	708,972	731,377	685,149	46,228
Building and Lands:				
Personal Services	186,400	188,799	180,474	8,325
Materials and Supplies	46,960	56,124	51,039	5,085
Contractual Services	411,865	440,646	371,718	68,928
Total Buildings and Lands	645,225	685,569	603,231	82,338
Miscellaneous Government:				
Personal Services	79,330	48,330	0	48,330
Materials and Supplies	17,200	19,205	17,496	1,709
Contractual Services	616,571	669,216	577,044	92,172
Total Miscellaneous Government	713,101	736,751	594,540	142,211
Economic Development:				
Contractual Services	549,000	579,178	485,783	93,395
Total Economic Development	549,000	579,178	485,783	93,395
Total General Government	4,343,743	4,510,624	4,023,513	487,111
Total Expenditures	14,884,059	15,500,656	14,321,444	1,179,212
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,591,198	1,974,601	6,007,052	4,032,451
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	41,331	41,331
Transfers Out	(2,536,990)	(7,236,990)	(6,527,273)	709,717
Advances Out	(50,000)	(50,000)	(44,114)	5,886
Total Other Financing Sources (Uses)	(2,586,990)	(7,286,990)	(6,530,056)	756,934
Net Change in Fund Balance	4,208	(5,312,389)	(523,004)	4,789,385
Fund Balance at Beginning of Year	8,261,207	8,261,207	8,261,207	0
Prior Year Encumbrances	487,898	487,898	487,898	0
Fund Balance at End of Year	\$ 8,753,313	\$ 3,436,716	\$ 8,226,101	\$ 4,789,385

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 – Fire Department Fund
For the Year Ended December 31, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 7,350,343	\$ 7,350,343	\$ 8,512,614	\$ 1,162,271
Charges for Services	525,000	525,000	583,438	58,438
All Other Revenues	0	0	70,586	70,586
Total Revenues	<u>7,875,343</u>	<u>7,875,343</u>	<u>9,166,638</u>	<u>1,291,295</u>
Expenditures:				
Security of Persons and Property:				
Fire Department:				
Personal Services	6,430,100	6,516,241	6,094,224	422,017
Materials and Supplies	190,000	258,362	241,957	16,405
Contractual Services	713,147	735,122	673,961	61,161
Total Security of Persons and Property	<u>7,333,247</u>	<u>7,509,725</u>	<u>7,010,142</u>	<u>499,583</u>
Capital Outlay	<u>132,560</u>	<u>150,415</u>	<u>144,779</u>	<u>5,636</u>
Total Expenditures	<u>7,465,807</u>	<u>7,660,140</u>	<u>7,154,921</u>	<u>505,219</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	409,536	215,203	2,011,717	1,796,514
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	50,207	50,207
Transfers In	0	0	150,000	150,000
Transfers Out	(669,900)	(2,479,900)	(1,973,605)	506,295
Total Other Financing Sources (Uses)	<u>(669,900)</u>	<u>(2,479,900)</u>	<u>(1,773,398)</u>	<u>706,502</u>
Net Change in Fund Balance	(260,364)	(2,264,697)	238,319	2,503,016
Fund Balance at Beginning of Year	2,314,188	2,314,188	2,314,188	0
Prior Year Encumbrances	154,334	154,334	154,334	0
Fund Balance at End of Year	<u>\$ 2,208,158</u>	<u>\$ 203,825</u>	<u>\$ 2,706,841</u>	<u>\$ 2,503,016</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund – Convention Hotel Debt Fund
For the Year Ended December 31, 2017**

	Final Budget	Actual	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	66,500	63,690	2,810
Total Expenditures	2,416,500	2,413,690	2,810
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,416,500)	(2,413,690)	2,810
Other Financing Sources (Uses):			
General Obligation Notes Issued	2,350,000	2,350,000	0
Premium on Notes Issued	16,500	19,576	3,076
Advances In	50,000	44,114	(5,886)
Total Other Financing Sources (Uses)	2,416,500	2,413,690	(2,810)
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Funds – Capital Improvement Fund
For the Year Ended December 31, 2017**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 0	\$ 53,494	\$ 53,494
Total Revenues	<u>0</u>	<u>53,494</u>	<u>53,494</u>
Expenditures:			
Capital Outlay	3,186,605	2,791,924	394,681
Total Expenditures	<u>3,186,605</u>	<u>2,791,924</u>	<u>394,681</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,186,605)	(2,738,430)	448,175
Other Financing Sources (Uses):			
Sale of Capital Assets	0	13,075	13,075
Transfers In	2,209,990	6,000,273	3,790,283
Total Other Financing Sources (Uses)	<u>2,209,990</u>	<u>6,013,348</u>	<u>3,803,358</u>
Net Change in Fund Balance	(976,615)	3,274,918	4,251,533
Fund Balance at Beginning of Year	3,355,708	3,355,708	0
Prior Year Encumbrances	151,615	151,615	0
Fund Balance at End of Year	<u>\$ 2,530,708</u>	<u>\$ 6,782,241</u>	<u>\$ 4,251,533</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 Funds – Chester Road TIF Fund
For the Year Ended December 31, 2017**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Payments in Lieu of Taxes	\$ 500,000	\$ 1,025,706	\$ 525,706
Intergovernmental Revenues	252,974	652,974	400,000
Total Revenues	<u>752,974</u>	<u>1,678,680</u>	<u>925,706</u>
Expenditures:			
Capital Outlay	4,037,948	2,913,861	1,124,087
Debt Service:			
Principal Retirement	1,000,000	1,000,000	0
Interest Charges	226,972	146,202	80,770
Total Expenditures	<u>5,264,920</u>	<u>4,060,063</u>	<u>1,204,857</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,511,946)	(2,381,383)	2,130,563
Other Financing Sources (Uses):			
OPWC Loan Initiated	1,567,525	638,736	(928,789)
Premium on Notes Issued	0	7,860	7,860
General Obligation Notes Issued	1,000,000	1,000,000	0
Advances Out	(180,000)	(180,000)	0
Total Other Financing Sources (Uses)	<u>2,387,525</u>	<u>1,466,596</u>	<u>(920,929)</u>
Net Change in Fund Balance	(2,124,421)	(914,787)	1,209,634
Fund Balance at Beginning of Year	495,781	495,781	0
Prior Year Encumbrances	1,881,423	1,881,423	0
Fund Balance at End of Year	<u>\$ 252,783</u>	<u>\$ 1,462,417</u>	<u>\$ 1,209,634</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, 2017***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 1,486,000	\$ 1,900,695	\$ 414,695
Investment Earnings	6,500	26,076	19,576
All Other Revenues	4,000	19,203	15,203
Total Revenues	<u>1,496,500</u>	<u>1,945,974</u>	<u>449,474</u>
Expenditures:			
Transportation:			
Street Maintenance and Repair Department:			
Personal Services	1,027,765	965,751	62,014
Materials and Supplies	95,452	66,277	29,175
Contractual Services	129,983	94,890	35,093
Snow and Ice Removal Department:			
Personal Services	28,000	1,990	26,010
Materials and Supplies	43,178	15,617	27,561
Contractual Services	11,304	5,200	6,104
Traffic Signs and Signals Department:			
Materials and Supplies	1,000	0	1,000
Contractual Services	28,048	18,313	9,735
Total Transportation	<u>1,364,730</u>	<u>1,168,038</u>	<u>196,692</u>
Capital Outlay	<u>1,027,352</u>	<u>813,205</u>	<u>214,147</u>
Total Expenditures	<u>2,392,082</u>	<u>1,981,243</u>	<u>410,839</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(895,582)	(35,269)	860,313
Fund Balance at Beginning of Year	1,668,851	1,668,851	0
Prior Year Encumbrances	206,557	206,557	0
Fund Balance at End of Year	<u>\$ 979,826</u>	<u>\$ 1,840,139</u>	<u>\$ 860,313</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, 2017**

STATE HIGHWAY FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 124,000	\$ 155,624	\$ 31,624
Investment Earnings	850	3,060	2,210
All Other Revenues	0	20	20
Total Revenues	<u>124,850</u>	<u>158,704</u>	<u>33,854</u>
Expenditures:			
Transportation:			
Street Maintenance and Repair Department:			
Contractual Services	31,846	29,216	2,630
Snow and Ice Removal Department:			
Materials and Supplies	30,000	9,000	21,000
Traffic Signs and Signals Department:			
Materials and Supplies	1,000	500	500
Contractual Services	27,319	20,513	6,806
Total Transportation	<u>90,165</u>	<u>59,229</u>	<u>30,936</u>
Capital Outlay	<u>60,000</u>	<u>59,334</u>	<u>666</u>
Total Expenditures	<u>150,165</u>	<u>118,563</u>	<u>31,602</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,315)	40,141	65,456
Fund Balance at Beginning of Year	228,562	228,562	0
Prior Year Encumbrances	10,265	10,265	0
Fund Balance at End of Year	<u>\$ 213,512</u>	<u>\$ 278,968</u>	<u>\$ 65,456</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, 2017**

PERMISSIVE MOTOR VEHICLE TAX FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 250,000	\$ 264,640	\$ 14,640
Investment Earnings	800	3,587	2,787
All Other Revenues	0	927	927
Total Revenues	<u>250,800</u>	<u>269,154</u>	<u>18,354</u>
Expenditures:			
Transportation:			
Street Maintenance and Repair Department:			
Personal Services	102,501	91,947	10,554
Materials and Supplies	40,645	19,490	21,155
Contractual Services	16,000	10,540	5,460
Traffic Signs and Signals Department:			
Contractual Services	120	120	0
Total Transportation	<u>159,266</u>	<u>122,097</u>	<u>37,169</u>
Capital Outlay	<u>95,000</u>	<u>83,226</u>	<u>11,774</u>
Total Expenditures	<u>254,266</u>	<u>205,323</u>	<u>48,943</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,466)	63,831	67,297
Fund Balance at Beginning of Year	219,198	219,198	0
Prior Year Encumbrances	846	846	0
Fund Balance at End of Year	<u>\$ 216,578</u>	<u>\$ 283,875</u>	<u>\$ 67,297</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, 2017***

	<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, 2017**

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>3</u>	<u>0</u>	<u>3</u>
Total Expenditures	<u>3</u>	<u>0</u>	<u>3</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3)	0	3
Fund Balance at Beginning of Year	<u>3</u>	<u>3</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 3</u>	<u>\$ 3</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, 2017***

	TEEN FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
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	4,714	4,714	0
Fund Balance at End of Year	<u>\$ 4,714</u>	<u>\$ 4,714</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, 2017***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 0	\$ 14,853	\$ 14,853
All Other Revenues	0	6	6
Total Revenues	0	14,859	14,859
Expenditures:			
Security of Persons and Property:			
Police Department:			
Contractual Services	3,000	0	3,000
Total Security of Persons and Property	3,000	0	3,000
Capital Outlay	40,000	40,000	0
Total Expenditures	43,000	40,000	3,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,000)	(25,141)	17,859
Fund Balance at Beginning of Year	73,250	73,250	0
Prior Year Encumbrances	3,000	3,000	0
Fund Balance at End of Year	\$ 33,250	\$ 51,109	\$ 17,859

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, 2017***

DRUG LAW ENFORCEMENT FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 0	\$ 3,460	\$ 3,460
All Other Revenues	<u>0</u>	<u>325</u>	<u>325</u>
Total Revenues	<u>0</u>	<u>3,785</u>	<u>3,785</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Materials and Supplies	<u>2,600</u>	<u>99</u>	<u>2,501</u>
Total Security of Persons and Property	<u>2,600</u>	<u>99</u>	<u>2,501</u>
Capital Outlay	<u>358</u>	<u>358</u>	<u>0</u>
Total Expenditures	<u>2,958</u>	<u>457</u>	<u>2,501</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,958)	3,328	6,286
Fund Balance at Beginning of Year	22,519	22,519	0
Prior Year Encumbrances	<u>458</u>	<u>458</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 20,019</u>	<u>\$ 26,305</u>	<u>\$ 6,286</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, 2017***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 4,800	\$ 5,745	\$ 945
Total Revenues	<u>4,800</u>	<u>5,745</u>	<u>945</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Personal Services	9,720	3,616	6,104
Total Expenditures	<u>9,720</u>	<u>3,616</u>	<u>6,104</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,920)	2,129	7,049
Fund Balance at Beginning of Year	14,642	14,642	0
Fund Balance at End of Year	<u>\$ 9,722</u>	<u>\$ 16,771</u>	<u>\$ 7,049</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, 2017***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 0	\$ 1,759	\$ 1,759
Total Revenues	<u>0</u>	<u>1,759</u>	<u>1,759</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	1,759	1,759
Fund Balance at Beginning of Year	<u>11,359</u>	<u>11,359</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,359</u>	<u>\$ 13,118</u>	<u>\$ 1,759</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, 2017**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 3,000	\$ 3,747	\$ 747
Total Revenues	<u>3,000</u>	<u>3,747</u>	<u>747</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Materials and Supplies	6,400	0	6,400
Contractual Services	12,490	9,983	2,507
Total Security of Persons and Property	<u>18,890</u>	<u>9,983</u>	<u>8,907</u>
Capital Outlay	<u>9,591</u>	<u>1,880</u>	<u>7,711</u>
Total Expenditures	<u>28,481</u>	<u>11,863</u>	<u>16,618</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,481)	(8,116)	17,365
Fund Balance at Beginning of Year	24,716	24,716	0
Prior Year Encumbrances	3,012	3,012	0
Fund Balance at End of Year	<u>\$ 2,247</u>	<u>\$ 19,612</u>	<u>\$ 17,365</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, 2017**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 7,000	\$ 8,743	\$ 1,743
Total Revenues	<u>7,000</u>	<u>8,743</u>	<u>1,743</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Materials and Supplies	4,200	0	4,200
Contractual Services	<u>37,786</u>	<u>26,321</u>	<u>11,465</u>
Total Security of Persons and Property	<u>41,986</u>	<u>26,321</u>	<u>15,665</u>
Capital Outlay	<u>29,213</u>	<u>965</u>	<u>28,248</u>
Total Expenditures	<u>71,199</u>	<u>27,286</u>	<u>43,913</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(64,199)	(18,543)	45,656
Fund Balance at Beginning of Year	63,971	63,971	0
Prior Year Encumbrances	<u>5,726</u>	<u>5,726</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,498</u>	<u>\$ 51,154</u>	<u>\$ 45,656</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, 2017***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 0	\$ 1,355	\$ 1,355
Total Revenues	<u>0</u>	<u>1,355</u>	<u>1,355</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Contractual Services	3,000	0	3,000
Total Expenditures	<u>3,000</u>	<u>0</u>	<u>3,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,000)	1,355	4,355
Fund Balance at Beginning of Year	3,299	3,299	0
Fund Balance at End of Year	<u>\$ 299</u>	<u>\$ 4,654</u>	<u>\$ 4,355</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, 2017***

	COPS GRANT FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
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	<u>5,752</u>	<u>5,752</u>	<u>0</u>
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, 2017***

	<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	<u>40,340</u>	<u>40,340</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 40,340</u>	<u>\$ 40,340</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, 2017***

	<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>169,979</u>	<u>135,021</u>
Total Expenditures	<u>305,000</u>	<u>169,979</u>	<u>135,021</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(305,000)	(169,979)	135,021
Other Financing Sources (Uses):			
Transfers In	<u>175,000</u>	<u>275,000</u>	<u>100,000</u>
Total Other Financing Sources (Uses)	<u>175,000</u>	<u>275,000</u>	<u>100,000</u>
Net Change in Fund Balance	(130,000)	105,021	235,021
Fund Balance at Beginning of Year	<u>601,947</u>	<u>601,947</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 471,947</u>	<u>\$ 706,968</u>	<u>\$ 235,021</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, 2017**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 67,325	\$ 53,280	\$ (14,045)
Total Revenues	<u>67,325</u>	<u>53,280</u>	<u>(14,045)</u>
Expenditures:			
General Government:			
Contractual Services	67,325	53,280	14,045
Total Expenditures	<u>67,325</u>	<u>53,280</u>	<u>14,045</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, 2017**

POLICE GRANTS FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 72,243	\$ 8,360	\$ (63,883)
Total Revenues	<u>72,243</u>	<u>8,360</u>	<u>(63,883)</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Personal Services	13,253	0	13,253
Total Security of Persons and Property	<u>13,253</u>	<u>0</u>	<u>13,253</u>
Capital Outlay	<u>58,990</u>	<u>0</u>	<u>58,990</u>
Total Expenditures	<u>72,243</u>	<u>0</u>	<u>72,243</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	8,360	8,360
Fund Balance at Beginning of Year	5,760	5,760	0
Fund Balance at End of Year	<u>\$ 5,760</u>	<u>\$ 14,120</u>	<u>\$ 8,360</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, 2017***

NOTE DEBT RETIREMENT 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:			
Debt Service:			
Principal Retirement	435,000	435,000	0
Interest Charges	14,137	14,137	0
Total Expenditures	<u>449,137</u>	<u>449,137</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(449,137)	(449,137)	0
Fund Balance at Beginning of Year	<u>449,137</u>	<u>449,137</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></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, 2017**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Debt Service:			
Principal Retirement	1,035,000	1,035,000	0
Interest Charges	15,525	15,525	0
Total Expenditures	1,050,525	1,050,525	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,050,525)	(1,050,525)	0
Other Financing Sources (Uses):			
Transfers In	669,900	669,900	0
Total Other Financing Sources (Uses)	669,900	669,900	0
Net Change in Fund Balance	(380,625)	(380,625)	0
Fund Balance at Beginning of Year	380,625	380,625	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 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, 2017***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	<u>\$ 108,815</u>	<u>\$ 116,946</u>	<u>\$ 8,131</u>
Total Revenues	<u>108,815</u>	<u>116,946</u>	<u>8,131</u>
Expenditures:			
Debt Service:			
Principal Retirement	<u>65,000</u>	<u>65,000</u>	<u>0</u>
Interest Charges	<u>43,815</u>	<u>43,815</u>	<u>0</u>
Total Expenditures	<u>108,815</u>	<u>108,815</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>0</u>	<u>8,131</u>	<u>8,131</u>
Fund Balance at Beginning of Year	<u>15,411</u>	<u>15,411</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 15,411</u>	<u>\$ 23,542</u>	<u>\$ 8,131</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, 2017***

	<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	<u>15,429</u>	<u>15,429</u>	<u>0</u>
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, 2017***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 294,000	\$ 152,067	\$ (141,933)
Total Revenues	<u>294,000</u>	<u>152,067</u>	<u>(141,933)</u>
Expenditures:			
Capital Outlay	294,000	0	294,000
Total Expenditures	<u>294,000</u>	<u>0</u>	<u>294,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	152,067	152,067
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 152,067</u>	<u>\$ 152,067</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, 2017***

	Final Budget	Actual	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
Other Financing Sources (Uses):			
Transfers In	<u>0</u>	<u>893,705</u>	<u>893,705</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>893,705</u>	<u>893,705</u>
Net Change in Fund Balance	0	893,705	893,705
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 893,705</u>	<u>\$ 893,705</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, 2017**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Payments in Lieu of Taxes	\$ 370,000	\$ 362,858	\$ (7,142)
Total Revenues	<u>370,000</u>	<u>362,858</u>	<u>(7,142)</u>
Expenditures:			
General Government:			
Contractual Services	370,000	362,858	7,142
Total Expenditures	<u>370,000</u>	<u>362,858</u>	<u>7,142</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, 2017**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Payments on Lieu of Taxes	\$ 2,000	\$ 10,637	\$ 8,637
Total Revenues	<u>2,000</u>	<u>10,637</u>	<u>8,637</u>
Expenditures:			
General Government:			
Contractual Services	4,400	3,377	1,023
Total Expenditures	<u>4,400</u>	<u>3,377</u>	<u>1,023</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,400)	7,260	9,660
Fund Balance at Beginning of Year	6,785	6,785	0
Fund Balance at End of Year	<u>\$ 4,385</u>	<u>\$ 14,045</u>	<u>\$ 9,660</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, 2017***

FACILITY IMPROVEMENT FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Capital Outlay	352,000	86,462	265,538
Total Expenditures	<u>352,000</u>	<u>86,462</u>	<u>265,538</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(352,000)	(86,462)	265,538
Other Financing Sources (Uses):			
Transfers In	152,000	252,000	100,000
Total Other Financing Sources (Uses)	<u>152,000</u>	<u>252,000</u>	<u>100,000</u>
Net Change in Fund Balance	(200,000)	165,538	365,538
Fund Balance at Beginning of Year	235,256	235,256	0
Fund Balance at End of Year	<u>\$ 35,256</u>	<u>\$ 400,794</u>	<u>\$ 365,538</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, 2017**

FIRE EQUIPMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Capital Outlay	390,000	311,408	78,592
Total Expenditures	390,000	311,408	78,592
Excess (Deficiency) of Revenues Over (Under) Expenditures	(390,000)	(311,408)	78,592
Other Financing Sources (Uses):			
Transfers In	0	260,000	260,000
Total Other Financing Sources (Uses)	0	260,000	260,000
Net Change in Fund Balance	(390,000)	(51,408)	338,592
Fund Balance at Beginning of Year	892,323	892,323	0
Fund Balance at End of Year	\$ 502,323	\$ 840,915	\$ 338,592

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, 2017***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 184,000	\$ 184,490	\$ 490
Total Revenues	<u>184,000</u>	<u>184,490</u>	<u>490</u>
Expenditures:			
General Government:			
Personal Services	18,320	8,728	9,592
Contractual Services	<u>282,775</u>	<u>209,822</u>	<u>72,953</u>
Total Expenditures	<u>301,095</u>	<u>218,550</u>	<u>82,545</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(117,095)	(34,060)	83,035
Fund Balance at Beginning of Year	241,968	241,968	0
Prior Year Encumbrances	<u>5,225</u>	<u>5,225</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 130,098</u>	<u>\$ 213,133</u>	<u>\$ 83,035</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, 2017**

	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
Mayor's Court Fund				
Assets:				
Equity in Pooled Cash, Cash Equivalents and Investments	\$40,762	\$249,887	(\$248,516)	\$42,133
Total Assets	<u>\$40,762</u>	<u>\$249,887</u>	<u>(\$248,516)</u>	<u>\$42,133</u>
Liabilities:				
Due to Others	\$40,762	\$249,887	(\$248,516)	\$42,133
Total Liabilities	<u>\$40,762</u>	<u>\$249,887</u>	<u>(\$248,516)</u>	<u>\$42,133</u>
Employee Benefits Fund				
Assets:				
Equity in Pooled Cash, Cash Equivalents and Investments	\$3,082	\$0	(\$86)	\$2,996
Total Assets	<u>\$3,082</u>	<u>\$0</u>	<u>(\$86)</u>	<u>\$2,996</u>
Liabilities:				
Due to Others	\$3,082	\$0	(\$86)	\$2,996
Total Liabilities	<u>\$3,082</u>	<u>\$0</u>	<u>(\$86)</u>	<u>\$2,996</u>
Ohio Board of Building Standards Fund				
Assets:				
Equity in Pooled Cash, Cash Equivalents and Investments	\$3,564	\$12,793	(\$13,114)	\$3,243
Total Assets	<u>\$3,564</u>	<u>\$12,793</u>	<u>(\$13,114)</u>	<u>\$3,243</u>
Liabilities:				
Intergovernmental Payables	\$3,564	\$12,793	(\$13,114)	\$3,243
Total Liabilities	<u>\$3,564</u>	<u>\$12,793</u>	<u>(\$13,114)</u>	<u>\$3,243</u>
Tax Rebate 1.5% Fund				
Assets:				
Equity in Pooled Cash, Cash Equivalents and Investments	\$662,254	\$857,254	(\$793,440)	\$726,068
Total Assets	<u>\$662,254</u>	<u>\$857,254</u>	<u>(\$793,440)</u>	<u>\$726,068</u>
Liabilities:				
Due to Others	\$662,254	\$857,254	(\$793,440)	\$726,068
Total Liabilities	<u>\$662,254</u>	<u>\$857,254</u>	<u>(\$793,440)</u>	<u>\$726,068</u>
Totals - All Agency Funds				
Assets:				
Equity in Pooled Cash, Cash Equivalents and Investments	\$709,662	\$1,119,934	(\$1,055,156)	\$774,440
Total Assets	<u>\$709,662</u>	<u>\$1,119,934</u>	<u>(\$1,055,156)</u>	<u>\$774,440</u>
Liabilities:				
Intergovernmental Payables	\$3,564	\$12,793	(\$13,114)	\$3,243
Due to Others	706,098	1,107,141	(1,042,042)	771,197
Total Liabilities	<u>\$709,662</u>	<u>\$1,119,934</u>	<u>(\$1,055,156)</u>	<u>\$774,440</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, Ohio

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental Activities:				
Net Investment in Capital Assets	\$15,216,606	\$17,610,943	\$19,512,004	\$20,570,792
Restricted	9,135,665	8,172,552	10,520,510	10,797,191
Unrestricted	3,445,315	2,828,030	4,002,970	6,124,529
Total Governmental Activities Net Position	<u>\$27,797,586</u>	<u>\$28,611,525</u>	<u>\$34,035,484</u>	<u>\$37,492,512</u>
Business-type Activities:				
Net Investment in Capital Assets	\$3,769,217	\$4,993,028	\$5,420,257	\$9,817,339
Unrestricted	1,182,393	1,399,669	1,539,058	(2,539,416)
Total Business-type Activities Net Position	<u>\$4,951,610</u>	<u>\$6,392,697</u>	<u>\$6,959,315</u>	<u>\$7,277,923</u>
Primary Government:				
Net Investment in Capital Assets	\$18,985,823	\$22,603,971	\$24,932,261	\$30,388,131
Restricted	9,135,665	8,172,552	10,520,510	10,797,191
Unrestricted	4,627,708	4,227,699	5,542,028	3,585,113
Total Primary Government Net Position	<u>\$32,749,196</u>	<u>\$35,004,222</u>	<u>\$40,994,799</u>	<u>\$44,770,435</u>

Source: City Finance Office

* Restated

City of Sharonville, Ohio

*					
2012	2013	2014	2015	2016	2017
\$23,538,956	\$34,248,573	\$37,768,260	\$40,026,910	\$43,788,718	\$44,668,633
11,720,978	6,858,105	5,833,900	9,320,501	12,944,368	10,758,994
5,986,344	7,032,960	(11,203,790)	(8,934,710)	(11,860,815)	(3,566,720)
<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>	<u>\$51,860,907</u>
\$2,132,289	\$4,047,435	\$4,838,436	\$4,417,067	\$4,535,259	\$4,849,324
3,984,237	2,215,847	1,305,642	2,087,174	2,239,785	1,942,773
<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>	<u>\$6,792,097</u>
\$25,671,245	\$38,296,008	\$42,606,696	\$44,443,977	\$48,323,977	\$49,517,957
11,720,978	6,858,105	5,833,900	9,320,501	12,944,368	10,758,994
9,970,581	9,248,807	(9,898,148)	(6,847,536)	(9,621,030)	(1,623,947)
<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>	<u>\$58,653,004</u>

City of Sharonville, Ohio

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

	2008	2009	2010	2011
Expenses				
Governmental Activities:				
Security of Persons and Property	\$12,627,634	\$11,820,345	\$12,016,995	\$12,287,143
Public Health and Welfare Services	417,441	345,875	445,232	374,700
Leisure Time Activities	3,329,341	3,301,438	3,176,146	3,087,936
Community Environment	479,941	572,323	544,214	586,111
Basic Utility Services	555,320	560,329	466,805	527,483
Transportation	3,006,944	2,234,076	2,509,460	2,721,535
General Government	4,181,862	3,923,301	3,538,547	4,033,393
Interest and Fiscal Charges	809,105	591,279	657,907	536,851
<i>Total Governmental Activities Expenses</i>	<u>25,407,588</u>	<u>23,348,966</u>	<u>23,355,306</u>	<u>24,155,152</u>
Business-type Activities:				
Convention Center	1,787,979	1,815,100	2,817,156	3,480,293
Senior Citizen Housing	252,945	420,419	310,768	317,767
<i>Total Business-type Activities Expenses</i>	<u>2,040,924</u>	<u>2,235,519</u>	<u>3,127,924</u>	<u>3,798,060</u>
<i>Total Primary Government Expenses</i>	<u>\$27,448,512</u>	<u>\$25,584,485</u>	<u>\$26,483,230</u>	<u>\$27,953,212</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$912,430	\$950,231	\$1,081,070	\$950,816
Public Health and Welfare Services	84,322	89,594	84,412	87,806
Leisure Time Activities	359,354	306,803	351,563	318,241
Community Environment	264,345	181,447	204,974	242,856
Transportation	176,334	178,811	3,125	6,032
General Government	0	92,526	0	0
Operating Grants and Contributions	1,836,691	1,571,977	2,277,689	2,627,355
Capital Grants and Contributions	806,472	13,847	2,959,518	209,596
<i>Total Governmental Activities</i>	<u>4,439,948</u>	<u>3,385,236</u>	<u>6,962,351</u>	<u>4,442,702</u>
<i>Program Revenues</i>	<u>4,439,948</u>	<u>3,385,236</u>	<u>6,962,351</u>	<u>4,442,702</u>

City of Sharonville, Ohio

2012	2013	2014	2015	2016	2017
\$12,311,523	\$12,866,090	\$13,331,572	\$13,547,078	\$15,015,104	\$15,210,738
372,910	391,627	363,600	127,317	81,100	86,266
3,141,715	3,235,379	3,203,395	3,055,940	2,983,583	3,212,295
490,488	453,644	504,322	521,513	448,558	491,244
511,018	518,709	611,860	532,248	622,051	540,293
2,847,491	2,630,047	3,455,866	2,989,107	3,689,504	3,740,463
3,401,228	4,351,283	4,299,338	4,249,319	4,391,854	4,940,874
248,444	364,632	354,957	312,927	262,293	210,978
<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>	<u>28,433,151</u>
4,306,004	4,376,503	4,349,039	4,351,164	4,456,786	4,675,308
219,144	244,868	224,506	274,671	248,991	216,838
<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>4,892,146</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>	<u>\$33,325,297</u>
\$910,580	\$1,044,925	\$919,592	\$1,163,344	\$907,237	\$1,009,980
91,685	87,679	93,602	205	0	0
355,784	351,727	327,732	325,317	384,008	420,692
249,090	169,417	370,082	334,187	287,923	499,094
8,375	25,758	28,640	25,889	19,532	37,335
0	0	0	0	0	134
2,127,023	2,010,617	2,036,397	2,262,061	2,612,933	2,434,600
577,073	2,511,272	189,339	2,112,686	195,493	436,952
<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>	<u>4,838,787</u>

(continued)

City of Sharonville, Ohio

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

	2008	2009	2010	2011
Business-type Activities:				
Charges for Services				
Convention Center	1,021,770	888,091	1,060,764	869,989
Senior Citizen Housing	235,671	253,653	253,705	264,277
Operating Grants and Contributions	1,178,616	3,427,312	2,380,073	2,982,402
<i>Total Business-type Activities</i>				
<i>Program Revenues</i>	2,436,057	4,569,056	3,694,542	4,116,668
<i>Total Primary Government</i>				
<i>Program Revenues</i>	6,876,005	7,954,292	10,656,893	8,559,370
Net (Expense)/Revenue				
Governmental Activities	(20,967,640)	(19,963,730)	(16,392,955)	(19,712,450)
Business-type Activities	395,133	2,333,537	566,618	318,608
<i>Total Primary Government</i>				
<i>Net (Expense)/Revenue</i>	<u>(\$20,572,507)</u>	<u>(\$17,630,193)</u>	<u>(\$15,826,337)</u>	<u>(\$19,393,842)</u>
General Revenues and				
Other Changes in Net Position				
Governmental Activities:				
Income Taxes	\$19,591,472	\$17,656,370	\$18,411,406	\$19,970,964
Other Local Taxes	0	0	0	89,592
Payments in Lieu of Taxes	699,857	736,368	800,688	788,376
Grants and Entitlements not				
Restricted to Specific Programs	1,683,303	965,973	1,810,874	1,326,156
Investment Earnings	418,611	159,497	21,198	15,512
Miscellaneous	462,404	367,011	772,748	978,878
Transfers	0	892,450	0	0
<i>Total Governmental Activities</i>	<u>22,855,647</u>	<u>20,777,669</u>	<u>21,816,914</u>	<u>23,169,478</u>
Business-type Activities:				
Investment Earnings	0	0	0	0
Transfers	0	(892,450)	0	0
<i>Total Business-type Activities</i>	<u>0</u>	<u>(892,450)</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$22,855,647</u>	<u>\$19,885,219</u>	<u>\$21,816,914</u>	<u>\$23,169,478</u>
Change in Net Position				
Governmental Activities	\$1,888,007	\$813,939	\$5,423,959	\$3,457,028
Business-type Activities	395,133	1,441,087	566,618	318,608
<i>Total Primary Government</i>				
<i>Change in Net Position</i>	<u>\$2,283,140</u>	<u>\$2,255,026</u>	<u>\$5,990,577</u>	<u>\$3,775,636</u>

Source: City Finance Office

City of Sharonville, Ohio

2012	2013	2014	2015	2016	2017
1,201,706	1,613,198	1,643,178	1,798,019	1,808,225	1,729,671
287,648	283,775	298,235	304,892	306,113	322,999
<u>3,103,120</u>	<u>2,871,154</u>	<u>3,146,799</u>	<u>2,883,087</u>	<u>2,862,242</u>	<u>2,856,529</u>
<u>4,592,474</u>	<u>4,768,127</u>	<u>5,088,212</u>	<u>4,985,998</u>	<u>4,976,580</u>	<u>4,909,199</u>
<u>8,912,084</u>	<u>10,969,522</u>	<u>9,053,596</u>	<u>11,209,687</u>	<u>9,383,706</u>	<u>9,747,986</u>
(19,005,207)	(18,610,016)	(22,159,526)	(19,111,760)	(23,086,921)	(23,594,364)
<u>67,326</u>	<u>146,756</u>	<u>514,667</u>	<u>360,163</u>	<u>270,803</u>	<u>17,053</u>
<u>(\$18,937,881)</u>	<u>(\$18,463,260)</u>	<u>(\$21,644,859)</u>	<u>(\$18,751,597)</u>	<u>(\$22,816,118)</u>	<u>(\$23,577,311)</u>
\$20,413,196	\$22,211,407	\$22,289,746	\$23,841,272	\$25,160,352	\$26,857,313
115,628	189,934	197,499	206,227	172,743	206,332
0	547,938	490,620	648,277	1,035,282	1,415,045
887,933	1,917,434	1,139,430	337,929	283,204	300,060
309,911	85,082	155,836	154,296	233,537	395,515
459,307	551,581	1,080,772	457,597	661,373	1,408,735
0	0	0	0	0	0
<u>22,185,975</u>	<u>25,503,376</u>	<u>25,353,903</u>	<u>25,645,598</u>	<u>27,546,491</u>	<u>30,583,000</u>
0	0	0	0	0	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>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$22,185,975</u>	<u>\$25,503,376</u>	<u>\$25,353,903</u>	<u>\$25,645,598</u>	<u>\$27,546,491</u>	<u>\$30,583,000</u>
\$3,180,768	\$6,893,360	\$3,194,377	\$6,533,838	\$4,459,570	\$6,988,636
67,326	146,756	514,667	360,163	270,803	17,053
<u>\$3,248,094</u>	<u>\$7,040,116</u>	<u>\$3,709,044</u>	<u>\$6,894,001</u>	<u>\$4,730,373</u>	<u>\$7,005,689</u>

City of Sharonville, Ohio

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

	2008	2009	2010	2011
General Fund				
Nonspendable	\$0	\$0	\$0	\$44,636
Committed	0	0	0	90,050
Assigned	0	0	0	286,206
Unassigned	0	0	0	6,569,528
Reserved	169,259	210,733	267,522	0
Unreserved	4,851,999	4,137,756	5,197,710	0
<i>Total General Fund</i>	<u>5,021,258</u>	<u>4,348,489</u>	<u>5,465,232</u>	<u>6,990,420</u>
All Other Governmental Funds				
Nonspendable	0	0	0	146,170
Restricted	0	0	0	5,184,934
Committed	0	0	0	220,130
Unassigned	0	0	0	(1,730,479)
Reserved	2,179,525	2,626,872	1,779,935	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	3,207,347	3,080,558	3,368,477	0
Capital Projects Funds	(1,932,395)	(2,132,286)	(1,627,149)	0
<i>Total All Other Governmental Funds</i>	<u>3,454,477</u>	<u>3,575,144</u>	<u>3,521,263</u>	<u>3,820,755</u>
<i>Total Governmental Funds</i>	<u><u>\$8,475,735</u></u>	<u><u>\$7,923,633</u></u>	<u><u>\$8,986,495</u></u>	<u><u>\$10,811,175</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, Ohio

2012	2013	2014	2015	2016	2017
\$43,071	\$35,267	\$51,398	\$50,618	\$53,466	\$55,007
160,085	171,476	72,426	402,833	601,947	706,968
405,917	491,033	267,365	741,664	783,774	989,350
6,782,041	7,629,295	9,472,808	9,538,592	9,418,906	9,216,156
0	0	0	0	0	0
0	0	0	0	0	0
<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>	<u>10,967,481</u>
128,360	126,496	296,732	335,509	197,539	165,149
5,696,440	5,618,202	5,772,932	7,717,489	7,750,357	9,439,614
1,093,355	1,111,908	518,140	1,804,497	3,943,203	7,807,121
(1,764,639)	(2,105,941)	(3,164,619)	(2,894,642)	(2,396,660)	(2,464,341)
0	0	0	0	0	0
0	0	0	0	0	0
<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>14,947,543</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>	<u>\$25,915,024</u>

City of Sharonville, Ohio

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

	2008	2009	2010	2011
Revenues:				
Taxes	\$19,912,399	\$18,241,043	\$19,058,599	\$20,441,385
Intergovernmental Revenues	4,470,345	2,807,875	4,481,399	3,919,570
Charges for Services	933,899	959,323	867,218	846,721
Licenses and Permits	523,759	467,005	483,849	525,503
Investment Earnings	425,854	44,140	21,198	15,512
Special Assessments	137,004	13,847	200,419	236,426
Fines and Forfeitures	348,046	370,313	425,628	427,874
All Other Revenue	348,964	521,468	579,722	770,398
Total Revenue	<u>27,100,270</u>	<u>23,425,014</u>	<u>26,118,032</u>	<u>27,183,389</u>
Expenditures:				
Current:				
Security of Persons and Property	11,958,679	11,249,572	11,522,061	11,643,831
Public Health and Welfare Services	419,725	345,561	445,765	374,322
Leisure Time Activities	2,900,484	2,824,218	2,664,712	2,481,596
Community Environment	466,570	557,096	543,526	584,908
Basic Utility Services	555,320	560,329	466,805	527,483
Transportation	1,739,059	1,578,400	1,785,519	2,113,934
General Government	3,732,419	3,423,205	3,252,463	3,400,002
Capital Outlay	3,010,260	2,472,773	3,921,251	2,286,976
Debt Service:				
Principal Retirement	1,210,000	1,335,000	1,325,000	1,783,777
Interest and Fiscal Charges	821,227	653,034	643,042	538,968
Advance Refunding to Escrow	0	0	0	0
Total Expenditures	<u>26,813,743</u>	<u>24,999,188</u>	<u>26,570,144</u>	<u>25,735,797</u>
Excess (Deficiency) of Revenues Over Expenditures	286,527	(1,574,174)	(452,112)	1,447,592

City of Sharonville, Ohio

2012	2013	2014	2015	2016	2017
\$21,073,012	\$22,643,497	\$23,268,446	\$24,531,434	\$26,022,842	\$27,881,958
3,459,320	4,043,194	3,512,276	4,552,180	3,065,887	3,570,382
841,214	830,509	912,351	925,983	929,165	1,027,395
533,099	474,164	658,217	546,038	492,497	708,908
18,599	85,082	155,836	154,296	233,537	395,515
298,704	296,203	297,894	304,279	292,594	301,436
446,816	385,746	366,993	437,446	294,165	202,789
310,193	387,599	672,156	264,374	249,742	452,321
<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>	<u>34,540,704</u>
11,723,745	12,030,985	12,241,157	12,386,571	12,834,365	13,266,013
369,086	387,357	368,868	131,092	75,032	78,047
2,587,134	2,625,215	2,597,876	2,486,569	2,417,275	2,454,530
482,632	467,141	499,794	513,219	482,053	480,135
511,018	518,709	611,860	532,248	622,051	540,293
2,265,281	1,786,230	2,166,899	1,793,813	2,060,580	1,931,875
3,193,038	4,021,247	4,079,195	3,896,980	4,309,051	4,586,871
2,285,638	4,996,877	5,506,072	3,925,065	5,161,445	4,720,564
1,426,471	1,411,529	1,375,000	1,425,000	1,460,000	1,535,000
476,693	368,322	355,268	313,515	264,221	213,422
854,584	0	0	0	0	0
<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>	<u>29,806,750</u>
805,637	532,382	42,180	4,311,958	1,894,356	4,733,954

(Continued)

City of Sharonville, Ohio

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

	2008	2009	2010	2011
Other Financing Sources (Uses):				
Sale of Capital Assets	19,638	15,161	0	285,304
Issuance of Capital Leases	499,000	0	203,289	0
General Obligation Refunding Bonds Issued	0	3,460,000	0	0
OPWC Loan Initiated	0	0	0	0
Special Assessment Bonds Issued	0	0	1,400,000	0
Premiums on Debt Issuances	0	115,357	0	0
Payment to Refunded Bond Escrow Agent	0	(3,491,022)	0	0
Transfers In	4,966,559	3,356,021	1,957,663	2,999,168
Transfers Out	(4,966,559)	(2,463,571)	(1,957,663)	(2,999,168)
Total Other Financing Sources (Uses)	<u>518,638</u>	<u>991,946</u>	<u>1,603,289</u>	<u>285,304</u>
Net Change in Fund Balance	<u>\$805,165</u>	<u>(\$582,228)</u>	<u>\$1,151,177</u>	<u>\$1,732,896</u>
 Debt Service as a Percentage of Noncapital Expenditures	 4.89%	 5.83%	 5.82%	 7.40%

Source: City Finance Office

City of Sharonville, Ohio

2012	2013	2014	2015	2016	2017
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	852,239
0	0	0	0	0	0
291,312	0	0	0	0	0
(4,144,334)	0	0	0	0	0
5,104,206	4,274,825	3,900,372	4,955,949	6,104,792	8,075,878
(5,104,206)	(4,274,825)	(3,900,372)	(4,955,949)	(6,104,792)	(8,075,878)
211,769	17,293	18	58,065	903,738	852,239
<u>\$1,017,406</u>	<u>\$549,675</u>	<u>\$42,198</u>	<u>\$4,370,023</u>	<u>\$2,798,094</u>	<u>\$5,586,193</u>
11.73%	8.23%	6.90%	7.24%	7.16%	7.05%

City of Sharonville, Ohio

*Income Tax Revenues by Source, Governmental Funds
Last Ten Years*

Tax year	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income (in thousands)	\$607,689	\$595,058	\$595,528	\$621,753
Total Tax Collected	\$20,594,952	\$18,677,400	\$19,027,828	\$20,365,647
Income Tax Receipts				
Withholding	16,611,460	15,354,257	15,235,792	16,494,415
Percentage	80.65%	82.21%	80.06%	80.99%
Corporate	2,581,828	1,990,915	2,389,008	2,431,248
Percentage	12.54%	10.66%	12.56%	11.94%
Individuals	1,340,718	1,250,076	1,275,819	1,326,586
Percentage	6.51%	6.69%	6.71%	6.51%
Penalty and Interest	60,946	82,152	127,209	113,398
Percentage	0.30%	0.44%	0.67%	0.56%

Source: City Income Tax Department

City of Sharonville, Ohio

2012	2013	2014	2015	2016	2017
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$635,706	\$681,187	\$668,630	\$716,307	\$724,863	\$724,863
\$21,541,108	\$22,597,127	\$23,124,833	\$23,971,156	\$25,940,714	\$27,214,599
17,292,457	17,761,741	18,529,411	18,996,322	20,395,902	21,421,474
80.28%	78.60%	80.12%	79.24%	78.63%	78.71%
2,764,329	3,311,307	3,162,648	3,321,539	3,971,610	4,125,632
12.83%	14.65%	13.68%	13.86%	15.31%	15.16%
1,345,664	1,445,247	1,336,170	1,512,284	1,461,112	1,491,283
6.25%	6.40%	5.78%	6.31%	5.63%	5.48%
138,658	78,832	96,604	141,011	112,090	176,210
0.64%	0.35%	0.42%	0.59%	0.43%	0.65%



City of Sharonville, Ohio

*Income Tax Collections
Current Year and Nine Years Ago*

Calendar Year 2017						
<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.08%	\$477,345,933	26.31%	\$7,160,189	26.31%
All Others	12,711	99.92%	1,336,960,600	73.69%	20,054,409	73.69%
Total	<u>12,721</u>	<u>100.00%</u>	<u>\$1,814,306,533</u>	<u>100.00%</u>	<u>\$27,214,598</u>	<u>100.00%</u>

Calendar Year 2008						
<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.08%	\$366,748,802	26.71%	\$5,501,232	26.71%
All Others	12,478	99.92%	1,006,248,065	73.29%	15,093,721	73.29%
Total	<u>12,488</u>	<u>100.00%</u>	<u>\$1,372,996,867</u>	<u>100.00%</u>	<u>\$20,594,953</u>	<u>100.00%</u>

Source: City Income Tax Department

City of Sharonville, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2008	2009	2010	2011
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$12,995,875	\$11,755,186	\$10,464,827	\$9,224,233
Special Assessment Bonds Payable	120,000	60,000	1,400,000	1,400,000
Ohio Public Works Commission Loan (OPWC)	0	0	0	0
Capital Leases	535,265	423,436	488,777	0
Business-type Activities ⁽¹⁾				
General Obligation Bonds Payable	\$4,784,783	\$4,233,477	\$3,667,171	\$3,205,537
Revenue Bonds Payable	0	0	27,715,558	27,728,083
Total Primary Government	<u>\$18,435,923</u>	<u>\$16,472,099</u>	<u>\$43,736,333</u>	<u>\$41,557,853</u>
Population ⁽²⁾				
City of Sharonville	13,926	13,926	13,560	13,560
Outstanding Debt Per Capita	\$1,324	\$1,183	\$3,225	\$3,065
Income ⁽³⁾				
Personal (in thousands)	607,689	595,058	595,528	621,753
Percentage of Personal Income	3.03%	2.77%	7.34%	6.68%

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, Ohio

2012	2013	2014	2015	2016	2017
\$6,876,852	\$5,590,329	\$4,263,806	\$2,887,283	\$1,475,760	\$0
1,345,000	1,290,000	1,230,000	1,170,000	1,110,000	1,045,000
0	0	0	58,065	99,910	952,149
81,529	0	0	0	0	0
\$2,556,812	\$1,878,087	\$660,000	\$450,000	\$230,000	\$0
27,740,608	27,753,133	27,765,658	27,778,183	27,405,708	27,023,233
<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>	<u>\$29,020,382</u>
13,560	13,560	13,560	13,560	13,560	13,560
\$2,847	\$2,693	\$2,501	\$2,385	\$2,236	\$2,140
635,706	681,187	668,630	716,307	724,863	724,863
6.07%	5.36%	5.07%	4.52%	4.18%	4.00%

City of Sharonville, Ohio

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2008	2009	2010	2011
Population ⁽¹⁾	13,926	13,926	13,560	13,560
Personal Income (in thousands) ⁽²⁾	\$607,689	\$595,058	\$595,528	\$621,753
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$17,780,658	\$15,988,663	\$14,131,998	\$12,429,770
Resources Available to Pay Principal ⁽⁴⁾	\$324,400	\$467,770	\$425,719	\$188,240
Net General Bonded Debt	\$17,456,258	\$15,520,893	\$13,706,279	\$12,241,530
Ratio of Net Bonded Debt to Estimated Personal Income	2.87%	2.61%	2.30%	1.97%
Net Bonded Debt per Capita	\$1,253.50	\$1,114.53	\$1,010.79	\$902.77

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, Ohio

2012	2013	2014	2015	2016	2017
13,560	13,560	13,560	13,560	13,560	13,560
\$635,706	\$681,187	\$668,630	\$716,307	\$724,863	\$724,863
\$9,433,664	\$7,468,416	\$4,923,806	\$3,337,283	\$1,705,760	\$0
\$188,240	\$650	\$0	\$380,625	\$380,625	\$0
\$9,245,424	\$7,467,766	\$4,923,806	\$2,956,658	\$1,325,135	\$0
1.45%	1.10%	0.74%	0.41%	0.18%	0.00%
\$681.82	\$550.72	\$363.11	\$218.04	\$97.72	\$0.00



City of Sharonville, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2017*

<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	\$1,997,149	100.00%	\$1,997,149
Overlapping:			
Princeton City School District	166,112,139	33.12%	55,016,340
Sycamore City School District	34,048,000	0.01%	3,405
Great Oaks Joint Vocational School District	6,070,000	2.62%	159,034
Hamilton County	133,845,000	0.60%	803,070
Butler County	33,923,580	2.42%	820,951
		Subtotal	<u>56,802,800</u>
		Total	<u><u>\$58,799,949</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, Ohio

*Debt Limitations
Last Ten Years*

Collection Year	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Debt				
Net Assessed Valuation	\$476,015,410	\$478,329,590	\$478,384,600	\$449,119,680
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	49,981,618	50,224,607	50,230,383	47,157,566
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>\$49,981,618</u></u>	<u><u>\$50,224,607</u></u>	<u><u>\$50,230,383</u></u>	<u><u>\$47,157,566</u></u>
Unvoted Debt				
Net Assessed Valuation	\$476,015,410	\$478,329,590	\$478,384,600	\$449,119,680
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	26,180,848	26,308,127	26,311,153	24,701,582
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>\$26,180,848</u></u>	<u><u>\$26,308,127</u></u>	<u><u>\$26,311,153</u></u>	<u><u>\$24,701,582</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, Ohio

2012	2013	2014	2015	2016	2017
\$447,683,050	\$444,119,190	\$438,387,390	\$442,092,870	\$447,113,160	\$460,768,290
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
47,006,720	46,632,515	46,030,676	46,419,751	46,946,882	48,380,670
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<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>	<u>\$48,380,670</u>
\$447,683,050	\$444,119,190	\$438,387,390	\$442,092,870	\$447,113,160	\$460,768,290
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
24,622,568	24,426,555	24,111,306	24,315,108	24,591,224	25,342,256
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<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>	<u>\$25,342,256</u>

City of Sharonville, Ohio

*Pledged Revenue Coverage
Last Ten Years*

	2008	2009	2010	2011	2012
Special Assessment Bonds (1)					
Special Assessment Collections	\$137,004	\$13,847	\$200,419	\$236,426	\$298,704
Debt Service					
Principal	60,000	60,000	60,000	0	55,000
Interest	12,645	8,430	4,215	50,425	50,425
Coverage	1.89	0.20	3.12	4.69	2.83
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, Ohio

2013	2014	2015	2016	2017
\$296,203	\$297,894	\$304,279	\$292,594	\$301,436
55,000	60,000	60,000	60,000	65,000
49,490	48,555	47,535	45,675	43,815
2.83	2.74	2.83	2.77	2.77
\$0	\$0	\$0	\$2,862,242	\$2,856,529
0	0	0	385,000	395,000
0	0	0	1,677,882	1,662,963
0.00	0.00	0.00	1.39	1.39

City of Sharonville, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2008	2009	2010	2011
Population (1)				
City of Sharonville	13,926	13,926	13,560	13,560
Hamilton County	806,652	806,652	802,374	802,374
Income (2) (a)				
Total Personal (in thousands)	607,689	595,058	595,528	621,753
Per Capita	43,637	42,730	43,918	45,852
Unemployment Rate (3)				
Federal	5.8%	9.3%	9.4%	8.9%
State	6.6%	10.2%	9.6%	8.6%
Hamilton County	5.6%	8.9%	8.5%	8.6%
Civilian Work Force Estimates (3)				
State	5,986,400	5,986,400	5,906,000	5,806,000
Hamilton County	432,400	432,400	434,700	406,900

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, Ohio

2012	2013	2014	2015	2016	2017
13,560	13,560	13,560	13,560	13,560	13,560
802,374	802,374	802,374	802,374	802,374	802,374
635,706	681,187	668,630	716,307	724,863	724,863
46,881	50,235	49,309	52,825	53,456	53,456
8.1%	7.4%	6.2%	5.3%	4.9%	4.4%
7.2%	7.4%	5.7%	4.9%	4.9%	5.0%
7.0%	7.1%	5.3%	4.5%	4.3%	4.4%
5,474,900	5,765,700	5,719,500	5,700,300	5,713,100	5,780,000
400,000	403,300	404,100	402,700	404,200	411,300



City of Sharonville, Ohio

*Principal Employers
Current Year and Nine Years Ago*

Employer	Nature of Business	2017	
		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
Gorilla Glue	Manufacturing & Distribution	5	N/A
Princeton School District	Public Education	6	N/A
Dubois Chemical	Manufacturing & Distribution	7	N/A
Xtek Inc.	Steel Fabrication	8	N/A
Beacon Ortho & Sports Medicine	Health Care	9	N/A
John R Jurgensen Co	Construction	10	N/A
Total			N/A

Employer	Nature of Business	2008	
		Rank	Number of Employees
Ford Motor Company	AutoParts Manufacturing	1	N/A
US Postal Service	Bulk Mail Processing	2	N/A
United Parcel Service	Bulk Mail Processing	3	N/A
Xtek Inc	Steel Fabrication	4	N/A
Princeton School District	Public Education	5	N/A
General Mills	Cereal Manufacturing	6	N/A
Hobsons Inc	Publishing and Technology	7	N/A
Champion	Manufacturing	8	N/A
TSS Aviation	Manufacturing	9	N/A
Johnson Diversey	Health and Beauty Products	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, Ohio

*Full Time Equivalent Employees by Function
Last Ten Years*

	2008	2009	2010	2011	2012
Governmental Activities					
General Government					
Finance	11.00	11.00	11.00	11.00	12.00
Legal/Court	2.00	2.00	2.00	2.00	2.00
Administration	6.00	6.00	6.00	6.00	6.00
Maintenance	6.00	5.00	5.00	5.00	6.00
Security of Persons and Property					
Police	50.00	48.00	47.00	43.00	46.00
Fire	55.00	56.00	54.00	48.00	55.50
Transportation					
Street	13.00	13.00	16.00	13.00	12.00
Leisure Time Activities					
Recreation	47.00	34.00	52.00	45.00	40.00
Parks and Grounds	9.00	7.00	7.00	7.00	9.00
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	8.00	8.00	7.00
Business-Type Activities					
Senior Citizen Housing	1.00	1.00	1.00	1.00	1.00
Convention Center	12.00	12.00	12.00	12.00	12.00
<i>Total Employees</i>	<u>224.00</u>	<u>207.00</u>	<u>226.00</u>	<u>206.00</u>	<u>213.50</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, Ohio

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
12.00	12.00	11.50	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	5.50	5.50	5.50
46.00	46.00	48.00	49.00	49.00
56.50	56.50	50.50	51.50	50.00
12.00	12.00	12.00	12.00	12.00
40.00	40.00	39.00	38.50	37.00
9.00	9.00	9.00	8.00	8.00
5.00	4.00	0.50	0.50	0.50
5.00	5.00	5.00	5.00	5.50
1.00	1.00	1.00	1.00	1.00
14.50	14.50	14.50	14.50	15.50
<u>215.00</u>	<u>214.00</u>	<u>204.50</u>	<u>205.00</u>	<u>203.50</u>

City of Sharonville, Ohio

Operating Indicators by Function Last Ten Years

	2008	2009	2010	2011	2012
Governmental Activities					
General Government					
Court					
Number of Traffic Cases	3,076	3,441	4,016	4,552	3,709
Number of Open Cases	71	180	136	135	136
Licenses and Permits					
Number of Building Permits	526	497	640	630	613
Number of Building Inspections	1,309	1,199	1,669	1,587	1,690
Security of Persons and Property					
Police					
Number of Citations Issued	2,725	3,446	3,891	3,775	3,505
Number of Arrests	991	914	906	940	876
Number of Accidents	1,124	979	812	845	810
Fire					
Number of Fire Calls	1,163	1,109	1,228	1,340	1,422
Number of EMS Runs	2,337	2,085	2,061	2,242	2,557
Number of Inspections	1,131	1,087	1,042	1,085	1,016
Transportation					
Street					
Number of Streets Resurfaced	6	3	3	12	6
Number of Potholes Repaired	170	185	250	200	300
Leisure Time Activities					
Recreation					
Number of Programs Offered	150	120	120	120	150
Number of Pool Passes Issued	1,895	1,816	1,973	1,952	3,565

Source: City Finance Office

City of Sharonville, Ohio

2013	2014	2015	2016	2017
3,296	2,800	2,948	2,148	1,078
128	85	73	44	72
492	500	572	523	620
1,323	923	1,693	1,025	1,067
3,565	2,860	4,629	3,015	2,661
1,025	1,102	778	626	522
852	957	1,461	1,443	1,511
1,471	1,676	1,340	1,424	1,644
2,139	2,264	2,282	2,375	2,785
1,012	1,195	1,055	1,366	1,030
10	2	5	10	12
300	275	225	150	165
175	200	225	250	250
3,434	3,295	3,160	3,050	2,730

City of Sharonville, Ohio

*Capital Asset Statistics by Function
Last Ten Years*

	2008	2009	2010	2011	2012
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	23	23
Fire					
Stations	3	3	3	3	3
Vehicles	18	19	19	20	17
Transportation					
Street					
Streets (lane miles)	135	135	136	135	135
Street Lights	935	935	935	936	936
Vehicles	17	17	17	17	17
Leisure Time Activities					
Recreation					
Land (acres)	35	35	35	35	46
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	13
Business-Type Activities					
Senior Citizen Housing					
Buildings	3	3	3	3	3
Convention Center					
Buildings	1	1	1	1	1

Source: City Finance Office

City of Sharonville, Ohio

2013	2014	2015	2016	2017
6,848	6,848	6,848	6,848	6,851
1	1	1	1	1
1	1	1	1	1
23	23	23	23	23
3	3	3	3	3
17	18	18	18	18
135	135	135	135	135
936	936	936	936	936
17	17	17	17	18
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

