

Comprehensive Annual Financial Report

For the year ending December 31, 2016



CITY OF WADSWORTH
MEDINA COUNTY, OHIO

CITY OF WADSWORTH, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

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June 20, 2017

To Members of City Council and the
Residents of the City of Wadsworth, Ohio

It is our privilege to present to you the City of Wadsworth (the City) Comprehensive Annual Financial Report (CAFR). This CAFR represents the official report of the City's operations and financial position for the year ended December 31, 2016. It details the status of City finances to residents, elected officials, investment bankers, underwriters, rating agencies and all other interested parties. This report enables the City to comply with Ohio Administrative Code Section 117-2-03(B) which requires reporting on a Generally Accepted Accounting Principles (GAAP) basis and Ohio Revised Code (ORC) Section 117.38 which require cities reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of year end.

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

Charles E. Harris & Associates, Inc. has issued an unmodified ("clean") opinion on the City of Wadsworth's financial statements for the year ended December 31, 2016. Charles E. Harris & Associates, Inc.'s report is located at the front of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussions and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following Charles E. Harris & Associates' report.

Background

Wadsworth Ohio was founded in 1814 on land owned by the Connecticut Western Reserve and was named after General Elijah Wadsworth, primarily due to the amount of land he owned. In the early 1890's, a group of men founded the Ohio Injector Company and the Ohio Match Company. These world-wide companies were sold near the middle of the 20th Century and the valves and matches made by these companies are no longer produced locally. However, the City continued to grow with small manufacturing, farming, and committed residents.

Wadsworth became a statutory city on January 22, 1866. The statutory form of government allows for home rule but requires the municipality to abide by the laws

which govern municipalities enacted by the State Legislature. The City operates under the Mayor/Council form of government. The citizens of Wadsworth elect a mayor, auditor, law director, treasurer and eight members of council, including the president, three at-large council members and four ward council members. An appointed safety director and an appointed service director are responsible for various city departments. The City has considered all these departments for financial reporting purposes and the compilation of this CAFR.

The City reports financial activity based on a calendar year. The preparation of the annual budget is started by passing a Tax Budget in July of the preceding year. The Tax Budget generates the estimated resources for the next year and is certified by the Budget Commission of Medina County. These certified estimated resources are available for appropriations by City Council. The annual appropriations are passed in December of the preceding year through an ordinance and are in accordance with ORC 5705.38(C) which establishes the minimum level of budgetary control to "...each office, department, and division, and, within each, the amount appropriated for personal services and other." Appropriations are either supplemented or reduced during the period according to resource availability and/or timing of projects.

The City provides many services to residents and businesses. These services include: police; fire; EMS services; street maintenance; storm water management; water treatment and distribution; waste water collection and treatment; electric transmission and distribution; cable television (with community access); high speed internet access; VOIP telephone service; sanitation collection and disposal; recreational facilities; municipal court; and a center for older adults.

The Wadsworth City School District is a completely separate form of government and produces its own set of financial statements. The school district is highly rated in academics, athletics, and arts. Many residents are drawn to our community due in part to the excellent school system.

Local Economy

Our location offers ease of access without traffic congestion experienced by other communities. We have three interchanges on I-76 which are assets for business development. We are located within ten miles of I-77 and I-71 which makes highway travel convenient. The City owns and operates an airport, which is primarily used for recreation at this time. Wadsworth is a short commute to Cleveland Hopkins International and Akron-Canton Regional Airports. Travel and shipping to and from our City is smooth and simple.

Wadsworth has long been considered a "bedroom community" to both Akron and Cleveland. Residential growth has been constant in our community. Knowledgeable administrations and responsible council members have allowed the City to preserve the small town charm without jeopardizing services to residents and businesses. Planning for the future and maximizing the level of services to our citizens has always been the philosophy of the public administrators. In 2004, City Council approved the first Tax Increment Financing (TIF) district in Medina County.

It was in this district that Wal-Mart and Home Depot developed at the I-76 and S.R. 94 interchange. Two years later, City Council approved the second TIF district for the development of Kohl's, Target, and Lowe's located at the I-76 and S.R. 261 interchange. Our third interchange at I-76 and S.R. 57 has yet to be developed.

Significant business growth has occurred in the retail sector over the past years. Wadsworth's northern commercial area grew with the addition of Home Depot, Marie's Italian Restaurant, Wal-Mart, and two residential developments. National retail organizations, such as Bed Bath & Beyond, Kohl's, Lowe's, Office Max and Target opened in the City's newest retail development, Wadsworth Crossings, located east of town. Giant Eagle opened one of their higher volume locations across the street from Wadsworth Crossings. During 2016, the City continued to experience continued development, redevelopment and long range plans for future development. Along the High Street Corridor we've had extensive redevelopment in commercial locations including: Panera Bread, Starbucks, Kentucky Fried Chicken, Dunkin Donuts, Chipotle, Aldi's and GetGo Cafe & Market. In 2016 we've had a several manufacturers build or expand their facilities, providing additional job growth.

Public improvements including roads extending E. Smokerise and Park Centre Drive, new LaVern Drive, sidewalks, water mains, electric, communication, street lighting, sanitary sewer and storm sewer were constructed in 2016. The cost of public improvements, after developer contribution, will be financed by the issuance of bonds in anticipation of the levy of specials assessments against the four commercial sublots of Phase I.

Redevelopment of the former Ohio Injector facility on Main Street (S.R. 94) is complete. This project is an example of adaptive re-use for our community and provides start-up and growth opportunities for small businesses. The City has approximately 800 acres of industrial zoned property available for development. In 2014, the City completed an annexation of 280.2 acres of land that is ready for development. 216.4 acres is zoned industrial and 12.3 acres of this is currently being developed. 63.8 acres is zoned R-2 residential.

The Wadsworth School District completed the construction of four new school facilities in 2012. The highlight of their projects was the completion of the \$97 million high school campus. This campus contains the high school and a new community center. The community center features exercise facilities, a senior center, indoor pools, a Summa Healthcare facility and a satellite office for the Wadsworth Public Library. The City of Wadsworth completed construction of the new outdoor pool facility that is located at the Community Campus complex. This \$3 million project features two outdoor pools and a pool house.

Major Incentives

We look forward to continued business growth in the future. The City has many incentives to help companies be successful in Wadsworth. The most commonly used is

the Community Reinvestment Area agreement (CRA). All industrial zoned property in the City is within a CRA. This incentive gives companies an opportunity to save on their real property taxes on new investments for a term of up to twelve years. In February 2005, a City-wide Enterprise Zone (EZ) was certified. This incentive is available to commercial and industrial projects and involves potential abatement of a portion of real and personal property taxes. Wadsworth Corporate Park was certified as a Foreign Trade Zone (FTZ) in 2006.

In addition to these State and Federal incentives, the City has created the Local Job Creation Grant Program, which provides a grant to a company based on new payroll and the new investment. This incentive was created to attract large employers and to set Wadsworth apart from other communities. The City's income tax rate and property tax rates are very competitive when compared to other communities. The City of Wadsworth has been able to maintain its level of services with low tax rates due to growth in the community. The City and its many benefits are marketed in trade journals and through our website.

Long-Term Financial Planning & Financial Policies

It is the policy of the City to maintain operating budgetary fund balances at approximately 12% of annual operating expenses. This policy has allowed the City to maintain rate structures and services during economic downturns. City Council believes in the passage of a "balanced budget". This is defined as annual operating revenues exceeding annual operating expenditures. Budgetary appropriations may not exceed estimated resources and are monitored during the year to ensure compliance. Encumbered appropriations carry over to the next year and must be substantiated with a confirmed obligation of the City.

The City recognizes that one-time revenues are to be used for one-time expenses such as capital. These revenues are never used to pay for ongoing operational costs. All transfers of cash between funds require the approval of City Council. Some capital expenditures and small to medium capital projects are financed internally using interfund loans supported by one-year bond anticipation notes authorized by Council.

A cash reserve policy was passed by Council in 2009 for the City's General Fund and Income Tax fund. This policy requires that 20% of operating expenditures and 100% of the next years debt service is maintained in the fund's combined cash balances. In addition, a cash reserve policy was passed in 2009 for the City's Electric fund. This policy requires that 25% of operating expenditures, 10% of purchase power, and 100% of next year's debt service is maintained in the fund's cash balance. Included with these cash reserve policies are five-year financial projections. All known factors and historical experience is taken into consideration when making our projections. Council and the administration have found this type of financial planning necessary to making informed decisions.

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 Wadsworth, Ohio, for its comprehensive annual financial report for the year ended December 31, 2015. This was the eighth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

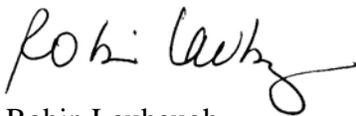
The City also recently received the Auditor of State Award with Distinction for filing a timely 2015 CAFR, having a "clean" audit report, that did not contain findings for recovery, material weaknesses, significant deficiencies, Single Audit findings or any questioned costs.

For the past thirty-two years, Wadsworth has retained the recognition of Tree City USA from the Arbor Day Foundation. This recognition promotes the City's public image and citizen pride which in turn benefits the community's economic growth and financial stability.

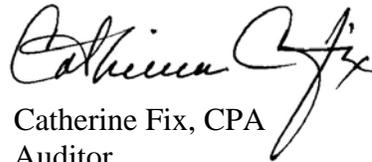
Acknowledgements

This report was a collaborative effort by the City's administration, department heads, Julian & Grube, Inc., and the employees of the Finance Department. We sincerely appreciate their dedication and loyalty. We also would like to thank City Council for their support in this effort and their continued attention to financial responsibility for the benefit of the residents and businesses of the City of Wadsworth.

Respectfully submitted,



Robin Laubaugh
Mayor



Catherine Fix, CPA
Auditor

City of Wadsworth, Ohio
Principal Officials
December 31, 2016

MayorRobin Laubaugh

President of Council.....Robert Thurber

Councilman – Ward I..... Ralph Copley

Councilman – Ward II.....Robert Titus

Councilman – Ward IIIJohn Sharkey

Councilman – Ward IVBruce Darlington

Council-at-LargePatty Haskins

Council-at-Large Tom Stugmyer

Council-at-LargeDave Williams

Clerk of Council Tammy Guenther

Law Director.....Norman Brague

Auditor Catherine Fix

Assistant Auditor Lee-Ann Dunkle

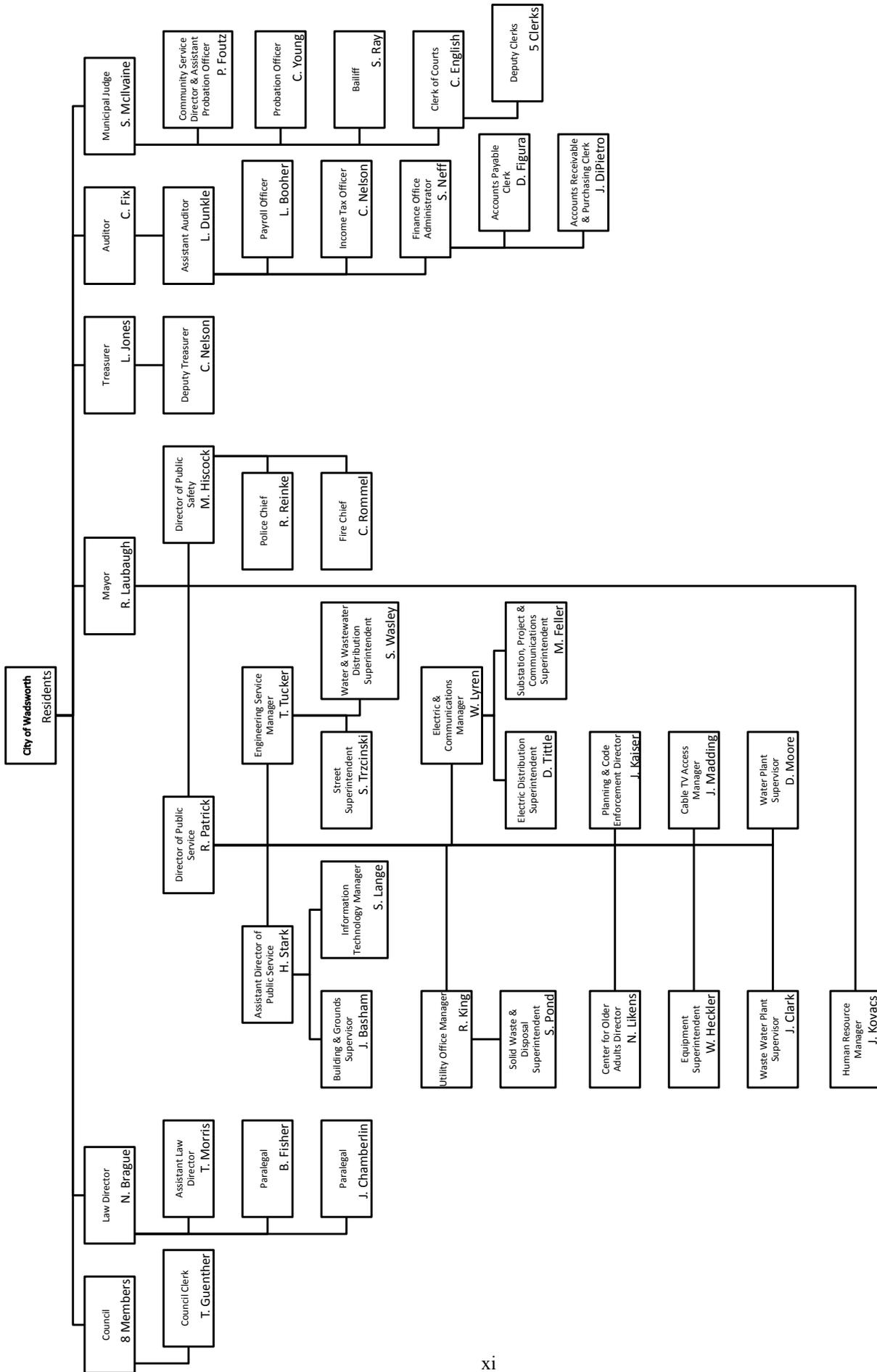
TreasurerLisa Jones

Safety DirectorMatthew Hiscock

Service Director.....Robert Patrick

Assistant Service Director Harry Stark

Human Resources Manager..... James Kovacs





Government Finance Officers Association

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

Presented to

**City of Wadsworth
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

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Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

City of Wadsworth
Medina County
120 Maple Street
Wadsworth, Ohio 44281

To the Members of Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wadsworth, Medina County, Ohio (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wadsworth, Medina County, Ohio, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

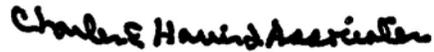
The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2017 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
June 20, 2017

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CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

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

Financial Highlights

Key financial highlights for 2016 are as follows:

- The total net position of the City increased \$7,995,650 in 2016 from \$126,532,654 in 2015 to the ending net position of \$134,528,304. Net position of governmental activities increased \$2,736,683 or 5.71% from 2015 and net position of business-type activities increased \$5,258,967 or 6.69% from 2015.
- General revenues accounted for \$15,483,830 or 68.33% of total governmental activities revenue. Program specific revenues accounted for \$7,175,412 or 31.67% of total governmental activities revenue.
- The City had \$18,774,885 in expenses related to governmental activities; \$7,175,412 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$11,599,473 were offset by general revenues (primarily incomes taxes, property and other local taxes and unrestricted grants and entitlements) of \$15,483,830.
- The City's major governmental fund is the general fund. The general fund had revenues and other financing sources of \$10,895,334 in 2016. The general fund had expenditures and other financing uses of \$10,887,330 in 2016. The net increase in fund balance for the general fund was \$8,004 or less than 0.01%.
- Net position for the business-type activities, which is made up of the storm water, telecom, sewer, water, electric, and sanitation major enterprise funds, increased in 2016 by \$5,258,967. This increase in net position was due primarily to adequate charges for services revenue to cover operating expenses.
- In the general fund, the actual revenues and other financing sources were \$1,812,938 more than they were in the final budget. Actual expenditures and other financing uses were \$645,006 more than the amount in the final budget due to advances not being budgeted. Budgeted revenues increased \$16,500 from original to the final budget and budgeted expenditures increased \$25,759 from original to the final budget.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2016?" The statement of net position and the statement of activities answer this question. These statements include all (non-fiduciary) assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net position and changes in that position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's tax base, current tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the statement of net position and the statement of activities, the City is divided into two distinct kinds of activities:

Governmental activities - Most of the City's programs and services reported here include: public safety, street maintenance, capital improvements and general administration. These services are funded primarily by income taxes, property and other local taxes and intergovernmental revenues including federal and state grants and other shared revenues.

Business-type activities - These services are provided on a charge for services basis to recover all or a significant portion of the expenses of the services provided. The City's storm water, telecom, sewer, water, electric, and sanitation operations are reported here.

The City's statement of net position and statement of activities can be found on pages 21-23 of this report.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 14.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental fund is the general fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation.

Proprietary Funds

The City maintains two different types of proprietary funds, enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its storm water, telecommunications, sewer, water, electric, and sanitation functions. The City's enterprise funds are considered major funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance, information technology, and fleet maintenance.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Agency funds are the City's only fiduciary fund type.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability.

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Government-Wide Financial Analysis

The statement of net position provides the perspective of the City as a whole. The table below provides a summary of the City's net position for 2016 compared to 2015:

	Net Position					
	2016	2015	2016	2015	2016	2015
	<u>Governmental</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Business-type</u>	<u>2016</u>	<u>2015</u>
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Total</u>
<u>Assets</u>						
Current and other assets	\$ 26,368,809	\$ 25,670,306	\$ 33,380,550	\$ 31,436,672	\$ 59,749,359	\$ 57,106,978
Capital assets, net	<u>59,353,560</u>	<u>55,166,800</u>	<u>92,380,229</u>	<u>91,910,750</u>	<u>151,733,789</u>	<u>147,077,550</u>
Total assets	<u>85,722,369</u>	<u>80,837,106</u>	<u>125,760,779</u>	<u>123,347,422</u>	<u>211,483,148</u>	<u>204,184,528</u>
Deferred outflows	<u>7,402,741</u>	<u>1,943,241</u>	<u>2,484,209</u>	<u>812,607</u>	<u>9,886,950</u>	<u>2,755,848</u>
<u>Liabilities</u>						
Long-term liabilities	36,107,662	30,278,800	38,252,430	39,143,121	74,360,092	69,421,921
Other liabilities	<u>3,855,195</u>	<u>2,213,029</u>	<u>5,936,608</u>	<u>6,307,683</u>	<u>9,791,803</u>	<u>8,520,712</u>
Total liabilities	<u>39,962,857</u>	<u>32,491,829</u>	<u>44,189,038</u>	<u>45,450,804</u>	<u>84,151,895</u>	<u>77,942,633</u>
Deferred inflows	<u>2,517,792</u>	<u>2,380,740</u>	<u>172,107</u>	<u>84,349</u>	<u>2,689,899</u>	<u>2,465,089</u>
<u>Net Position</u>						
Net investment						
in capital assets	40,055,196	37,607,541	65,930,713	63,019,576	105,985,909	100,627,117
Restricted	8,973,458	10,496,479	-	-	8,973,458	10,496,479
Unrestricted (deficit)	<u>1,615,807</u>	<u>(196,242)</u>	<u>17,953,130</u>	<u>15,605,300</u>	<u>19,568,937</u>	<u>15,409,058</u>
Total net position	<u>\$ 50,644,461</u>	<u>\$ 47,907,778</u>	<u>\$ 83,883,843</u>	<u>\$ 78,624,876</u>	<u>\$ 134,528,304</u>	<u>\$ 126,532,654</u>

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

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

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 state 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/asset not accounted for as deferred inflows/outflows.

CITY OF WADSWORTH, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2016, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$134,528,304. At year-end, net position was \$50,644,461 and \$83,883,843 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets net represented 71.75% of total assets. Capital assets include land, land improvements, buildings, building improvements, equipment, vehicles, intangible assets, construction in progress and infrastructure. The net investment in capital assets at December 31, 2016, was \$40,055,196 and \$65,930,713 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2016, the City's governmental activities unrestricted net position was \$1,615,807. A portion of the City's net position, \$8,973,458 represents resources that are subject to external restriction on how they may be used.

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CITY OF WADSWORTH, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

The table below shows the changes in net position for years 2016 and 2015.

	Change in Net Position					
	2016 Governmental Activities	2015 Governmental Activities	2016 Business-Type Activities	2015 Business-Type Activities	2016 Total	2015 Total
Revenues						
Program revenues:						
Charges for services and sales	\$ 3,860,559	\$ 3,876,595	\$ 49,906,302	\$ 46,506,751	\$ 53,766,861	\$ 50,383,346
Operating grants and contributions	1,932,178	1,716,473	-	-	1,932,178	1,716,473
Capital grants and contributions	1,382,675	1,119,844	1,241,167	15,387	2,623,842	1,135,231
Total program revenues	7,175,412	6,712,912	51,147,469	46,522,138	58,322,881	53,235,050
General revenues:						
Taxes	13,605,921	11,880,832	-	-	13,605,921	11,880,832
Payment in lieu of taxes	492,917	832,556	-	-	492,917	832,556
Unrestricted grants and entitlements	909,328	785,870	-	-	909,328	785,870
Investment earnings	249,689	179,246	53	2	249,742	179,248
Miscellaneous	225,975	189,990	271,269	350,569	497,244	540,559
Total general revenues	15,483,830	13,868,494	271,322	350,571	15,755,152	14,219,065
Total revenues	22,659,242	20,581,406	51,418,791	46,872,709	74,078,033	67,454,115
Expenses:						
General government	3,673,205	2,819,321	-	-	3,673,205	2,819,321
Security of persons and property	6,645,484	7,969,588	-	-	6,645,484	7,969,588
Public health	130,369	121,952	-	-	130,369	121,952
Transportation	3,696,010	3,110,416	-	-	3,696,010	3,110,416
Community and economic development	1,252,104	1,159,127	-	-	1,252,104	1,159,127
Leisure time services	2,440,724	1,431,808	-	-	2,440,724	1,431,808
Interest and fiscal charges	936,989	749,206	-	-	936,989	749,206
Telecom	-	-	4,959,269	4,639,496	4,959,269	4,639,496
Sewer	-	-	3,571,494	3,815,598	3,571,494	3,815,598
Water	-	-	3,828,272	3,648,343	3,828,272	3,648,343
Electric	-	-	31,952,924	29,730,644	31,952,924	29,730,644
Sanitation	-	-	1,913,821	2,012,855	1,913,821	2,012,855
Storm water	-	-	1,081,718	1,089,434	1,081,718	1,089,434
Total expenses	18,774,885	17,361,418	47,307,498	44,936,370	66,082,383	62,297,788
Increase in net position before transfers	3,884,357	3,219,988	4,111,293	1,936,339	7,995,650	5,156,327
Transfers	(1,147,674)	(744,229)	1,147,674	744,229	-	-
Change in net position	2,736,683	2,475,759	5,258,967	2,680,568	7,995,650	5,156,327
Net position at beginning of year	47,907,778	45,432,019	78,624,876	75,944,308	126,532,654	121,376,327
Net position at end of year	\$ 50,644,461	\$ 47,907,778	\$ 83,883,843	\$ 78,624,876	\$ 134,528,304	\$ 126,532,654

CITY OF WADSWORTH, OHIO

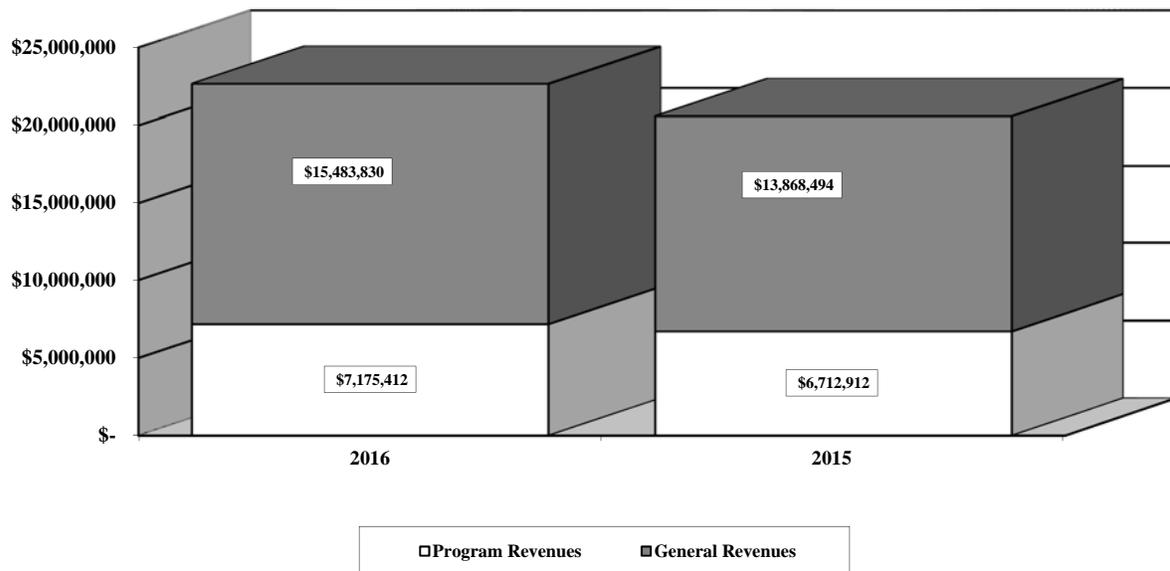
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

Governmental Activities

Governmental activities net position increased \$2,736,683 in 2016.

General revenues totaled \$15,483,830, and amounted to 68.33% of total governmental revenues. These revenues primarily consist of income, property and other local tax revenue of \$13,605,921 which is 14.52% higher than 2015. This increase resulted from 2016 growth and timing of collections in 2015 from a change in the third party administrator for the collection of income tax. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government funds, making up \$909,328. The City received \$1,932,178 in operating grants and contributions, primarily from the State and Federal government.

Governmental Activities - General and Program Revenues



The dependence upon general revenues for governmental activities is apparent, with 64.06% of expenses supported through taxes and other general revenues.

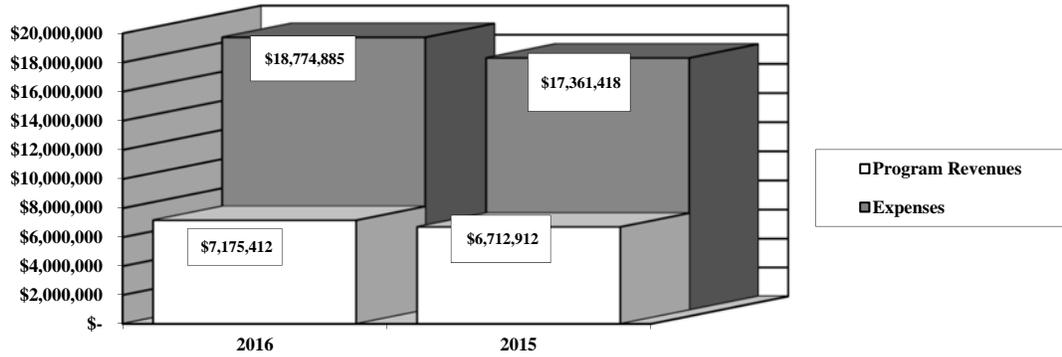
Security of persons and property, which primarily supports the operations of the police, fire, and EMS departments, accounted for \$6,645,484 or 35.40% of the total governmental expenses. These expenses were partially funded by \$1,429,331 in direct charges to users of the services and \$33,613 in operating grants and contributions. Transportation expenses totaled \$3,696,010 or 19.69% of total governmental expenses. These expenses were partially funded by \$363,561 in direct charges to users of the services, \$1,420,417 in operating grants and contributions, and \$477,433 in capital grants and contributions.

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

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

Governmental Activities - Program Revenues vs. Total Expenses



Program expenses for security of persons and property decreased \$1,324,104 or 16.61% from 2015. This was a result of less pension expense in 2016. The amount of general revenues used to support this service was \$5,182,540 or 33.47%. Leisure time service costs increased \$1,008,916 or 110.56% as a result of capital outlay and a transfer to an agency fund to pay liability outstanding for construction of the community center. The amount of general revenues used to support this service was \$1,412,201 or 9.27%.

Governmental Activities

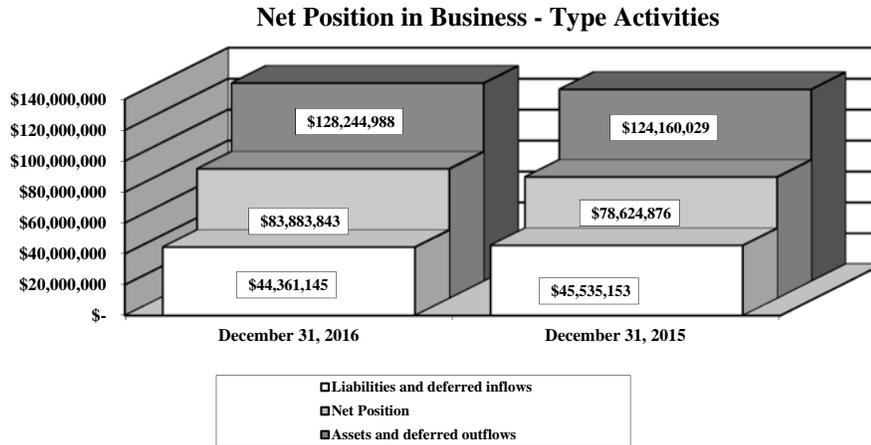
	Total Cost of Services <u>2016</u>	Total Cost of Services <u>2015</u>	Net Cost of Services <u>2016</u>	Net Cost of Services <u>2015</u>
Program Expenses:				
General government	\$ 3,673,205	\$ 2,819,321	\$ 1,766,038	\$ 2,102,275
Security of persons and property	6,645,484	7,969,588	5,182,540	6,708,827
Public health and welfare	130,369	121,952	112,262	98,044
Transportation	3,696,010	3,110,416	1,434,599	524,139
Leisure time services	2,440,724	1,431,808	1,412,201	258,642
Community and economic development	1,252,104	1,159,127	754,844	207,373
Interest and fiscal charges	<u>936,989</u>	<u>749,206</u>	<u>936,989</u>	<u>749,206</u>
Total Expenses	<u>\$ 18,774,885</u>	<u>\$ 17,361,418</u>	<u>\$ 11,599,473</u>	<u>\$ 10,648,506</u>

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Business-type Activities

Business-type activities include the storm water, telecom, sewer, water, electric and sanitation enterprise funds. These programs had program revenues of \$51,147,469 and expenses of \$47,307,498 for 2016. The graph below shows the business-type activities assets, liabilities and net position at year-end 2016 and 2015.



Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at year-end.

The City's governmental funds (as presented on the balance sheet on page 24) reported a combined fund balance of \$14,276,656 which is \$3,230,436 less than last year's total of \$17,507,092. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2016 for all major and nonmajor governmental funds.

	Fund Balances <u>12/31/16</u>	Fund Balances <u>12/31/15</u>	Increase (Decrease)
General	\$ 6,290,474	\$ 6,282,470	\$ 8,004
Other nonmajor governmental funds	<u>7,986,182</u>	<u>11,224,622</u>	<u>(3,238,440)</u>
Total	<u>\$ 14,276,656</u>	<u>\$ 17,507,092</u>	<u>\$ (3,230,436)</u>

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

The decrease in fund balance for other nonmajor governmental funds was a result of less income tax dollars being allocated to other governmental funds and increased capital outlay.

General Fund

The City's general fund balance increased \$8,004. The table that follows assists in illustrating the revenues of the general fund.

	<u>2016</u>	<u>2015</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Revenues</u>			
Taxes	\$ 8,250,096	\$ 6,845,826	20.51 %
Charges for services	437,204	214,035	104.27 %
Licenses and permits	492,599	500,437	(1.57) %
Fines and forfeitures	418,720	444,316	(5.76) %
Investment income	249,689	179,246	39.30 %
Intergovernmental	816,162	626,284	30.32 %
Other	<u>183,744</u>	<u>174,978</u>	5.01 %
 Total	 <u>\$ 10,848,214</u>	 <u>\$ 8,985,122</u>	 20.74 %

Tax revenue represents 76.05% of all general fund revenue.

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

	<u>2016</u>	<u>2015</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Expenditures</u>			
General government	\$ 3,108,084	\$ 3,234,892	(3.92) %
Security of persons and property	4,822,042	4,904,772	(1.69) %
Public health	121,906	119,332	2.16 %
Community and economic development	285,193	272,277	4.74 %
Leisure time services	1,812,318	1,191,095	52.16 %
Transportation	210	93	125.81 %
Capital outlay	-	14,462	(100.00) %
Debt service	<u>6,399</u>	<u>6,450</u>	(0.79) %
 Total	 <u>\$ 10,156,152</u>	 <u>\$ 9,743,373</u>	 4.24 %

Total expenditures increased 4.24% from 2015.

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. From time to time during the year, the fund's budget may be amended as needs of conditions change.

The City made several revisions to the original appropriations approved by City Council. Overall, these changes resulted in an increase of \$1,050,075 from the original budgeted expenditures and other financing uses to the final budgeted expenditures and other financing uses. The increase was primarily for transfers to other funds. The City's general fund actual expenditures were 19.75% less than the final appropriations, excluding advances out, which are not legally required to be budgeted. Furthermore, the City's budgeting philosophy is conservative, as we budget expenditures higher than expected.

The City's actual revenues, excluding other financing sources, were \$933,938 or 9.68% greater than budgeted revenues. This was primarily due to an increase in income tax revenues.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds and internal balances due from governmental activities for internal service activities.

The storm water fund had operating revenues of \$861,624 and operating expenses of \$1,047,280 in 2016. The storm water fund also had non-operating expense of \$34,489, transfers in \$1,671, and capital contributions of \$1,032,013. The net increase in net position for the storm water fund was \$813,539 or 6.28%.

The telecom fund had operating revenues of \$5,250,383 and operating expenses of \$4,967,954 in 2016. The telecom fund also had net non-operating revenues of \$5,235, non-operating expenses of \$4,937 and transfers in of \$5,356. The net increase in net position for the telecom fund was \$288,083 or 20.62%.

The sewer fund had operating revenues of \$4,088,798 and operating expenses of \$3,104,898 in 2016. The sewer fund also had non-operating revenues of \$903, non-operating expenses of \$470,624, and transfers in of \$14,387. The net increase in net position for the sewer fund was \$528,566 or 3.83%.

The water fund had operating revenues of \$4,201,249 and operating expenses of \$3,359,576 in 2016. The water fund also had non-operating expenses of \$478,653, transfers in of \$24,666, and capital contributions of \$876,439. The net increase in net position for the water fund was \$1,264,125 or 7.56%.

The electric fund had operating revenues of \$33,209,245 and operating expenses of \$31,692,221 in 2016. The electric fund also had non-operating revenues of \$9,641 and non-operating expenses of \$294,554. The electric fund also transfers in of \$430,235. The net increase in net position for the electric fund was \$1,662,346 or 5.31%.

The sanitation fund had operating revenues of \$2,550,546 and operating expenses of \$1,913,060 in 2016. The sanitation fund also had transfers in of \$4,074 and non-operating expenses of \$9,133. The net increase in net position for the sanitation fund was \$632,427 or 40.81%. This was a result of decreased contractual services for disposal.

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Capital Assets and Debt Administration

Capital Assets

At the end of 2016, the City had \$151,733,789 (net of accumulated depreciation) invested in land, construction in progress, land improvements, buildings, equipment, vehicles, intangible assets and infrastructure. Of this total, \$59,353,560 was reported in governmental activities and \$92,380,229 was reported in business-type activities. The following table shows 2016 capital asset balances compared to 2015:

**Capital Assets at December 31
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 8,274,311	\$ 8,157,829	\$ 992,627	\$ 985,797	\$ 9,266,938	\$ 9,143,626
Construction in progress	4,474,538	2,731,421	391,112	1,702,335	4,865,650	4,433,756
Intangible assets	17,404,950	17,822,771	569,818	642,561	17,974,768	18,465,332
Land improvements	1,942,209	955,552	131,950	136,734	2,074,159	1,092,286
Buildings	6,302,364	6,312,937	13,684,182	14,002,409	19,986,546	20,315,346
Equipment	1,027,594	1,055,326	9,168,029	7,880,318	10,195,623	8,935,644
Vehicles	1,609,618	1,620,075	2,932,418	2,552,727	4,542,036	4,172,802
Infrastructure	<u>18,317,976</u>	<u>16,510,889</u>	<u>64,510,093</u>	<u>64,007,869</u>	<u>82,828,069</u>	<u>80,518,758</u>
Totals	<u>\$ 59,353,560</u>	<u>\$ 55,166,800</u>	<u>\$ 92,380,229</u>	<u>\$ 91,910,750</u>	<u>\$ 151,733,789</u>	<u>\$ 147,077,550</u>

The City's largest capital asset category is infrastructure which includes roads, water lines, electric lines and sewer lines. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 54.59% of the City's total capital assets. See Note 12 to the basic financial statements for additional capital asset detail.

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2016 and 2015:

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Revenue bonds	\$ 17,630,000	\$ 16,535,000
Police and fire past service costs	<u>79,258</u>	<u>82,040</u>
Total long-term obligations	<u>\$ 17,709,258</u>	<u>\$ 16,617,040</u>
	<u>Business-type Activities</u>	
	<u>2016</u>	<u>2015</u>
General obligation bonds	\$ 8,945,000	\$ 9,505,000
OWDA loans	14,420,133	15,501,615
OPWC loans	78,432	84,034
AMP stranded costs	3,894,944	4,463,785
AMP Loan	<u>3,094,689</u>	<u>3,718,689</u>
Total long-term obligations	<u>\$ 30,433,198</u>	<u>\$ 33,273,123</u>

See Note 16 to the basic financial statements for detail on the City's long-term obligations.

Economic Factors

The City's annual budget utilizes conservative revenue estimates combined with limited spending increases. Residential citizens and businesses enjoy a wide range of utility services at competitive and sometimes below market prices. In tough economic times, the City strives to maintain services with minimal fee increases. The level of services remained consistent in 2016.

In 2016, the City change third party administrator's for the collection of income tax resulting in lower contractual services cost of about \$90,000 in the first year. Income tax revenues increased from compliance and economic growth within the community, both residential and industrial. The assessed valuation of the City increased by \$5,656,370 from 2015 due to residential, commercial and industrial sales and growth.

City council and administration continues to pursue new revenue sources, while reviewing the possibility of increasing existing revenue sources, in addition to a continued review of reducing expenditures. City council and administration seeks out ways to attract new businesses to Wadsworth through continued enhancements to utility services. A close watch of current economic conditions is ongoing to determine if increased revenues, or further reductions in expenditures, are necessary in order to maintain fiscal stability.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers and investors and creditors with a general overview of the city's finances and to show the city's accountability for the money it receives. Additional information about the City is available on our website www.wadsworthcity.org. If you have questions about this report or need additional financial information, please contact the Finance Office of Catherine C. Fix, City of Wadsworth, 120 Maple Street, Wadsworth, OH 44281, (330) 335-2746, cityauditor@wadsworthcity.org.

**BASIC
FINANCIAL STATEMENTS**

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**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents . . .	\$ 14,514,217	\$ 22,506,802	\$ 37,021,019
Cash with fiscal and escrow agents.	-	1,472	1,472
Cash in segregated accounts.	6,326	-	6,326
Receivables:			
Income taxes.	3,828,141	-	3,828,141
Real and other taxes	2,359,943	-	2,359,943
Accounts.	693,766	6,620,914	7,314,680
Special assessments	23,114	-	23,114
Due from other governments.	1,757,039	32,663	1,789,702
Materials and supplies inventory.	788,962	3,075,337	3,864,299
Prepayments	183,458	214,692	398,150
AMPGS plant held for future use credit . . .	-	1,044,693	1,044,693
Net pension asset.	23,121	20,300	43,421
AFEC development costs receivable.	-	884,860	884,860
Investment in joint venture	-	1,169,539	1,169,539
Internal balance	2,190,722	(2,190,722)	-
Capital assets:			
Land and construction in progress.	12,748,849	1,383,739	14,132,588
Depreciable capital assets, net.	46,604,711	90,996,490	137,601,201
Total capital assets, net.	<u>59,353,560</u>	<u>92,380,229</u>	<u>151,733,789</u>
Total assets	<u>85,722,369</u>	<u>125,760,779</u>	<u>211,483,148</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	1,468,749	-	1,468,749
Pension.	5,933,992	2,484,209	8,418,201
Total deferred outflows of resources	<u>7,402,741</u>	<u>2,484,209</u>	<u>9,886,950</u>
Total assets and deferred outflows of resources .	<u>93,125,110</u>	<u>128,244,988</u>	<u>221,370,098</u>
Liabilities:			
Accounts payable.	336,428	2,534,944	2,871,372
Contracts payable.	97,776	12,804	110,580
Accrued wages and benefits payable	330,093	169,357	499,450
Due to other governments	84,099	145,026	229,125
Accrued interest payable	55,543	38,255	93,798
Matured interest payable	128	1,472	1,600
Notes payable.	2,425,250	3,034,750	5,460,000
Claims payable.	525,878	-	525,878
Long-term liabilities:			
Due within one year	631,014	3,166,553	3,797,567
Net pension liability.	15,764,462	6,441,466	22,205,928
Other amounts due in more than one year. .	19,712,186	28,644,411	48,356,597
Total liabilities	<u>39,962,857</u>	<u>44,189,038</u>	<u>84,151,895</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year. . .	2,298,117	-	2,298,117
Pension.	219,675	172,107	391,782
Total deferred inflows of resources	<u>2,517,792</u>	<u>172,107</u>	<u>2,689,899</u>
Total liabilities and deferred inflows of resources.	<u>42,480,649</u>	<u>44,361,145</u>	<u>86,841,794</u>
Net position:			
Net investment in capital assets.	40,055,196	65,930,713	105,985,909
Restricted for:			
Debt service	39,253	-	39,253
Capital projects	4,856,080	-	4,856,080
Transportation projects	1,301,005	-	1,301,005
Community improvements.	389,014	-	389,014
Emergency medical services.	1,149,583	-	1,149,583
Fire.	21,379	-	21,379
Police.	336,994	-	336,994
Municipal court.	880,150	-	880,150
Unrestricted (deficit).	1,615,807	17,953,130	19,568,937
Total net position	<u>\$ 50,644,461</u>	<u>\$ 83,883,843</u>	<u>\$ 134,528,304</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Current:				
General government.	\$ 3,673,205	\$ 995,222	\$ 6,703	\$ 905,242
Security of persons and property	6,645,484	1,429,331	33,613	-
Public health.	130,369	18,107	-	-
Transportation.	3,696,010	363,561	1,420,417	477,433
Leisure time services.	2,440,724	926,673	101,850	-
Community and economic development.	1,252,104	127,665	369,595	-
Interest and fiscal charges.	936,989	-	-	-
Total governmental activities	<u>18,774,885</u>	<u>3,860,559</u>	<u>1,932,178</u>	<u>1,382,675</u>
Business-type activities:				
Telecom.	4,959,269	5,248,649	-	-
Sewer.	3,571,494	4,088,798	-	-
Water.	3,828,272	4,077,047	-	613,978
Electric.	31,952,924	33,086,099	-	-
Sanitation	1,913,821	2,544,085	-	-
Storm Water	1,081,718	861,624	-	627,189
Total business-type activities	<u>47,307,498</u>	<u>49,906,302</u>	<u>-</u>	<u>1,241,167</u>
Total primary government.	<u>\$ 66,082,383</u>	<u>\$ 53,766,861</u>	<u>\$ 1,932,178</u>	<u>\$ 2,623,842</u>

General revenues:

Property and other local taxes levied for:

- General purposes
- Capital projects.
- Emergency medical services.
- Other.

Income taxes for:

- General purposes
- Capital projects.
- Debt service.
- Special revenue funds.

Payments in lieu of taxes

Grants and entitlements not restricted
to specific programs

Investment earnings

Miscellaneous

Total general revenues

Transfers

Total general revenues and transfers.

Change in net position

Net position at beginning of year.

Net position at end of year.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (1,766,038)	\$ -	\$ (1,766,038)
(5,182,540)	-	(5,182,540)
(112,262)	-	(112,262)
(1,434,599)	-	(1,434,599)
(1,412,201)	-	(1,412,201)
(754,844)	-	(754,844)
(936,989)	-	(936,989)
<u>(11,599,473)</u>	<u>-</u>	<u>(11,599,473)</u>
-	289,380	289,380
-	517,304	517,304
-	862,753	862,753
-	1,133,175	1,133,175
-	630,264	630,264
-	407,095	407,095
<u>-</u>	<u>3,839,971</u>	<u>3,839,971</u>
<u>(11,599,473)</u>	<u>3,839,971</u>	<u>(7,759,502)</u>
1,941,290	-	1,941,290
105,388	-	105,388
934,032	-	934,032
113,600	-	113,600
7,765,253	-	7,765,253
1,384,587	-	1,384,587
120,700	-	120,700
1,241,071	-	1,241,071
492,917	-	492,917
909,328	-	909,328
249,689	53	249,742
225,975	271,269	497,244
<u>15,483,830</u>	<u>271,322</u>	<u>15,755,152</u>
<u>(1,147,674)</u>	<u>1,147,674</u>	<u>-</u>
<u>14,336,156</u>	<u>1,418,996</u>	<u>15,755,152</u>
2,736,683	5,258,967	7,995,650
47,907,778	78,624,876	126,532,654
<u>\$ 50,644,461</u>	<u>\$ 83,883,843</u>	<u>\$ 134,528,304</u>

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents . . .	\$ 2,879,278	\$ 9,826,251	\$ 12,705,529
Cash in segregated accounts.	6,326	-	6,326
Receivables:			
Income taxes.	2,844,693	983,448	3,828,141
Real and other taxes	1,254,825	1,105,118	2,359,943
Accounts.	47,534	646,232	693,766
Special assessments	-	23,114	23,114
Interfund loans.	2,798,048	3,682,327	6,480,375
Due from other governments.	243,023	1,514,016	1,757,039
Materials and supplies inventory.	181,663	286,999	468,662
Prepayments	61,929	35,770	97,699
Total assets	\$ 10,317,319	\$ 18,103,275	\$ 28,420,594
Liabilities:			
Accounts payable.	\$ 17,665	\$ 302,942	\$ 320,607
Contracts payable.	-	97,776	97,776
Accrued wages and benefits payable	221,076	81,702	302,778
Compensated absences payable	-	37,406	37,406
Interfund loans payable.	8,000	3,661,538	3,669,538
Due to other governments	56,455	22,728	79,183
Matured interest payable	-	128	128
Accrued interest payable	-	9,122	9,122
Bond anticipation notes payable	-	2,425,250	2,425,250
Total liabilities	303,196	6,638,592	6,941,788
Deferred inflows of resources:			
Property taxes levied for the next fiscal year. . .	1,221,954	1,076,163	2,298,117
Delinquent property tax revenue not available. . .	32,871	28,955	61,826
Special assessments revenue not available.	-	23,114	23,114
Miscellaneous revenue not available.	550	508,218	508,768
Income tax revenue not available	2,258,282	780,719	3,039,001
Intergovernmental revenue not available	209,992	1,061,332	1,271,324
Total deferred inflows of resources	3,723,649	3,478,501	7,202,150
Fund balances:			
Nonspendable	3,041,640	322,769	3,364,409
Restricted.	-	9,485,052	9,485,052
Committed	-	2,515,396	2,515,396
Assigned	77,857	-	77,857
Unassigned (deficit)	3,170,977	(4,337,035)	(1,166,058)
Total fund balances.	6,290,474	7,986,182	14,276,656
Total liabilities, deferred inflows of resources and fund balances	\$ 10,317,319	\$ 18,103,275	\$ 28,420,594

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2016

Total governmental fund balances		\$	14,276,656
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities (excluding internal service funds capital assets) are not financial resources and therefore are not reported in the funds.			58,857,389
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Income taxes receivable	\$	3,039,001	
Real and other taxes receivable		61,826	
Accounts receivable		508,768	
Intergovernmental receivable		1,271,324	
Special assessments receivable		23,114	
Total		4,904,033	4,904,033
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.			812,106
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(46,421)
Unamortized premiums on bond issuances are not recognized in the governmental funds.			(585,337)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.			1,468,749
The net pension asset is not available to pay for current period expenditures; therefore, the asset is not reported in the governmental funds.			20,215
The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows are not reported in governmental funds.			(9,459,124)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		(1,894,547)	
Police past service costs		(79,258)	
Revenue bonds payable		(17,630,000)	
Total		(19,603,805)	(19,603,805)
Net position of governmental activities		\$	50,644,461

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Income taxes	\$ 6,321,676	\$ 2,350,728	\$ 8,672,404
Real and other taxes	1,928,420	1,143,166	3,071,586
Charges for services	437,204	1,443,790	1,880,994
Licenses and permits	492,599	39,600	532,199
Fines and forfeitures	418,720	122,988	541,708
Intergovernmental	816,162	2,456,047	3,272,209
Special assessments	3,174	162,668	165,842
Investment income	249,689	361	250,050
Rental income	26,703	489,609	516,312
Contributions and donations	1,565	129,221	130,786
Refunds and reimbursements	148,355	-	148,355
Payments in lieu of taxes	-	492,917	492,917
Other	3,947	173,450	177,397
Total revenues	10,848,214	9,004,545	19,852,759
Expenditures:			
Current:			
General government	3,108,084	210,588	3,318,672
Security of persons and property	4,822,042	1,711,931	6,533,973
Public health	121,906	8,499	130,405
Transportation	210	2,979,220	2,979,430
Leisure time services	1,812,318	369,531	2,181,849
Community and economic development	285,193	952,258	1,237,451
Capital outlay	-	5,680,229	5,680,229
Debt service:			
Principal retirement	2,782	-	2,782
Interest and fiscal charges	3,617	634,231	637,848
Bond issuance costs	-	196,717	196,717
Total expenditures	10,156,152	12,743,204	22,899,356
Excess (deficiency) of revenues over (under) expenditures	692,062	(3,738,659)	(3,046,597)
Other financing sources (uses):			
Bond issuance	-	17,630,000	17,630,000
Sale of capital assets	47,120	66,008	113,128
Payment to refunded bond escrow agent	-	(18,037,257)	(18,037,257)
Transfers in	-	251,299	251,299
Transfers (out)	(731,178)	(8,522)	(739,700)
Premium on bond issuance	-	598,691	598,691
Total other financing sources (uses)	(684,058)	500,219	(183,839)
Net change in fund balances	8,004	(3,238,440)	(3,230,436)
Fund balances at beginning of year	6,282,470	11,224,622	17,507,092
Fund balances at end of year	\$ 6,290,474	\$ 7,986,182	\$ 14,276,656

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Net change in fund balances - total governmental funds	\$	(3,230,436)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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 outlays exceeds depreciation expense in the current period.		
Capital asset additions	\$ 5,426,971	
Capital asset contributions	477,433	
Current year depreciation	<u>(1,733,508)</u>	
Total		4,170,896
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(40,546)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	1,839,207	
Real and other taxes	22,724	
Intergovernmental revenues	402,673	
Special assessments	(23,761)	
Charges for services	<u>12,261</u>	
Total		2,253,104
Proceeds of bonds are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.		
		(17,630,000)
Payment to refunded bond escrow agent for the retirement of bonds is an other use in the governmental funds but the payment reduces long-term liabilities on the statement of net position. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities. The following refunding transactions occurred during the year:		
Bonds refunded	16,535,000	
Deferred charges on refundings	<u>1,502,257</u>	
Total		18,037,257
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		2,782
Premiums on general obligation bonds are recognized as other financing sources in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.		
		(598,691)
In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.		
Decrease in accrued interest payable	10,776	
Amortization of deferred amounts on refunding	(33,508)	
Amortization of bond premiums and discounts	<u>(74,854)</u>	
Total		(97,586)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(147,779)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		1,174,522
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(1,221,686)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		<u>64,846</u>
Change in net position of governmental activities	\$	<u>2,736,683</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Income taxes	\$ 5,790,173	\$ 5,790,173	\$ 6,440,859	\$ 650,686
Real and other taxes	1,897,460	1,906,736	1,928,420	21,684
Charges for services	205,043	204,412	390,408	185,996
Licenses and permits	183,000	183,000	173,219	(9,781)
Fines and forfeitures	550,500	550,500	414,001	(136,499)
Intergovernmental	685,178	692,402	818,290	125,888
Special assessments	7,000	7,000	3,174	(3,826)
Investment income	186,621	186,621	249,689	63,068
Rental income	25,798	25,798	26,403	605
Contributions and donations	400	400	1,565	1,165
Refunds and Reimbursements	114,760	114,760	148,355	33,595
Other	1,850	2,481	3,838	1,357
Total Revenues	<u>9,647,783</u>	<u>9,664,283</u>	<u>10,598,221</u>	<u>933,938</u>
Expenditures:				
<i>Current:</i>				
General Government				
Council				
Personal services	78,409	78,409	75,743	2,666
Other	26,157	27,757	11,142	16,615
Total - council	<u>104,566</u>	<u>106,166</u>	<u>86,885</u>	<u>19,281</u>
Mayor				
Personal services	202,432	202,432	187,499	14,933
Other	143,329	162,329	102,935	59,394
Total - mayor	<u>345,761</u>	<u>364,761</u>	<u>290,434</u>	<u>74,327</u>
Auditor				
Personal services	333,432	333,432	317,971	15,461
Other	1,068,907	1,068,907	1,063,663	5,244
Total - auditor	<u>1,402,339</u>	<u>1,402,339</u>	<u>1,381,634</u>	<u>20,705</u>
Treasurer				
Personal services	22,039	22,039	21,600	439
Other	27,292	27,292	23,925	3,367
Total - treasurer	<u>49,331</u>	<u>49,331</u>	<u>45,525</u>	<u>3,806</u>
Law Director				
Personal services	189,879	189,879	180,582	9,297
Other	8,676	8,676	6,694	1,982
Total - law director	<u>198,555</u>	<u>198,555</u>	<u>187,276</u>	<u>11,279</u>
Service Director				
Personal services	681,469	681,469	619,368	62,101
Other	134,205	134,502	101,647	32,855
Total - service director	<u>815,674</u>	<u>815,971</u>	<u>721,015</u>	<u>94,956</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

- - Continued

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Municipal Court				
Personal services	460,191	460,191	444,799	15,392
Other	76,020	76,020	37,345	38,675
Total - municipal court	<u>536,211</u>	<u>536,211</u>	<u>482,144</u>	<u>54,067</u>
Records Commission				
Personal services	2,103	2,103	2,103	-
Other	1,100	1,100	160	940
Total - council clerk	<u>3,203</u>	<u>3,203</u>	<u>2,263</u>	<u>940</u>
Total General Government	<u>3,455,640</u>	<u>3,476,537</u>	<u>3,197,176</u>	<u>279,361</u>
Security of Persons & Property				
Security of Persons & Property				
Personal services	4,670,619	4,670,619	4,456,908	213,711
Other	623,581	626,066	510,383	115,683
Total Security of Persons & Property	<u>5,294,200</u>	<u>5,296,685</u>	<u>4,967,291</u>	<u>329,394</u>
Public Health				
Service Director				
Other	161,611	162,218	122,404	39,814
Total Public Health	<u>161,611</u>	<u>162,218</u>	<u>122,404</u>	<u>39,814</u>
Leisure Time Services				
Service Director				
Personal services	751,982	751,982	683,456	68,526
Other	403,092	404,605	305,301	99,304
Total Leisure Time Services	<u>1,155,074</u>	<u>1,156,587</u>	<u>988,757</u>	<u>167,830</u>
Community and Economic Development				
Service Director				
Personal services	258,395	258,395	234,848	23,547
Other	68,344	68,601	51,764	16,837
Total Community and Economic Development	<u>326,739</u>	<u>326,996</u>	<u>286,612</u>	<u>40,384</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

- - Continued

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Debt Service				
Principal retirement	9,220	9,282	3,367	5,915
Interest and fiscal charges	4,019	3,957	3,457	500
Total - debt service	<u>13,239</u>	<u>13,239</u>	<u>6,824</u>	<u>6,415</u>
Total Expenditures	<u>10,406,503</u>	<u>10,432,262</u>	<u>9,569,064</u>	<u>863,198</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(758,720)</u>	<u>(767,979)</u>	<u>1,029,157</u>	<u>1,797,136</u>
Other financing sources (uses):				
Transfers in	6,860	6,860	-	(6,860)
Transfers out	(207,135)	(1,231,451)	(1,231,451)	-
Advances in	-	-	838,741	838,741
Advances out	-	-	(1,508,264)	(1,508,264)
Sale of assets	-	-	47,119	47,119
Total Other Financing Sources (Uses)	<u>(200,275)</u>	<u>(1,224,591)</u>	<u>(1,853,855)</u>	<u>(629,264)</u>
Net change in fund balances	(958,995)	(1,992,570)	(824,698)	1,167,872
Fund balances at beginning of year (restated)	4,541,796	4,541,796	4,541,796	-
Prior year encumbrances appropriated	137,709	137,709	137,709	-
Fund balance at end of year	<u>\$ 3,720,510</u>	<u>\$ 2,686,935</u>	<u>\$ 3,854,807</u>	<u>\$ 1,167,872</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016

Business-type Activities - Enterprise Funds

	Storm Water	Telecom	Sewer	Water
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 220,272	\$ 1,363,878	\$ 1,693,989	\$ 4,282,664
Cash with fiscal and escrow agents.	-	-	-	1,472
Receivables:				
Accounts.	126,697	886,256	546,485	417,186
Interfund loans.	82,156	498,869	633,538	1,199,369
Due from other governments.	-	-	-	-
Materials and supplies inventory.	-	-	65,829	158,053
Prepayments	-	24,940	17,303	29,319
Total current assets	<u>429,125</u>	<u>2,773,943</u>	<u>2,957,144</u>	<u>6,088,063</u>
Noncurrent assets:				
AMPGS plant held for future use credit	-	-	-	-
AFEC development costs receivable.	-	-	-	-
Investment in joint venture	-	-	-	-
Net pension asset.	275	2,547	2,503	3,612
Capital assets:				
Land and construction in progress.	44,387	175,562	113,795	860,539
Depreciable capital assets, net.	15,005,617	689,531	28,396,170	24,377,611
Total capital assets, net.	<u>15,050,004</u>	<u>865,093</u>	<u>28,509,965</u>	<u>25,238,150</u>
Total noncurrent assets	<u>15,050,279</u>	<u>867,640</u>	<u>28,512,468</u>	<u>25,241,762</u>
Total assets	<u>15,479,404</u>	<u>3,641,583</u>	<u>31,469,612</u>	<u>31,329,825</u>
Deferred outflows of resources:				
Pension.	33,611	311,686	306,351	442,045
Total deferred outflows of resources	<u>33,611</u>	<u>311,686</u>	<u>306,351</u>	<u>442,045</u>
Total assets and deferred outflows of resources	<u>15,513,015</u>	<u>3,953,269</u>	<u>31,775,963</u>	<u>31,771,870</u>
Liabilities:				
Current liabilities:				
Accounts payable.	2,188	248,301	160,487	34,937
Contracts payable.	-	-	-	12,804
Accrued wages and benefits payable	1,650	22,655	20,142	27,875
Due to other governments	6,410	7,903	11,786	19,477
Interfund loans payable.	606,282	763,000	556,000	2,779,379
Accrued interest payable	2,282	233	1,733	33,857
Compensated absences payable - current.	1,256	46,109	29,234	52,159
Matured interest payable	-	-	-	1,472
General obligation bonds payable	61,069	-	-	477,476
OWDA loans payable	-	-	1,115,943	-
OPWC loans payable	5,602	-	-	-
AMP loan payable - current.	-	-	-	-
Notes payable	369,500	177,500	1,322,500	1,165,250
Claims payable.	-	-	-	-
Stranded costs payable - current.	-	-	-	-
Total current liabilities	<u>1,056,239</u>	<u>1,265,701</u>	<u>3,217,825</u>	<u>4,604,686</u>
Long-term liabilities:				
Compensated absences payable	4,706	172,833	109,578	195,508
General obligation bonds payable	522,483	-	-	7,809,148
OWDA loans payable	-	-	13,304,190	-
OPWC loans payable	72,830	-	-	-
AMP loan payable.	-	-	-	-
Stranded costs payable.	-	-	-	-
Net pension liability	87,152	808,191	794,358	1,146,207
Total long-term liabilities	<u>687,171</u>	<u>981,024</u>	<u>14,208,126</u>	<u>9,150,863</u>
Total liabilities	<u>1,743,410</u>	<u>2,246,725</u>	<u>17,425,951</u>	<u>13,755,549</u>
Deferred inflows of resources:				
Pension.	2,329	21,594	21,224	30,625
Total deferred inflows of resources	<u>2,329</u>	<u>21,594</u>	<u>21,224</u>	<u>30,625</u>
Total liabilities and deferred inflows of resources.	<u>1,745,739</u>	<u>2,268,319</u>	<u>17,447,175</u>	<u>13,786,174</u>
Net position:				
Net investment in capital assets.	14,096,952	687,593	12,767,332	15,773,472
Unrestricted.	(329,676)	997,357	1,561,456	2,212,224
Total net position.	<u>\$ 13,767,276</u>	<u>\$ 1,684,950</u>	<u>\$ 14,328,788</u>	<u>\$ 17,985,696</u>

Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.

Net position of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Electric	Sanitation	Total	
\$ 14,284,640	\$ 661,359	\$ 22,506,802	\$ 1,808,688
-	-	1,472	-
4,156,755	487,535	6,620,914	-
2,816,517	256,204	5,486,653	708,888
32,663	-	32,663	-
2,851,455	-	3,075,337	320,300
140,287	2,843	214,692	85,759
<u>24,282,317</u>	<u>1,407,941</u>	<u>37,938,533</u>	<u>2,923,635</u>
1,044,693	-	1,044,693	-
884,860	-	884,860	-
1,169,539	-	1,169,539	-
9,778	1,585	20,300	2,906
188,652	804	1,383,739	-
21,028,287	1,499,274	90,996,490	496,171
<u>21,216,939</u>	<u>1,500,078</u>	<u>92,380,229</u>	<u>496,171</u>
<u>24,325,809</u>	<u>1,501,663</u>	<u>95,499,621</u>	<u>499,077</u>
<u>48,608,126</u>	<u>2,909,604</u>	<u>133,438,154</u>	<u>3,422,712</u>
1,196,528	193,988	2,484,209	355,556
<u>1,196,528</u>	<u>193,988</u>	<u>2,484,209</u>	<u>355,556</u>
<u>49,804,654</u>	<u>3,103,592</u>	<u>135,922,363</u>	<u>3,778,268</u>
2,089,031	-	2,534,944	15,821
-	-	12,804	-
86,537	10,498	169,357	27,315
38,337	61,113	145,026	4,916
3,671,191	243,500	8,619,352	387,026
150	-	38,255	-
134,730	18,914	282,402	24,567
-	-	1,472	-
35,551	-	574,096	-
-	-	1,115,943	-
-	-	5,602	-
624,000	-	624,000	-
-	-	3,034,750	-
-	-	-	525,878
564,510	-	564,510	-
<u>7,244,037</u>	<u>334,025</u>	<u>17,722,513</u>	<u>985,523</u>
505,013	70,897	1,058,535	92,085
76,102	-	8,407,733	-
-	-	13,304,190	-
-	-	72,830	-
2,470,689	-	2,470,689	-
3,330,434	-	3,330,434	-
<u>3,102,555</u>	<u>503,003</u>	<u>6,441,466</u>	<u>921,944</u>
<u>9,484,793</u>	<u>573,900</u>	<u>35,085,877</u>	<u>1,014,029</u>
<u>16,728,830</u>	<u>907,925</u>	<u>52,808,390</u>	<u>1,999,552</u>
82,896	13,439	172,107	24,633
<u>82,896</u>	<u>13,439</u>	<u>172,107</u>	<u>24,633</u>
<u>16,811,726</u>	<u>921,364</u>	<u>52,980,497</u>	<u>2,024,185</u>
21,105,286	1,500,078	65,930,713	496,171
11,887,642	682,150	17,011,153	1,257,912
<u>\$ 32,992,928</u>	<u>\$ 2,182,228</u>	<u>82,941,866</u>	<u>\$ 1,754,083</u>
		941,977	
		<u>\$ 83,883,843</u>	

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

Business-type Activities - Enterprise Funds

	Storm Water	Telecom	Sewer	Water
Operating revenues:				
Charges for services	\$ 861,624	\$ 5,248,649	\$ 4,088,798	\$ 4,077,047
Other operating revenues	-	1,734	-	124,202
Total operating revenues.	<u>861,624</u>	<u>5,250,383</u>	<u>4,088,798</u>	<u>4,201,249</u>
Operating expenses:				
Personal services	104,291	948,444	911,018	1,295,408
Contract services.	584,100	3,440,085	1,062,106	1,088,805
Materials and supplies.	51,006	142,735	144,890	270,307
Purchased power.	-	-	-	-
Claims expense	-	-	-	-
Depreciation.	289,921	164,041	962,738	644,932
Other	17,962	272,649	24,146	60,124
Total operating expenses.	<u>1,047,280</u>	<u>4,967,954</u>	<u>3,104,898</u>	<u>3,359,576</u>
Operating income (loss)	<u>(185,656)</u>	<u>282,429</u>	<u>983,900</u>	<u>841,673</u>
Nonoperating revenues (expenses):				
Interest and fiscal charges	(34,489)	(4,937)	(470,624)	(461,162)
Gain (loss) on sale of capital assets	-	5,235	850	(17,491)
Interest income.	-	-	53	-
Investment in joint venture.	-	-	-	-
Total nonoperating revenues (expenses).	<u>(34,489)</u>	<u>298</u>	<u>(469,721)</u>	<u>(478,653)</u>
Income (loss) before contributions and transfers.	<u>(220,145)</u>	<u>282,727</u>	<u>514,179</u>	<u>363,020</u>
Transfer in	1,671	5,356	14,387	24,666
Capital contributions.	1,032,013	-	-	876,439
Change in net position	813,539	288,083	528,566	1,264,125
Net position at beginning of year (restated).	<u>12,953,737</u>	<u>1,396,867</u>	<u>13,800,222</u>	<u>16,721,571</u>
Net position at end of year	<u>\$ 13,767,276</u>	<u>\$ 1,684,950</u>	<u>\$ 14,328,788</u>	<u>\$ 17,985,696</u>

Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.

Change in net position of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
<u>Electric</u>	<u>Sanitation</u>	<u>Total</u>	
\$ 33,086,099	\$ 2,544,085	\$ 49,906,302	\$ 5,837,452
123,146	6,461	255,543	7,929
<u>33,209,245</u>	<u>2,550,546</u>	<u>50,161,845</u>	<u>5,845,381</u>
3,566,240	564,958	7,390,359	1,091,284
1,445,946	1,065,695	8,686,737	1,228,395
579,462	109,587	1,297,987	413,933
22,567,331	-	22,567,331	-
-	-	-	2,857,055
1,941,720	120,538	4,123,890	91,205
1,591,522	52,282	2,018,685	35,320
<u>31,692,221</u>	<u>1,913,060</u>	<u>46,084,989</u>	<u>5,717,192</u>
<u>1,517,024</u>	<u>637,486</u>	<u>4,076,856</u>	<u>128,189</u>
(91,769)	(5,402)	(1,068,383)	(4,838)
9,641	(3,731)	(5,496)	3,364
-	-	53	-
<u>(202,785)</u>	<u>-</u>	<u>(202,785)</u>	<u>-</u>
<u>(284,913)</u>	<u>(9,133)</u>	<u>(1,276,611)</u>	<u>(1,474)</u>
<u>1,232,111</u>	<u>628,353</u>	<u>2,800,245</u>	<u>126,715</u>
430,235	4,074	480,389	8,012
-	-	1,908,452	-
1,662,346	632,427	5,189,086	134,727
<u>31,330,582</u>	<u>1,549,801</u>		<u>1,619,356</u>
<u>\$ 32,992,928</u>	<u>\$ 2,182,228</u>		<u>\$ 1,754,083</u>
		<u>69,881</u>	
		<u>\$ 5,258,967</u>	

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

Business-type Activities - Enterprise Funds

	Storm Water	Telecom	Sewer	Water
Cash flows from operating activities:				
Cash received from customers	\$ 866,465	\$ 5,227,504	\$ 4,048,551	\$ 4,062,401
Cash received from other operations	-	1,734	-	124,202
Cash payments to employees for services	(94,907)	(863,546)	(837,128)	(1,297,865)
Cash payments for goods and services	(641,509)	(3,592,390)	(1,221,853)	(1,311,933)
Cash payments for claims	-	-	-	-
Cash payments for other expenses	(11,830)	(275,038)	(22,990)	(60,124)
Net cash provided by operating activities	<u>118,219</u>	<u>498,264</u>	<u>1,966,580</u>	<u>1,516,681</u>
Cash flows from noncapital financing activities:				
Cash received from transfers in	1,671	5,356	14,387	24,666
Cash used to pay stranded costs	-	-	-	-
Cash received from internal notes	103,137	345,642	695,822	1,239,816
Cash used for internal notes	(82,156)	(498,869)	(633,538)	(1,199,369)
Net cash provided by (used in) noncapital financing activities	<u>22,652</u>	<u>(147,871)</u>	<u>76,671</u>	<u>65,113</u>
Cash flows from capital and related financing activities:				
Sale or transfer of capital assets	-	5,235	850	15,770
Acquisition of capital assets	(9,038)	(390,424)	(514,960)	(573,168)
Proceeds from sale of notes	975,782	940,500	1,878,500	3,944,629
Premium on sale of notes	3,399	1,633	12,167	10,720
Principal payments	(1,125,535)	(414,000)	(3,085,982)	(4,686,525)
Interest and fiscal charges	(39,145)	(6,592)	(482,842)	(475,330)
Net cash provided by (used in) capital and related financing activities	<u>(194,537)</u>	<u>136,352</u>	<u>(2,192,267)</u>	<u>(1,763,904)</u>
Cash flows from investing activities:				
Interest received	-	-	53	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>53</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(53,666)	486,745	(148,963)	(182,110)
Cash and cash equivalents at beginning of year	<u>273,938</u>	<u>877,133</u>	<u>1,842,952</u>	<u>4,466,246</u>
Cash and cash equivalents at end of year	<u>\$ 220,272</u>	<u>\$ 1,363,878</u>	<u>\$ 1,693,989</u>	<u>\$ 4,284,136</u>

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Electric	Sanitation	Total	
\$ 32,728,720	\$ 2,548,453	\$ 49,482,094	\$ 5,837,452
123,146	7,667	256,749	7,929
(3,358,718)	(543,519)	(6,995,683)	(992,547)
(24,299,550)	(1,182,133)	(32,249,368)	(1,692,707)
-	-	-	(2,812,609)
(1,571,558)	(53,389)	(1,994,929)	(35,320)
<u>3,622,040</u>	<u>777,079</u>	<u>8,498,863</u>	<u>312,198</u>
430,235	4,074	480,389	8,012
(247,248)	-	(247,248)	-
2,556,384	313,756	5,254,557	1,050,743
(2,816,517)	(256,204)	(5,486,653)	(1,192,671)
<u>(77,146)</u>	<u>61,626</u>	<u>1,045</u>	<u>(133,916)</u>
10,640	20,100	52,595	4,230
(923,305)	(776,022)	(3,186,917)	(148,481)
3671191	243500	11,654,102	-
-	-	27,919	-
(4,666,807)	(467,500)	(14,446,349)	-
(92,364)	(5,650)	(1,101,923)	(4,838)
<u>(2,000,645)</u>	<u>(985,572)</u>	<u>(7,000,573)</u>	<u>(149,089)</u>
-	-	53	-
-	-	53	-
1,544,249	(146,867)	1,499,388	29,193
12,740,391	808,226	21,008,886	1,779,495
<u>\$ 14,284,640</u>	<u>\$ 661,359</u>	<u>\$ 22,508,274</u>	<u>\$ 1,808,688</u>

- - Continued

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

Business-type Activities - Enterprise Funds

	<u>Storm Water</u>	<u>Telecom</u>	<u>Sewer</u>	<u>Water</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (185,656)	\$ 282,429	\$ 983,900	\$ 841,673
Adjustments:				
Depreciation.	289,921	164,041	962,738	644,932
Changes in assets and liabilities:				
Materials and supplies inventory.	-	-	(7,394)	11,748
Accounts receivable.	4,841	(21,145)	(44,868)	(15,225)
Deferred outflows - pension.	(24,055)	(214,999)	(210,199)	(289,749)
Net pension asset.	(82)	(598)	(565)	(542)
Special assessments receivable.	-	-	4,621	579
Prepayments.	7	8,774	(3,622)	9,964
Accounts payable.	(6,410)	5,551	420,710	11,521
Contracts payable.	-	-	(366,346)	8,721
Accrued wages and benefits.	277	4,405	3,238	4,270
Intergovernmental payable.	6,179	(26,139)	2,993	8,479
Compensated absences payable.	(2,182)	13,618	8,424	(34,196)
Net pension liability.	34,042	270,769	259,912	299,689
Deferred inflows - pension.	1,337	11,558	11,243	14,817
Retainage payable.	-	-	(58,205)	-
Claims payable.	-	-	-	-
Net cash provided by operating activities.	<u>\$ 118,219</u>	<u>\$ 498,264</u>	<u>\$ 1,966,580</u>	<u>\$ 1,516,681</u>

Non-cash transactions:

The Storm Water fund received \$1,032,013 in capital contributions in 2016.

The Telecom fund purchased \$55,065 and \$15,990 in capital assets on account in 2016 and 2015, respectively.

The Sewer fund purchased \$145,486 and \$472,622 in capital assets on account in 2016 and 2015, respectively.

The Water fund received \$876,439 in capital contributions in 2016.

The Electric fund purchased \$9,859 and \$48,707 in capital assets on account in 2016 and 2015, respectively. and recorded \$32,663 in capital grants as a receivable in 2016 and 2015.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Electric	Sanitation	Total	
\$ 1,517,024	\$ 637,486	\$ 4,076,856	\$ 128,189
1,941,720	120,538	4,123,890	91,205
76,787	-	81,141	(47,823)
(357,379)	5,574	(428,202)	-
(804,392)	(128,208)	(1,671,602)	(244,329)
(1,874)	(259)	(3,920)	(664)
-	-	5,200	-
(81,001)	2,681	(63,197)	9,695
310,236	(61,626)	679,982	(14,251)
-	-	(357,625)	-
11,727	212	24,129	6,103
6,355	51,461	49,328	821
37,732	5,235	28,631	22,019
922,913	137,374	1,924,699	303,699
42,192	6,611	87,758	13,088
-	-	(58,205)	-
-	-	-	44,446
<u>\$ 3,622,040</u>	<u>\$ 777,079</u>	<u>\$ 8,498,863</u>	<u>\$ 312,198</u>

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2016
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Agency
Assets:	
Current assets:	
Equity in pooled cash and investments.	\$ 2,143,842
Cash in segregated accounts.	445,253
Restricted assets:	
Equity in pooled cash and investments.	852,860
Total assets	\$ 3,441,955
Liabilities:	
Retainage payable.	\$ 418,800
Deposits held and due to others.	2,170,295
Refundable deposits.	852,860
Total liabilities	\$ 3,441,955

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1 - DESCRIPTION OF THE CITY

The City of Wadsworth, Ohio, (the "City") was incorporated in 1866 under the laws of the State of Ohio. The City operates under the Mayor-Council form of government.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City.

For the City of Wadsworth this includes police and fire-fighting forces, emergency medical services, sewage and water treatment plants, an electric utility, a cable utility, an internet utility, a street maintenance department, a parks and recreation system, a community access television program, a trash collection service, an airport, planning and zoning, and a staff to provide the necessary support for these services. The City also includes a municipal court with a jurisdiction extending beyond the boundaries of the City. These service departments and the Wadsworth Municipal Court are included as part of the primary reporting entity.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's Governing Board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the financial statements incomplete or misleading. The City has no component units.

The City is associated with the Ohio Municipal Electric Generation Agency Joint Venture 1, 2, 5 and 6 and the Woodlawn Union Cemetery, all of which are joint ventures. The City is also associated with the Municipal Energy Services Agency, which is defined as a jointly governed organization. These organizations are presented in Notes 19 and 20.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting-body for establishing governmental accounting and financial principles. The most significant of the City's accounting policies are described below:

A. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

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

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

B. Fund Accounting

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

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

The following is the City’s major governmental fund:

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

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

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

Storm Water Fund - The Storm Water Fund accounts for the regulation of the discharge, distribution and treatment of storm water within the City.

Telecomm Fund - The Telecomm Fund accounts for the provision of cable television and high-speed internet service to the residents and commercial users located within the City.

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

Water Fund - The Water Fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City.

Electric Fund - The Electric Fund accounts for the cost of operating the municipally-owned electric utility and the related revenue from charges for services.

Sanitation Fund - The Sanitation Fund accounts for the provision of trash collection and disposal services for residents and commercial users located within the City and surrounding areas.

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds report on an equipment maintenance garage for city owned vehicles and equipment, an information technology support services department for city owned computers and networks, a self-insurance program for employee medical benefits, an insurance retention for employee liability, and a self-insurance workers' compensation.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The Fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City does not have trust funds. In addition to the other agency funds, three of the agency funds account for municipal court collections that are distributed to various local governments, maintaining the law library, and assisting in payment of individuals' utilities. The City's agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Fund Accounting

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

Fund Financial Statements - All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows and current liabilities and deferred inflows are generally included on the balance sheet.

The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows and in the presentation of expenses versus expenditures.

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, intergovernmental, fines and forfeitures, interest, grants, fees and rentals.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, See Note 13 for deferred outflows of resources related the City's net pension liability. In addition, deferred outflows of resources include a deferred charge on debt refunding. 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, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance 2017 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, See Note 13 for deferred inflows of resources related to the City's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

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

E. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Annual Appropriation Ordinance, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Annual Appropriation Ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. Except for agency funds, all funds are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund, department and object level (personal and other). Any budgetary modifications at this level may only be made by an ordinance of the City Council.

Tax Budget - In July, the City Administration presents the annual Tax Budget for the following 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.

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the Annual Appropriation Ordinance. On or about January 1, the Certificate of Estimated Resources is amended to include unencumbered fund balances at December 31 of the preceding year. The Certificate may be further amended during the year if the Auditor determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amount in the final amended official Certificate of Estimated Resources issued during 2016.

Appropriations - For management, a temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. The Annual Appropriation Ordinance must be passed by April 1 of each year for the period January 1 to December 31. Appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriations at any level of control. Any revisions that alter the appropriations of a fund must first be approved by City Council. Council may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent Certificate of Estimated Resources.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions. Appropriation amounts are as originally adopted, or as amended by City Council throughout the year by supplemental appropriations which either reallocate or increase the original appropriation amounts. During the year, supplemental appropriation measures were legally enacted; however, none of these amendments were significant. The budgetary figures which appear in the statement of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Encumbrances - As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations at the legal level of budgetary control. On the GAAP basis, encumbered amounts will be included in the restricted, committed, and assigned fund balance classifications.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and is not re-appropriated.

F. Cash, Cash Equivalents and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds, including the Proprietary funds, are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the balance sheet.

For purposes of the Statement of Cash Flows and for presentation on the Statement of Net Position/Balance Sheet, investments with original maturities of three months or less at the time they are purchased by the City and investments of the cash management pool are considered to be cash equivalents. Investments with a maturity of more than three months are reported as investments. Nonparticipating investment contracts such as overnight repurchase agreements and nonnegotiable certificates of deposit are reported at cost. Investments other than nonparticipating investment contracts, are reported at fair value which is based on quoted market prices.

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

For 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the City has, by ordinance, specified the funds to receive an allocation of interest earnings. During the year 2016, interest revenue credited to the General Fund amount to \$249,689 which includes \$221,928 assigned from other City funds.

The City utilizes a fiscal agent to hold matured bonds and coupons. The balance in this account is presented on the balance sheet as "Cash with Fiscal and Escrow Agents".

G. Interfund Balances

On fund financial statements, interfund loans are classified as "Interfund Receivable/Payable" on the balance sheet, and are either restricted or committed fund balance. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

H. Inventory

On government-wide and fund financial statements, inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types and proprietary funds when used.

I. Prepaid Items

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

J. Capital Assets

General capital assets are those capital assets which are associated with and generally arise from governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements. Capital assets utilized by the Proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold for all items having a cost of five thousand dollars or more. Exceptions exist for items such as an interest in land, which is always capitalized. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, cable, irrigation systems and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	20 to 75 Years	20 to 75 Years
Buildings	25 to 100 Years	25 to 100 Years
Equipment	3 to 50 Years	3 to 50 Years
Vehicles	8 to 30 Years	8 to 30 Years
Infrastructure	3 to 110 Years	3 to 110 Years
Intangibles	50 Years	50 Years

K. Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributed to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all eligible employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

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

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The non-current portion of the liability is not reported.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

L. Accrued and Long-Term Obligations

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

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

M. Fund Balance

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

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

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of City Council, which includes giving the City Auditor the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

N. Net Position

Net position represents assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. Net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included. 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 the creditors, grantors or laws or regulations of other governments.

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

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Proprietary funds. For the City, these revenues include charges for services for sewer, telecom, water, electric, sanitation, and storm water services. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. Revenues and expenses not meeting those definitions are reported as nonoperating.

P. Contributions of Capital

Contributions of capital in Proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

Q. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

R. 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 Administration and that are either unusual in nature or infrequent in occurrence. The City had neither type of transaction during 2016.

S. 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.

T. Bond Premium and Discount/Accounting Gain or Loss

Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds. Bond discounts are presented as a reduction to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt reported in the government-wide financial statements and in the proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred inflow or deferred outflow of resources

On the governmental fund financial statements, bond premiums and discounts are recognized in the current period. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 16.

U. 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.

V. Fair Value Measurements

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.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2016, the City has implemented GASB Statement No. 72, "Fair Value Measurement and Application", GASB Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 77, "Tax Abatement Disclosures", GASB Statement No. 78, "Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans" and GASB Statement No. 79, "Certain External Investment Pools and Pool Participants".

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The City incorporated the corresponding GASB 72 guidance into its 2016 financial statements; however, there was no effect on beginning net position/fund balance.

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

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

GASB Statement No. 77 requires governments that enter into tax abatement agreements to disclose certain information about the agreement. GASB Statement No. 77 also requires disclosures related to tax abatement agreements that have been entered into by other governments that reduce the reporting government's tax revenues. The City incorporated the corresponding GASB 77 guidance into its 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the City.

CITY OF WADSWORTH, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance also establishes additional note disclosure requirements for governments that participate in those pools. The City participates in STAR Ohio which implemented GASB Statement No. 79 for 2016. The City incorporated the corresponding GASB 79 guidance into its 2016 financial statements; however, there was no effect on beginning net position/fund balance.

B. Deficit Fund Balances

Fund balances at December 31, 2016 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Recreation	\$ 810,362
Tax Increment Financing	2,184,390
Special Assessments	1,237,543
Airport Improvements	101,594

The general fund is liable for any deficit in this fund and provides transfers when cash is required, not when accruals occur. The deficit fund balance resulted from adjustments for accrued liabilities.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described below is based upon accounting for certain transactions on a basis of cash receipts, disbursements, appropriations, and encumbrances.

The Statements of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the General Fund and Tax Increment Financing Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with State statute. The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual;
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP);
3. Outstanding year-end encumbrances are treated as expenditures (budget) rather than as part of restricted, committed, or assigned fund balance (GAAP);
4. Unreported cash represents amounts received, but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement;

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING – (Continued)

5. Advances-in and advances-out are operating transactions (budget) as opposed to balance sheet transactions (GAAP); and,
6. Some funds included in the General Fund (GAAP basis) have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the budget basis statements to the GAAP basis statements for the General Fund.

Net Changes in Fund Balance

	<u>General Fund</u>
Budget Basis	\$ (824,698)
Net Adjustment for Revenue Accruals	(122,728)
Net Adjustment for Expenditure Accruals	(322,455)
Funds with Separate Legally Adopted Budgets	8,092
Net Adjustment for Other Sources/Uses	1,169,796
Encumbrances	99,997
GAAP Basis	\$ 8,004

NOTE 5 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into three categories.

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

2. 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;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Finance Director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits with Financial Institutions

At December 31, 2016, the carrying amount of all City deposits was \$35,165,547. As of December 31, 2016, \$25,396,300 of the City's bank balance of \$35,994,045 was exposed to custodial risk as discussed below, while \$10,597,745 was covered by the FDIC.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by Ohio Revised Code, is held in collateral pools at Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the depository bank and pledged as a pool of collateral against all public deposits held by the depository. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

B. Investments

As of December 31, 2016, the City had the following investments and maturities:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>Investment Maturities 6 months or less</u>
Amortized cost:		
STAR Ohio	\$ 5,295,129	\$ 5,295,129
Fair Value:		
US Government Mutual Fund	<u>7,004</u>	<u>7,004</u>
Total	<u>\$ 5,302,133</u>	<u>\$ 5,302,133</u>

The City's investments in US Government Money Market Mutual Funds are valued using quoted market prices (Level 1 inputs).

Interest Rate Risk: The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk by requiring the consideration of market conditions and cash flow requirements in determining the term of an investment.

Credit Risk: STAR Ohio and the US Government Money Market Mutual fund carry a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in Ohio law that prohibits payments for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

The following table includes the percentage of each investment type held by the City at December 31, 2016:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
Amortized cost:		
STAR Ohio	\$ 5,295,129	99.87%
Fair value:		
US Government Mutual Fund	<u>7,004</u>	<u>0.13%</u>
 Total	 <u>\$ 5,302,133</u>	 <u>100.00%</u>

C. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2016:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 35,165,547
Investments	5,302,133
Cash with fiscal agent	1,472
Cash on hand	<u>1,620</u>
Total	<u>\$ 40,470,772</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 14,520,543
Business-type activities	22,508,274
Agency funds	<u>3,441,955</u>
Total	<u>\$ 40,470,772</u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2016, consisted of taxes, accounts (billings for user charged services, rents and royalties), income taxes, interfund, accrued interest, notes, special assessments, and intergovernmental receivables arising from grants, entitlements and shared revenues. Accounts, taxes, interfund, accrued interest, special assessments and intergovernmental receivables are deemed collectible in full.

No allowance for doubtful accounts has been recorded because uncollectable amounts are expected to be insignificant.

CITY OF WADSWORTH, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 7 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Auditor collects property taxes on behalf of all taxing districts in the County, including the City of Wadsworth. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes represent real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2016 and for which there is an enforceable legal claim.

The full tax rate for all City operations for the year ended December 31, 2016 was \$4.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property for 2016 property tax were as follows:

<u>Real Property</u>	
Residential/agricultural	\$ 347,343,880
Commercial/industrial/mineral	107,552,360
Public utility personal property	<u>761,170</u>
Total assessed value	<u><u>\$ 455,657,410</u></u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 8 – TAX ABATEMENTS

As of December 31, 2016, the City provides tax abatements through Community Reinvestment Area (CRA). This program relates to the abatement of property taxes.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. The local legislative authority negotiates the terms of the CRA with the business, which may include job creation and/or tax sharing with the Board of Education. The local legislative authority must pass legislation to approve the Agreement. All agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. The amount of the abatement is deducted from the business's property tax bill.

The City has entered into four agreements to abate property taxes through this program. During 2016, the City's property tax revenues were reduced as a result of these agreements as follows:

Purpose	Percentage of Taxes Abated during the Fiscal Year	Amount of Taxes Abated during the Fiscal Year	Term
Expansion for manufacturing	40%	\$403	10 years
Expansion for manufacturing	40%	\$459	8 years
Expansion for warehousing and office space	40%	\$762	6 years
Expansion for manufacturing, warehousing, and R&D	65%	\$289	10 years

NOTE 9 - INCOME TAX

The City levies and collects an income tax on taxable income earned within the City as well as taxable incomes earned outside the City. The taxable income rate is 1.4%. For residents working outside the City, the City allows for a credit of income taxes paid to another municipality of up to 1.0%. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Income tax collections for 2016 and prior years received 60 days after year-end have been recognized as revenue in 2016.

Corporations and individual taxpayers are also billed for their estimated taxes quarterly. They must pay at least 90% by January 31st and must file an annual return by April 15th.

Income tax revenues are distributed, as needed, to the various funds of the City pursuant to Council ordinance. In 2016, income tax revenues were distributed to the following funds: General, Street Maintenance, Special Assessments, Airport Improvements, Street Improvement and General Capital Improvements.

In 2011, the voters of the City increased the income tax rate from 1.3% to 1.4%, effective January 1, 2012. This increase is for a ten year period and to be used for street improvements.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 10 - SPECIAL ASSESSMENTS

Special assessments include annually assessed service assessments. Service type special assessments are levied against all property owners who benefit from the provided service. Special assessments are payable by the time and in the manner stipulated in the assessing ordinance and are a lien from the date of the passage of the ordinance.

The City's special assessments include the construction, repair or improvement of streets, sidewalks, waterlines and public parking lots which are billed by the County Auditor and collected by the County Treasurer. The County Auditor periodically remits these collections to the City. Special assessments collected in one calendar year are levied and certified in the preceding calendar year.

Special assessments receivable at December 31, 2016 was \$23,114.

NOTE 11 - RISK MANAGEMENT

A. Liability Insurance

The City is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors or omissions, and natural disasters. Insurance against loss is provided as follows:

1. Blanket building and personal property insurance, with a \$2,500 deductible and a \$63,980,113 limit on buildings and property in the open and business personal property.
2. Vehicle liability insurance with physical damage, comprehensive and collision subject to a \$1,000,000 limit per accident or loss. A comprehensive deductible of \$500 for vehicles and a comprehensive deductible of \$2,000 apply to fire trucks.
3. Law enforcement liability coverage with a \$1,000,000 limit for each wrongful act/each occurrence/aggregate and a \$10,000 deductible.
4. Public officials' liability coverage with a \$1,000,000 for each claim/each occurrence/aggregate and a \$10,000 deductible.
5. Umbrella liability coverage of \$10,000,000 per occurrence/aggregate.

There were no reductions in insurance coverage from the previous year, nor have settlements exceeded insurance coverage in any of the prior three years.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11 - RISK MANAGEMENT - (Continued)

B. Workers' Compensation

The City became self-insured on November 1, 2010. The City has specific stop loss coverage of \$500,000 for all employees.

The City maintains an Internal Service Fund named Workers' Compensation Retention. The fund is financed by assessing the City departments the amount necessary to cover all costs and maintain a reasonable fund balance. The City continues to build a cash reserve for future claims and other expenses related to self-insurance.

The City's third party administrator (TPA) is Sedgwick Inc. The claims liability reported in the workers' comp internal service fund at December 31, 2016 of \$176,890, is based on the requirements of GASB statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. A summary of the fund's claims liability during the past two years is as follows:

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claims</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
2016	\$ 176,890	\$ 43,642	\$ (43,642)	\$ 176,890
2015	42,078	195,125	(60,313)	176,890

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11 - RISK MANAGEMENT - (Continued)

C. Health Insurance

The City has elected to provide employee medical, prescription, dental, and vision benefits through a self-insurance program with a Stop Loss Policy to insure against specific and aggregate losses. The City maintains a Self-Insurance Fund, to account for and finance its risk of loss. The specific stop loss amount is \$100,000 with a maximum claims aggregate of \$3,479,202. The aggregate amount is generally calculated on 120.0% of the expected claims.

The Fund is financed by assessing City departments the amount necessary to pay all costs and maintain a reasonable carryover balance. As of December 31, 2016, the Departments were assessed per each employee per month at the rate of \$725.00 per individual coverage and \$1,500.00 per family coverage. Following the health insurance renewal in 2016, non-bargaining employee contributions per bi-weekly pay period were \$30.00 for single coverage and \$60.00 for family for non-bargaining employees. Some bargaining unit employees pay a contribution rate at \$46.61 for single coverage and \$96.59 for family coverage. Other bargaining unit employees contribute \$50.49 for single coverage and \$104.63 for family coverage. Health coverage (i.e., medical and prescription) was administered by Medical Mutual. Dental coverage was provided through Delta Dental.

The plan provides comprehensive medical coverage with a \$300 deductible per individual and \$600 per family and subject to a 20% co-insurance payment for expenses out of the network.

The Dental Plan is subject to a \$25.00 deductible and no co-payment, with a maximum coverage of \$1,000 annually.

The City also provides prescription drug insurance to its employees through the self-insurance program. The plan pays the cost of prescriptions with a required co-payment of \$15.00 Tier 1 drugs, \$30.00 for Tier 2 drugs and \$60.00 for Tier 3 drugs at a retail pharmacy or through the mail order system.

The claims liability of \$348,988 reported in the self-insurance fund at December 31, 2016 is based on the requirements of GASB Statement No. 10 "Accounting and Financial Reporting for Risk Financing and Related Insurance Services" which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred, but not reported claims, be reported. The claims liability is based on an estimate supplied by the City's third party administrator. This estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. A summary of the fund's claims liability during the past two years is as follows:

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claims</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
2016	\$ 304,542	\$ 2,857,055	\$ (2,812,609)	\$ 348,988
2015	193,668	2,933,559	(2,822,685)	304,542

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - CAPITAL ASSETS

Governmental activities capital asset activity for the year ended December 31, 2016, was as follows.

	<u>Balance</u> <u>1/1/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2016</u>
<u>Governmental Activities:</u>				
Capital assets, not being depreciated				
Land	\$ 8,157,829	\$ 116,482	\$ -	\$ 8,274,311
Construction in progress	<u>2,731,421</u>	<u>1,853,602</u>	<u>(110,485)</u>	<u>4,474,538</u>
Total capital assets, not being depreciated	<u>10,889,250</u>	<u>1,970,084</u>	<u>(110,485)</u>	<u>12,748,849</u>
Capital assets, being depreciated				
Intangible assets	19,328,348	11,544	-	19,339,892
Land Improvements	1,998,934	1,038,883	-	3,037,817
Buildings	9,932,419	295,575	-	10,227,994
Equipment	3,551,697	144,362	(180,675)	3,515,384
Vehicles	5,636,526	290,723	(329,353)	5,597,896
Infrastructure	<u>23,701,411</u>	<u>2,412,199</u>	<u>(313,551)</u>	<u>25,800,059</u>
Total capital assets, being depreciated	<u>64,149,335</u>	<u>4,193,286</u>	<u>(823,579)</u>	<u>67,519,042</u>
Accumulated depreciation:				
Intangible assets	(1,505,577)	(429,365)	-	(1,934,942)
Land Improvements	(1,043,382)	(52,226)	-	(1,095,608)
Buildings	(3,619,482)	(306,148)	-	(3,925,630)
Equipment	(2,496,371)	(168,094)	176,675	(2,487,790)
Vehicles	(4,016,451)	(285,831)	314,004	(3,988,278)
Infrastructure	<u>(7,190,522)</u>	<u>(583,049)</u>	<u>291,488</u>	<u>(7,482,083)</u>
Total accumulated depreciation	<u>(19,871,785)</u>	<u>(1,824,713)</u>	<u>782,167</u>	<u>(20,914,331)</u>
Total capital assets, being depreciated, net	<u>44,277,550</u>	<u>2,368,573</u>	<u>(41,412)</u>	<u>46,604,711</u>
Governmental capital assets, net	<u>\$ 55,166,800</u>	<u>\$ 4,338,657</u>	<u>\$ (151,897)</u>	<u>\$ 59,353,560</u>

Depreciation expense was charged to governmental activities as follows:

<u>Governmental Activities:</u>	
General Government	\$ 594,363
Security of Persons and Property	244,885
Transportation	673,220
Economic and Community Development	2,688
Leisure Time Services	218,352
Internal Service Funds	<u>91,205</u>
Total Depreciation Expense	<u>\$ 1,824,713</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - CAPITAL ASSETS - (Continued)

Business-type activities capital asset activity for the year ended December 31, 2016, was as follows.

	Balance 1/1/2016	Additions	Reductions	Balance 12/31/2016
<u>Business-Type Activities:</u>				
Capital assets, not being depreciated				
Land	\$ 985,797	\$ 6,830	\$ -	\$ 992,627
Construction in Progress	<u>1,702,335</u>	<u>230,712</u>	<u>(1,541,935)</u>	<u>391,112</u>
Total capital assets, not being depreciated	<u>2,688,132</u>	<u>237,542</u>	<u>(1,541,935)</u>	<u>1,383,739</u>
Capital assets, being depreciated				
Intangible Assets	727,428	-	-	727,428
Land Improvements	142,486	-	-	142,486
Buildings	19,807,671	95,882	-	19,903,553
Equipment	12,773,834	1,847,275	-	14,621,109
Vehicles	5,895,694	904,229	(869,341)	5,930,582
Infrastructure	<u>106,943,751</u>	<u>3,225,467</u>	<u>(125,756)</u>	<u>110,043,462</u>
Total capital assets, being depreciated	<u>146,290,864</u>	<u>6,072,853</u>	<u>(995,097)</u>	<u>151,368,620</u>
Accumulated depreciation:				
Intangible Assets	(84,867)	(72,743)	-	(157,610)
Land Improvements	(5,752)	(4,784)	-	(10,536)
Buildings	(5,805,262)	(414,109)	-	(6,219,371)
Equipment	(4,893,516)	(559,564)	-	(5,453,080)
Vehicles	(3,342,967)	(353,843)	698,646	(2,998,164)
Infrastructure	<u>(42,935,882)</u>	<u>(2,718,847)</u>	<u>121,360</u>	<u>(45,533,369)</u>
Total accumulated depreciation	<u>(57,068,246)</u>	<u>(4,123,890)</u>	<u>820,006</u>	<u>(60,372,130)</u>
Total capital assets, being depreciated, net	<u>89,222,618</u>	<u>1,948,963</u>	<u>(175,091)</u>	<u>90,996,490</u>
Business-type activities capital assets, net	<u>\$ 91,910,750</u>	<u>\$ 2,186,505</u>	<u>\$ (1,717,026)</u>	<u>\$ 92,380,229</u>

Depreciation expense was charged to the business-type activities as follows:

<u>Business-type activities:</u>	
Water	\$ 644,932
Sewer	962,738
Electric	1,941,720
Storm Water	289,921
Telecom	164,041
Sanitation	<u>120,538</u>
Total Depreciation Expense	<u>\$ 4,123,890</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - CAPITAL ASSETS - (Continued)

During 2010, the City acquired an intangible asset due to the agreement with the Wadsworth City School District. Per the agreement, the City has the right to occupy and use the Community Center (“CC”), subject to the terms and conditions of the agreement. The entire asset value was capitalized as of December 31, 2011. The construction of the Community Center was substantially complete by the end of the 2012.

The remaining amortization schedule is as follows:

Year Ending December 31	Governmental Activities
2017	\$ 365,800
2018	365,800
2019	365,800
2020	365,800
2021	365,800
2022 - 2026	1,829,000
2027 - 2031	1,829,000
2032 - 2036	1,829,000
2037 - 2041	1,829,000
2042 - 2046	1,829,000
2047 - 2051	1,829,000
2052 - 2056	1,829,000
2057 - 2061	1,829,000
Total	\$ 16,461,000

NOTE 13 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

The net pension liability/asset reported on the statement of net position represents a liability or asset 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/asset 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/asset 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.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The 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 any net pension 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 or overfunded benefits is presented as a long-term *net pension liability* or *net pension asset*, respectively, on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *due to other governments* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension 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 Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3% COLA adjustment on the defined benefit portion of their benefit.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2016 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2016 Actual Contribution Rates			
Employer:			
Pension	12.0 %	16.1 %	16.1 %
Post-employment Health Care Benefits	<u>2.0 %</u>	<u>2.0</u>	<u>2.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$1,243,961 for 2016. Of this amount, \$55,786 is reported as due to other governments.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$595,398 for 2016. Of this amount \$24,171 is reported as due to other governments.

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2016, the specific liability of the City was \$79,258 payable in semi-annual payments through the year 2038.

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

The net pension liability and net pension asset for the OPERS Traditional Pension Plan and Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2015, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability or asset 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:

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.08036%	0.10724110%	
Proportion of the net pension liability current measurement date	<u>0.079541%</u>	<u>0.13101700%</u>	
Change in proportionate share	<u>-0.000819%</u>	<u>0.02377590%</u>	
Proportion of the net pension asset prior measurement date	0.091286%		
Proportion of the net pension asset current measurement date	<u>0.120704%</u>		
Change in proportionate share	<u>0.029418%</u>		
Proportionate share of the net pension liability	\$ 13,777,505	\$ 8,428,423	\$ 22,205,928
Proportionate share of the net pension asset	43,421	-	43,421
Pension expense	\$ 1,938,309	\$ 356,943	\$ 2,295,252

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 840	\$ -	\$ 840
Net difference between projected and actual earnings on pension plan investments	4,068,616	1,371,822	5,440,438
Changes in employer's proportionate percentage/ difference between employer contributions	-	1,137,564	1,137,564
City contributions subsequent to the measurement date	<u>1,243,961</u>	<u>595,398</u>	<u>1,839,359</u>
Total deferred outflows of resources	<u>\$ 5,313,417</u>	<u>\$ 3,104,784</u>	<u>\$ 8,418,201</u>
Deferred inflows of resources			
Differences between expected and actual experience	285,967	23,667	309,634
Changes in employer's proportionate percentage/ difference between employer contributions	<u>82,148</u>	<u>-</u>	<u>82,148</u>
Total deferred inflows of resources	<u>\$ 368,115</u>	<u>\$ 23,667</u>	<u>\$ 391,782</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

\$1,839,359 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/asset in the year ending December 31, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2017	\$ 850,125	\$ 593,808	\$ 1,443,933
2018	915,150	593,808	1,508,958
2019	1,027,026	593,807	1,620,833
2020	918,386	478,149	1,396,535
2021	(2,391)	190,042	187,651
Thereafter	(6,955)	36,105	29,150
Total	<u>\$ 3,701,341</u>	<u>\$ 2,485,719</u>	<u>\$ 6,187,060</u>

Actuarial Assumptions - OPERS

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

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

Wage inflation	3.75 percent
Future salary increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3 percent, simple Post 1/7/2013 retirees: 3 percent, simple through 2018, then 2.80% simple
Investment rate of return	8 percent
Actuarial cost method	Individual entry age

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 401 (h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.40 percent for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

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

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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/asset calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 21,950,930	\$ 13,777,505	\$ 6,883,478
Combined Plan	(890)	(43,300)	(77,413)
Member-Directed Plan	317	(121)	(317)

Changes Between Measurement Date and Report Date - In October 2016, the OPERS Board of Trustees adopted certain assumption changes which impacted their annual actuarial valuation prepared as of December 31, 2016. The most significant changes are a reduction in the expected investment return to 7.50% from 8.00%, the expected long-term average wage inflation was reduced to 3.25% from 3.75%, the expected long-term average price inflation was reduced to 2.50% from 3.00% and a change to various demographic assumptions. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

Actuarial Assumptions – OP&F

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

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

Valuation date	January 1, 2015
Actuarial cost method	Entry age normal
Investment rate of return	8.25 percent
Projected salary increases	4.25 percent to 11 percent
Payroll increases	3.75 percent
Inflation assumptions	3.25 percent
Cost of living adjustments	2.60 and 3.00 percent simple

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The most recent experience study was completed for the five-year period ended December 31, 2011. The recommended assumption changes based on this experience study were adopted by OPF's Board and were effective beginning with the January 1, 2012 actuarial valuation.

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 expected. 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, 2015 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	6.50 %	7.80 %
Non-US Equity	16.00	6.70	8.00
Core Fixed Income *	20.00	3.50	5.35
Global Inflation			
Protected Securities *	20.00	3.50	4.73
High Yield	15.00	6.35	7.21
Real Estate	12.00	5.80	7.43
Private Markets	8.00	9.50	10.73
Timber	5.00	6.55	7.35
Master Limited Partnerships	8.00	9.65	10.75
Total	120.00 %		

* levered 2x

** numbers include inflation

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

	1% Decrease <u>(7.25%)</u>	Discount Rate <u>(8.25%)</u>	1% Increase <u>(9.25%)</u>
City's proportionate share of the net pension liability	\$ 11,115,951	\$ 8,428,423	\$ 6,151,808

NOTE 14 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension Plan and the Combined Plan. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 14 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2016, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2016 was 2.00%.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2016, 2015, and 2014 were \$212,774, \$203,956, and \$203,487, respectively; 96.17% has been contributed for 2016 and 100% has been contributed for 2015 and 2014. The remaining 2016 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to post-employment health care coverage to 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 meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 14 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts, one account is for health care benefits under an Internal Revenue Code Section 115 trust and the other account is for Medicare Part B reimbursements administered as an Internal Revenue Code Section 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 into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2016 thru December 31, 2016. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$11,271 and \$3,795 for the year ended December 31, 2016, \$10,881 and \$3,299 for the year ended December 31, 2015, and \$10,092 and \$3,167, for the year ended December 31, 2014. 100% has been contributed for 2015 and 2014. 96.24% has been contributed for police and 100% has been contributed for firefighters for 2016. The remaining 2016 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

NOTE 15 - COMPENSATED ABSENCES

City employees earn vacation and sick leave at varying rates depending on length of service and department policy. All accumulated, unused vacation time is paid upon separation if the employee has acquired at least one year of service with the City. Accumulated, unused sick leave is paid to a retiring employee up to a maximum of 160 days. As of December 31, 2016, the City's liability for compensated absences was \$2,048,605 for governmental activities and \$1,340,937 for business-type activities.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 16 - LONG-TERM OBLIGATIONS

	<u>Rate</u>	<u>Issue Amount</u>	<u>Maturity</u>
Governmental Activities:			
1968 Liability for Police Past Service Cost	2.36%	\$ 124,769	May 15, 2038
2010 Revenue Bonds	2.00 - 4.50%	18,290,000	December 1, 2038
2016 Income Tax Revenue Bonds	2.00 - 4.00 %	17,630,000	December 1, 2038
Business-Type Activities:			
2000 American Municipal Power-Ohio	1.65 - 5.25%	11,645,000	February 15, 2022
OWDA Loan	3.15%	23,040,336	January 1, 2028
2009 General Obligation Bonds	4.00%	1,860,000	December 1, 2024
2010 General Obligation Bonds	3.41%	9,420,000	December 1, 2032
American Municipal Power Loan	Various	7,100,000	February 15, 2022
OPWC Loan	0.00%	84,034	January 1, 2031

The changes in the City's long-term obligations during the year consist of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amount Due In One Year</u>
Governmental Activities:					
1968 Liability for Police Past Service Cost	\$ 82,040	\$ -	\$ (2,782)	\$ 79,258	\$ 2,871
2016 Income Tax Revenue Bonds	-	17,630,000	-	17,630,000	170,000
Unamortized Bond Premium	-	598,691	(13,354)	585,337	26,707
2010 Community Center Revenue Bond	16,535,000	-	(16,535,000)	-	-
Unamortized Discount on Bonds	(88,208)	-	88,208	-	-
Total Long-Term Debt	<u>16,528,832</u>	<u>18,228,691</u>	<u>(16,462,928)</u>	<u>18,294,595</u>	<u>199,578</u>
Net Pension Liability	11,773,424	3,991,038	-	15,764,462	-
Compensated Absences	<u>1,976,544</u>	<u>778,536</u>	<u>(706,475)</u>	<u>2,048,605</u>	<u>431,436</u>
Governmental Activities - Long Term Liabilities	<u>\$ 30,278,800</u>	<u>\$ 22,998,265</u>	<u>\$ (17,169,403)</u>	<u>\$ 36,107,662</u>	<u>\$ 631,014</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amount Due In One Year</u>
Business-Type Activities					
Stormwater 2009 Series					
General Obligation Bonds	\$ 645,000	\$ -	\$ (70,000)	\$ 575,000	\$ 60,000
Plus Deferred Amounts:					
Unamortized Premium on Bonds	9,621	-	(1,069)	8,552	1,069
Water 2009 Series					
General Obligation Bond	990,000	-	(95,000)	895,000	105,000
Plus Deferred Amounts:					
Unamortized Premium on Bonds	14,614	-	(1,625)	12,989	1,625
Electric 2009 Series					
General Obligation Bond	145,000	-	(35,000)	110,000	35,000
Plus Deferred Amounts:					
Unamortized Premium on Bonds	2,204	-	(551)	1,653	551
2010 Water System Improvements					
General Obligation Bond	7,725,000	-	(360,000)	7,365,000	370,000
Plus Deferred Amounts:					
Unamortized Premium on Bonds	14,486	-	(851)	13,635	851
OWDA Loan	15,501,615	-	(1,081,482)	14,420,133	1,115,943
OPWC Loan	84,034	-	(5,602)	78,432	5,602
AMP Loan	3,718,689	-	(624,000)	3,094,689	624,000
AMP Stranded Costs	4,463,785	-	(568,841)	3,894,944	564,510
Net Pension Liability	4,516,767	1,924,699	-	6,441,466	-
Compensated Absences	1,312,306	454,021	(425,390)	1,340,937	282,402
Business-Type Activities -					
Long Term Liabilities	<u>\$ 39,143,121</u>	<u>\$ 2,378,720</u>	<u>\$ (3,269,411)</u>	<u>\$ 38,252,430</u>	<u>\$ 3,166,553</u>

On September 30, 2009, the City issued \$3.875 million in general obligation bonds for capital improvements.

General obligation bonds are direct obligations of the City for which its full faith, credit and resources are pledged. These bonds were used to retire \$3.188 million in inter-fund loans, and to fund new street improvements (\$550,000) and stormwater drainage and management facilities (\$385,000). These bonds are to be paid by stormwater revenues, water revenues, electric revenues, hotel/motel tax, income tax, and ad valorem property taxes.

The business-type activities general obligation bonds will be paid from the storm water, water, and electric funds.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

On February 4, 2010, the City issued \$18,290,000 in revenue bonds for the purpose of funding a portion of the costs of designing, constructing, furnishing and equipping a new community center, with related site improvements, and acquiring land. The bonds are payable solely from the income tax revenues in the recreation fund, which payment is secured by a pledge of the income tax revenues. These bonds were refunded during 2016.

On June 29, 2016, the City issued \$17,630,000 in income tax revenue bonds. The proceeds of these bonds were used to advance refund the \$16,535,000 in outstanding 2010 Community Center revenue bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded 2010 Community Center revenue bonds at December 31, 2016, is \$16,075,000

The reacquisition price exceeded the net carrying amount of the old debt by \$101,310. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce the combined total debt service payments over the next 22 years by \$1,227,271 and resulted in an economic gain of \$1,190,101.

On March 1, 2003, the City and American Municipal Power, Inc. (AMP) amended and restated a loan agreement. In accordance with the agreement, AMP issued \$11,645,000 of bonds and loaned the proceeds received from the bonds to the City. The loan proceeds were issued to:

1. Refinance notes originally issued to pay the cost of financing the construction and installation of various capital improvements for the municipal electric utility and the telecommunications system to the City;
2. Providing funds for additional improvements to the telecommunications system;
3. Fund a debt service reserve; and,
4. Pay the costs of issuance of the 2003 bonds.

On April 1, 2012, the City and American Municipal Power, Inc. (AMP) amended and restated a loan agreement. In accordance with the agreement, AMP took out a loan under its credit agreement and loaned the proceeds received to the City. The loan proceeds were used to pay the redemption price of the 2002 bonds.

On January 27, 2005, the City obtained an OWDA loan for improvements to the waste water treatment plant. The loan will not have an accurate repayment schedule until the loan is finalized, and therefore, is not included in the schedule of future annual debt service requirements. The City has pledged future revenues net of expenditures to repay the OWDA loans. The loans are payable solely from revenues generated by the ownership and operation of the sewer utility system. Revenues include all revenues received by the sewer utility less all operating expenses other than depreciation expense. All debt is payable solely from net revenues and is payable through 2027. Annual principal and interest payments on the OWDA loans are expected to require 80.21% of net revenues and 38.19% of total revenues. The total principal and interest remaining to be paid on the debt is \$20,226,984. Principal and interest paid for the current year were \$1,081,482 and \$479,909, respectively. Total net revenues were \$1,946,744 and total operating revenues were \$4,088,798.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

On October 14, 2010, the City issued \$9,420,000 in general obligation bonds for the purpose of constructing and installing various waterworks system improvements in the City, including, but not limited to a water tower, approximately six miles of water line and an automated meter reading system. The bonds are payable from a limited ad valorem tax on all real and personal property in the City subject to taxation by the City or the revenues generated by the ownership and operation of the water utility system. Revenues include all revenues received by the water utility less all operating expenses other than depreciation expense.

During 2015, the City obtained an OPWC loan in the amount of \$84,034 for storm water improvements. The loan has a zero percent interest rate, with semiannual payments and a final maturity of January 2031.

See Note 13 for detail on the net pension liability.

The liability for police past service costs relates to the City's liability to certain employees incurred prior to the establishment of the statewide Ohio Police and Fire Pension Fund. The City is required to make payments of approximately \$6,200 annually, which includes interest, through the year 2038. These past service costs are payable from taxes levied on all taxable property in the City.

Compensated absences will be paid from general operating revenues of the fund from which the employees' salaries are paid. The most significant of these funds are the general fund, street fund (a nonmajor governmental fund), EMS fund (a nonmajor governmental fund), water fund, sewer fund, electric fund, telecom fund, and storm water fund.

The amortization schedules for the AMP loan and stranded costs payable are not available. The annual requirement to amortize the remaining debt outstanding as of December 31, 2016, including interest payments in the Governmental Activities of \$131,293 for police past service costs, \$24,367,188 for revenue bonds, \$12,893,257 for the Business-Type Activities general obligation bonds, \$78,432 for OPWC loan and \$17,139,130 for the OWDA loan are as follows:

December 31 Year Ending	Service Costs		Revenue Bonds	
	Principal	Interest	Principal	Interest
2017	\$ 2,871	\$ 3,368	\$ 170,000	\$ 557,056
2018	2,960	3,279	400,000	551,956
2019	3,049	3,189	605,000	539,956
2020	3,138	3,101	630,000	515,756
2021	3,227	3,012	660,000	490,556
2022 - 2026	17,470	13,725	3,695,000	2,037,180
2027 - 2031	19,694	11,498	4,315,000	1,396,280
2032 - 2036	21,920	9,275	4,955,000	784,200
2037 - 2040	4,929	1,588	2,200,000	99,450
Total	<u>\$ 79,258</u>	<u>\$ 52,035</u>	<u>\$ 17,630,000</u>	<u>\$ 6,972,390</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

December 31 Year Ending	Business-Type Activities				
	General Obligation Bonds		OWDA		OPWC
	Principal	Interest	Principal	Interest	Principal
2017	\$ 570,000	\$ 429,897	\$ 1,115,943	\$ 445,570	\$ 5,602
2018	575,000	411,853	1,151,372	410,141	5,602
2019	600,000	392,715	1,187,926	373,587	5,603
2020	575,000	370,259	1,225,640	335,873	5,602
2021	590,000	347,298	1,264,552	296,961	5,602
2022 - 2026	2,815,000	1,325,762	6,951,071	820,734	28,011
2027 - 2031	2,630,000	636,431	1,523,629	36,131	22,410
2032 - 2034	590,000	34,043	-	-	-
Total	<u>\$ 8,945,000</u>	<u>\$ 3,948,257</u>	<u>\$ 14,420,133</u>	<u>\$ 2,718,997</u>	<u>\$ 78,432</u>

Stranded Costs Payable

The City is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's project share was 34,650 kilowatts (kW) of a total 771,281 kW, giving the City a 4.49 percent project share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. All project costs incurred prior to the cancellation and related to the cancellation were therefore deemed impaired and participants were obligated to pay those incurred costs. In prior years, payment of these costs was not required due to AMP's pursuit of legal action to collect them from Bechtel. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The City's estimated share of the impaired costs at March 31, 2014 was \$6,014,238. The City received a credit of \$1,372,291 related to their participation in the AMP Fremont Energy Center (AFEC) Project and a credit of \$1,567,041 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU). The City also made payments totaling \$425,037 leaving an estimated net impaired costs balance of \$2,649,869. Because payment is now probable and reasonably estimable, the City is reporting a payable to AMP in its business-type activities and in its electric enterprise fund for these impaired costs. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the City's net impaired cost balance either positively or negatively. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement among the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Fund's project share.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

Since March 31, 2014 the City has made payments of \$681,004 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the City's allocation of additional costs incurred by the project is \$60,375 and interest expense incurred on AMP's line-of-credit of \$67,056, resulting in a net impaired cost estimate at December 31, 2016 of \$2,096,296. The City does have a potential PHFU Liability of \$1,611,806 resulting in a net total potential liability of \$3,894,944, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the City's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

The City has made a payment arrangement with AMP with a variable interest rate and an estimated time of completion of payment of December, 2022. Principal and interest payment are made from the electric fund.

NOTE 17 - NOTES PAYABLE

Changes in the City's note activity for the year ended December 31, 2016, were as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>1/1/2016</u>	<u>Issued</u>	<u>Retired</u>	<u>12/31/2016</u>
<u>Governmental fund notes</u>				
Bond anticipation notes - State Route 94	\$ 1,040,000	\$ 985,250	\$ (1,040,000)	\$ 985,250
Bond anticipation notes - Street Improvements	-	1,440,000	-	1,440,000
Total Governmental fund notes	<u>\$ 1,040,000</u>	<u>\$ 2,425,250</u>	<u>\$ (1,040,000)</u>	<u>\$ 2,425,250</u>
<u>Business-type activities notes</u>				
Bond anticipation notes - Storm Water	\$ 390,000	\$ 369,500	\$ (390,000)	\$ 369,500
Bond anticipation notes - Telecom	200,000	177,500	(200,000)	177,500
Bond anticipation notes - Sewer	1,400,000	1,322,500	(1,400,000)	1,322,500
Bond anticipation notes - Water	1,230,000	1,165,250	(1,230,000)	1,165,250
Bond anticipation notes - Sanitation	195,000	-	(195,000)	-
Total Business-type activities notes	<u>\$ 3,415,000</u>	<u>\$ 3,034,750</u>	<u>\$ (3,415,000)</u>	<u>\$ 3,034,750</u>

NOTE 18 - INTERFUND TRANSACTIONS

Internal borrowings consist of internal notes and bonds issued by various funds to finance projects internally rather than through outside parties. Each internal note or bond is identified as to which fund is liable for repayment. However, the actual borrowing comes from a pool of funds rather than specific funds. The borrowings pay interest to specified funds based on the percentage of fund balances.

For reporting purposes, these interfund transactions were reflected as an interfund receivable and an interfund payable in the respective funds.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 18 - INTERFUND TRANSACTIONS - (Continued)

Following is a detail of Interfund Notes Receivable/Payable, by debt issue, during 2016:

	<u>Balance</u> <u>1/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/16</u>
Governmental Activities:				
Major Governmental Funds:				
General Fund:				
General Fund - 2012 WCTV Equipment				
Issue 11/16, maturity 11/17, rate 1.0%	<u>\$ 16,000</u>	<u>\$ 8,000</u>	<u>\$ (16,000)</u>	<u>\$ 8,000</u>
Non-major Governmental Funds:				
Recreation Improvements				
2012 YMCA Equipment				
Issue 11/16, maturity 11/17, rate 1.0%	\$ 254,700	\$ 218,315	\$ (254,700)	\$ 218,315
2013 Outdoor Pool				
Issue 11/16, maturity 11/17, rate 1.0%	979,333	904,000	(979,333)	904,000
High Street Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	391,500	369,750	(391,500)	369,750
Airport Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	70,000	-	(70,000)	-
2011 ERP System Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	591,006	506,577	(591,006)	506,577
2012 Airport Land Acquisition				
Issue 11/16, maturity 11/17, rate 1.0%	<u>108,000</u>	<u>99,000</u>	<u>(108,000)</u>	<u>99,000</u>
Total nonmajor governmental funds	<u>\$ 2,394,539</u>	<u>\$ 2,097,642</u>	<u>\$ (2,394,539)</u>	<u>\$ 2,097,642</u>
Internal Service Funds				
2015 Information Technology Equipment				
Issue 11/16, maturity 11/17, rate 1.0%	<u>\$ 483,783</u>	<u>\$ 387,026</u>	<u>\$ (483,783)</u>	<u>\$ 387,026</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 18 - INTERFUND TRANSACTIONS - (Continued)

	<u>Balance</u> <u>1/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2016</u>
Business-Type Activities:				
Water Fund:				
2004 Rogues Hollow Well				
Issue 11/16, maturity 11/17, rate 1.0%	\$ 844,125	\$ 787,850	\$ (844,125)	\$ 787,850
2009 Water Tank Maintenance				
Issue 11/16, maturity 11/17, rate 1.0%	60,025	45,029	(60,025)	45,029
2009 Water System Improvement				
Issue 11/16, maturity 11/17, rate 1.0%	245,000	227,500	(245,000)	227,500
2012 Water Distribution Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	272,000	256,000	(272,000)	256,000
2011 Water Distribution Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	212,000	198,750	(212,000)	198,750
2012 Water Plan Generator				
Issue 11/16, maturity 11/17, rate 1.0%	318,750	300,000	(318,750)	300,000
2013 Water Tank Maintenance				
Issue 11/16, maturity 11/17, rate 1.0%	400,000	350,000	(400,000)	350,000
2013 Water Distribution Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	315,000	297,500	(315,000)	297,500
2013 Water Plant Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	90,000	85,000	(90,000)	85,000
2014 Water Distribution Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	<u>244,625</u>	<u>231,750</u>	<u>(244,625)</u>	<u>231,750</u>
 Total Water Fund	 <u>\$ 3,001,525</u>	 <u>\$ 2,779,379</u>	 <u>\$ (3,001,525)</u>	 <u>\$ 2,779,379</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 18 - INTERFUND TRANSACTIONS - (Continued)

	<u>Balance</u> <u>1/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/16</u>
Business-Type Activities:				
Electric Fund:				
2006 Valleyview Sub Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	\$ 160,500	\$ 147,125	\$ (160,500)	\$ 147,125
2007 Subs/Dist/Meters				
Issue 11/16, maturity 11/17, rate 1.0%	462,890	424,316	(462,890)	424,316
2008 Electric Capital Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	510,250	471,000	(510,250)	471,000
2009 Electric Capital Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	413,000	383,500	(413,000)	383,500
2010 Electric Capital Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	926,667	834,000	(926,667)	834,000
2011 Electric Capital Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	972,000	911,250	(972,000)	911,250
2012 Electric Capital Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	<u>562,500</u>	<u>500,000</u>	<u>(562,500)</u>	<u>500,000</u>
Total Electric Fund	<u>\$ 4,007,807</u>	<u>\$ 3,671,191</u>	<u>\$ (4,007,807)</u>	<u>\$ 3,671,191</u>
	<u>Balance</u> <u>1/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/16</u>
Business-Type Activities:				
Sanitation Fund:				
2006 Transfer Station Improvement				
Issue 11/16, maturity 11/17, rate 1.0%	\$ 148,500	\$ 135,000	\$ (148,500)	\$ 135,000
2013 Sanitation Rear Loader				
Issue 11/16, maturity 11/17, rate 1.0%	<u>124,000</u>	<u>108,500</u>	<u>(124,000)</u>	<u>108,500</u>
Total Sanitation Fund	<u>\$ 272,500</u>	<u>\$ 243,500</u>	<u>\$ (272,500)</u>	<u>\$ 243,500</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 18 - INTERFUND TRANSACTIONS - (Continued)

	<u>Balance</u> <u>1/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/16</u>
Business-Type Activities:				
Sewer Fund:				
2011 WWTP Phosphorus Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	\$ 120,000	\$ 100,000	\$ (120,000)	\$ 100,000
2012 Brookwood Gravity Sewer				
Issue 11/16, maturity 11/17, rate 1.0%	<u>484,500</u>	<u>456,000</u>	<u>(484,500)</u>	<u>456,000</u>
 Total Sewer Fund	 <u>\$ 604,500</u>	 <u>\$ 556,000</u>	 <u>\$ (604,500)</u>	 <u>\$ 556,000</u>
	<u>Balance</u> <u>1/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/16</u>
Business-Type Activities:				
Storm Water Fund:				
2012 Stormwater Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	\$ 191,250	\$ 180,000	\$ (191,250)	\$ 180,000
2011 Stormwater Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	112,000	105,000	(112,000)	105,000
2010 Stormwater Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	83,333	75,000	(83,333)	75,000
2006 Stormwater Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	56,000	46,667	(56,000)	46,667
2013 Stormwater Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	90,000	85,000	(90,000)	85,000
2015 Stormwater Improvements				
Issue 11/16, maturity 11/17, rate 1.0%	<u>127,350</u>	<u>114,615</u>	<u>(127,350)</u>	<u>114,615</u>
 Total Storm Water Fund	 <u>\$ 659,933</u>	 <u>\$ 606,282</u>	 <u>\$ (659,933)</u>	 <u>\$ 606,282</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 18 - INTERFUND TRANSACTIONS - (Continued)

	<u>Balance</u> <u>1/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/16</u>
Business-Type Activities:				
Telecom Fund:				
2010 Broadband Communication Digital Issue 11/16, maturity 11/17, rate 1.0%	\$ -	\$ 632,000	\$ -	\$ 632,000
2011 Broadband Communication Digital Issue 11/16, maturity 11/17, rate 1.0%	9,000	-	(9,000)	-
2012 Broadband Communication Digital Issue 11/16, maturity 11/17, rate 1.0%	80,000	40,000	(80,000)	40,000
2013 Broadband Communication Digital Issue 11/16, maturity 11/17, rate 1.0%	33,000	22,000	(33,000)	22,000
2014 Broadband Communication Digital Issue 11/16, maturity 11/17, rate 1.0%	<u>92,000</u>	<u>69,000</u>	<u>(92,000)</u>	<u>69,000</u>
Total Telecom Fund	<u>\$ 214,000</u>	<u>\$ 763,000</u>	<u>\$ (214,000)</u>	<u>\$ 763,000</u>
Total Proprietary Funds	<u>\$ 8,760,265</u>	<u>\$ 8,619,352</u>	<u>\$ (8,760,265)</u>	<u>\$ 8,619,352</u>

	<u>Balance</u> <u>1/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/16</u>
Governmental Activities:				
2010 Sidewalk Assessments Issue 09/11, maturity 09/16, rate 1.50%	\$ 712	\$ -	\$ (712)	\$ -
2011 Sidewalk Assessments Issue 11/12, maturity 11/17, rate 1.50%	5,633	-	(2,796)	2,837
2014 Sidewalk Assessments Issue 11/14, maturity 11/19, rate 1.50%	11,427	-	(2,793)	8,634
2015 Sidewalk Assessments Issue 11/15, maturity 11/20, rate 1.50%	<u>12,144</u>	<u>-</u>	<u>(2,357)</u>	<u>9,787</u>
Total Governmental Activities	<u>\$ 29,916</u>	<u>\$ -</u>	<u>\$ (8,658)</u>	<u>\$ 21,258</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 18 - INTERFUND TRANSACTIONS - (Continued)

The following is a detail of Advances In/Out included in interfund receivable/payable during 2016:

Payable Fund	Receivable Fund	Amount
Nonmajor governmental funds	General fund	<u>\$ 1,508,263</u>

The following is detail of interfund receivable/payable to cover negative cash balance:

Nonmajor governmental funds	General fund	<u>\$ 34,375</u>

The following is a summary of Interfund Receivable/Payable, outstanding at December 31, 2016:

	Total Interfund Payable Activity
<u>Interfund Payable Funds:</u>	
Governmental Funds:	
General Fund	\$ 8,000
Nonmajor Governmental Funds	<u>3,661,538</u>
Total Governmental Funds	<u>3,669,538</u>
Proprietary Funds:	
Storm Water	606,282
Telecom	763,000
Sewer	556,000
Water	2,779,379
Electric	3,671,191
Sanitation	<u>243,500</u>
Total Proprietary Funds	<u>8,619,352</u>
Internal Service Funds	<u>387,026</u>
Total Interfund Payable	<u>\$ 12,675,916</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 18 - INTERFUND TRANSACTIONS - (Continued)

	Total Interfund Receivable Activity
<u>Interfund Receivable Funds:</u>	
Governmental Funds:	
General Fund	\$ 2,798,048
Nonmajor Governmental Funds	<u>3,682,327</u>
Total Governmental Funds	<u>6,480,375</u>
Proprietary Funds:	
Storm Water	82,156
Telecom	498,869
Water	1,199,369
Sewer	633,538
Electric	2,816,517
Sanitation	<u>256,204</u>
Total Proprietary Funds	<u>5,486,653</u>
Internal Service Funds	<u>708,888</u>
 Total Interfund Receivable	 <u>\$ 12,675,916</u>

Interfund transfers for the year ended December 31, 2016 consisted of the following:

	<u>Transfers In</u>								
	Internal Service Funds	Nonmajor Governmental Funds	Electric Fund	Telecom Fund	Water Fund	Sewer Fund	Sanitation Fund	Storm Water Fund	Total
<u>Transfers Out</u>									
General Fund	\$ 8,012	\$ 242,777	\$ 430,235	\$ 5,356	\$ 24,666	\$ 14,387	\$ 4,074	\$ 1,671	\$ 731,178
Nonmajor Governmental Funds	-	<u>8,522</u>	-	-	-	-	-	-	<u>8,522</u>
Total Transfers In	<u>\$ 8,012</u>	<u>\$ 251,299</u>	<u>\$ 430,235</u>	<u>\$ 5,356</u>	<u>\$ 24,666</u>	<u>\$ 14,387</u>	<u>\$ 4,074</u>	<u>\$ 1,671</u>	<u>\$ 739,700</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 18 - INTERFUND TRANSACTIONS - (Continued)

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. The City transferred \$8,522 between nonmajor governmental funds for debt payments. In addition, the City had various transfers between funds related to capital assets. These transfers are only made on a GAAP-basis and are not reflected in the cash basis activity.

NOTE 19 - RELATED ORGANIZATIONS

On July 7, 2015, the City granted a franchise to Premier Flight Management, LTD for a period to end June 30, 2017, for the operation and maintenance of the Wadsworth Municipal Airport. On December 6, 2016, the franchise was assigned and transferred to Flight Services of Wadsworth, LLC. The City of Wadsworth pays four thousand four hundred forty one (\$4,441.00) dollars per month to the Premier Flight Management, LTD and pays for liability insurance not to exceed six thousand (\$6,000.00) dollars per year. Premier Flight Management, LTD agrees to pay the City of Wadsworth seven (\$0.07) cents per gallon of aviation fuel sold and participate in capital improvements at the airport.

NOTE 20 - JOINT VENTURES

OMEGA JV 1

The City's Electric enterprise fund has entered into an ongoing joint venture agreement with other Ohio municipal electric systems to form the Ohio Municipal Electric Generation Agency Joint Venture 1 (OMEGA JV 1) for the purpose of providing electric power and energy to its participants on a cooperative basis. Title to the six diesel powered generating units in OMEGA JV 1, were transferred to the municipal electrical systems from American Municipal Power, Incorporated (AMP), a membership organization comprised of communities throughout Ohio, West Virginia and Pennsylvania that own and operate electric systems. Each participant has a contract which provides for AMP to purchase the right to each participant's share of power and energy that is made available through the joint venture contract. The City's equity interest in JV 1 is reported in the City's electric enterprise fund. The City's undivided ownership of OMEGA JV 1 is 11.23%. The City's equity interest was \$38,632 for JV 1 at December 31, 2016.

The following is a summary of audited financial information of OMEGA JV1 for the year ended December 31, 2016:

	OMEGA JV 1
Total Assets	\$ 609,410
Total Liabilities	131,455
Deferred Inflow	133,935
Net Position	344,020
Total Revenues	429,635
Total Expenses	449,473
Change in Net Position	(19,838)

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 20 - JOINT VENTURES - (Continued)

Additional financial information can be obtained from AMP, 2600 Airport Drive, Columbus, Ohio 43219. OMEGA JV 1 is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City.

OMEGA JV2

The City of Wadsworth is a Financing Participant and an Owner Participant with percentages of liability and ownership of 7.41% and 5.81% respectively and shares participation with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants.

Pursuant to the OMEGA JV2 Agreement (Agreement), the participants jointly undertook as either Financing Participants or Non-Financing Participants and as either Owner Participants or Purchaser Participants, the acquisition, construction, and equipping of OMEGA JV2, including such portions of OMEGA JV2 as have been acquired, constructed or equipped by AMP and to pay or incur the costs of the same in accordance with the Agreement.

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Distributive Generation Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. Under the terms of the Agreement each Financing Participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2016, the City of Wadsworth has met debt coverage obligation.

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants' entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility. As of December 31, 2016, the outstanding debt was \$4,142,633. The City's net obligation for these bonds at December 31, 2016 was \$306,969. The City's net investment and its share of operating results of OMEGA JV2 are reported in the City's electric fund (an enterprise fund). The City's net investment in OMEGA JV2 was \$773,596 at December 31, 2016. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 20 - JOINT VENTURES - (Continued)

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2016 are:

Municipality	Percent Ownership	Kw Entitlement	Municipality	Percent Ownership	Kw Entitlement
Hamilton	23.87%	32,000	Grafton	0.79%	1,056
Bowling Green	14.32%	19,198	Brewster	0.75%	1,000
Niles	11.49%	15,400	Monroeville	0.57%	764
Cuyahoga Falls	7.46%	10,000	Milan	0.55%	737
Wadsworth	5.81%	7,784	Oak Harbor	0.55%	737
Painesville	5.22%	7,000	Elmore	0.27%	364
Dover	5.22%	7,000	Jackson Center	0.22%	300
Galion	4.29%	5,753	Napoleon	0.20%	264
Amherst	3.73%	5,000	Lodi	0.16%	218
St. Mary's	2.98%	4,000	Genoa	0.15%	199
Montpelier	2.98%	4,000	Pemberville	0.15%	197
Shelby	1.89%	2,536	Lucas	0.12%	161
Versailles	1.24%	1,660	South Vienna	0.09%	123
Edgerton	1.09%	1,460	Bradner	0.09%	119
Yellow Springs	1.05%	1,408	Woodville	0.06%	81
Oberlin	0.91%	1,217	Haskins	0.05%	73
Pioneer	0.86%	1,158	Arcanum	0.03%	44
Seville	0.79%	1,066	Custar	0.00%	4

Grand Total 100.00% 134,081

The following is a summary of audited financial information of OMEGA JV2:

	<u>OMEGA JV 2</u>
Total Assets	\$ 19,257,649
Total Liabilities	2,748,515
Deferred Inflows	3,194,219
Net Position	13,314,915
Total Revenues	13,115,348
Total Expenses	16,388,271
Change in Net Position	(3,272,923)

OMEGA JV 5

The City of Wadsworth is a Financing Participant with an ownership percentage of 5.62%, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGAJV5 Project.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 20 - JOINT VENTURES - (Continued)

Pursuant to the OMEGA Joint Venture JV5 Agreement (Agreement), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed or equipped by AMP.

OMEGAJV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGAJV5 Participants.

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2016, Wadsworth has met their debt coverage obligation.

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP issued \$153,415,000 and \$13,899,981 respectively of 30 year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was \$65,891,509 at February 28, 2014. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of \$49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to \$49,243,377 at the time of refunding as compared to its value at December 31, 2015 of \$49,803,187. The promissory note represented the February 2014 redemption of the 2004 Certificates from funds held under the trust agreement securing the 2004 BIRCs.

The City's net investment and its share of operating results of OMEGA JV5 are reported in the City's electric fund (an enterprise fund). The City's net investment to date in OMEGA JV5 was \$167,918 at December 31, 2016. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 20 - JOINT VENTURES - (Continued)

The following is a summary of audited financial information of OMEGAJV5 for the year ended December 31, 2016:

	OMEGA JV 5
Total Assets	\$ 123,943,574
Total Liabilities	81,774,195
Deferred Inflows	39,181,492
Net Position	2,987,887
Total Revenues	20,869,026
Total Expenses	20,869,026
Change in Net Position	-

OMEGA JV 6

The City of Wadsworth is a Financing Participant with an ownership percentage of 3.47%, and shares participation with nine other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 6 (OMEGA JV6). Financing Participants, after consideration of the potential risks and benefits can choose to be Owner Participants or Purchaser Participants. Owner Participants own undivided interests, as tenants in common in the Project in the amount of its Project Share. Purchaser Participants purchase the Project Power associated with its Project Share.

Pursuant to the OMEGA Joint Venture JV6 Agreement (Agreement), the participants agree jointly to plan, acquire, construct, operate and maintain the Project, and hereby agree, to pay jointly for the electric power, energy and other services associated with the Project.

OMEGA JV6 was created to construct four (4) wind turbines near Bowling Green Ohio. Each turbine has a nominal capacity of 1.8 MW and sells electricity from its operations to OMEGA JV6 Participants.

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Adjustable Rate Revenue Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV6, any excess funds shall be refunded to the Non-Financing Participants in proportion to each Participant's Project Share and to Financing Participant's respective obligations first by credit against the Financing Participant's respective obligations. Any other excess funds shall be paid to the Participants in proportion to their respective Project Shares. Under the terms of the Agreement each financing participant is to fix, charge and collect rates, fees, charges, including other available funds, at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV6 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2016, Wadsworth has met their debt coverage obligation.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 20 - JOINT VENTURES - (Continued)

The Agreement provides that the failure of any JV6 participant to make any payment due by the due date constitutes a default. In the event of a default and one in which the defaulting Participant failed to cure its default as provided for in the Agreement, the remaining participants would acquire the defaulting Participant's interest in the project and assume responsibility for the associated payments on a pro rata basis up to a maximum amount equal to 25% of such non-defaulting Participant's Project share ("Step Up Power").

OMEGA JV6 is managed by American Municipal Power, Inc., which acts as the joint venture's agent. On July 30, 2004 AMP issued \$9,861,000 adjustable rate bonds that mature on August 15, 2019. The interest rate on the bonds will be set every six months until maturity. No fixed amortization schedule exists. The net proceeds of the bond issues were used to construct the OMEGA JV6 Project. On August 15, 2015 the remaining balance was paid on the OMEGA JV6 Bonds.

The City's net investment and its share of operating results of OMEGA JV6 are reported in the City's electric fund (an enterprise fund). The City's net investment to date in OMEGA JV6 was \$189,393 at December 31, 2016. Complete financial statements for OMEGA JV6 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

The ten participating subdivisions and their respective ownership shares at December 31, 2016 are:

Participant	KW Amount	% of Financing
Bowling Green	4,100	56.94%
Cuyahoga Falls	1,800	25.00%
Napoleon	300	4.17%
Oberlin	250	3.47%
Wadsworth	250	3.47%
Edgeton	100	1.39%
Elmore	100	1.39%
Montpelier	100	1.39%
Pioneer	100	1.39%
Monroeville	100	1.39%
Total	7,200	100.00%

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 20 - JOINT VENTURES - (Continued)

The following is a summary of audited financial information of OMEGA JV 6 for the year ended December 31, 2016:

	<u>OMEGA JV 6</u>
Total Assets	\$ 7,716,382
Total Liabilities	832,016
Total Deferred Inflows	1,426,320
Net Position	5,458,046
Total Revenues	503,211
Total Expenses	802,921
Excess of Revenue Over Expenses	(299,710)

Woodlawn Union Cemetery

The City is a participant along with Wadsworth Township in a joint venture to establish and manage the Woodlawn Union Cemetery. This establishment is allowable under Ohio Revised Code Section 759.27. This joint venture is considered a separate reporting entity by the City and has not been included in these basic financial statements. Complete financial statements for the Woodlawn Cemetery can be obtained from the Secretary-Treasurer of the Cemetery. Financial information for the Cemetery for the year ended December 31, 2016 was as follows:

Total Receipts	\$ 278,553
Total Disbursements	<u>(314,596)</u>
Change in Net Income	<u>\$ (36,043)</u>

The Cemetery has no outstanding debt.

NOTE 21 - JOINTLY GOVERNED ORGANIZATION

Municipal Energy Services Agency (MESA)

The Municipal Energy Services Agency (MESA) is a jointly governed organization among the City and 30 other municipal electric systems. MESA was formed to provide access to a pool of personnel experienced in the planning, management, engineering, construction, safety training and other technical aspects of the operation and maintenance of municipal electric and other utility systems. The continued existence of MESA is not dependent on the City's continued participation and the City does not have an equity interest in or financial responsibility for MESA. MESA has no outstanding debt.

CITY OF WADSWORTH, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 22 - CONTINGENCIES

A. Grants

The City received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2016.

B. Litigation

The City is not currently a party to any legal proceedings that would have a materially adverse effect on the financial statements at December 31, 2016.

C. Community Center

The City is currently in negotiations with the School District regarding the final payment and close-out of the Community Center project. The City has funds set aside for this final payment; however, there may be a need for other resources. The final amount has not been determined nor can it be reasonably estimated.

NOTE 23 - OTHER COMMITMENTS

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the City's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year End Encumbrances</u>
General fund	\$ 74,925
Nonmajor governmental funds	<u>518,454</u>
Total	<u>\$ 593,379</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 24 - FUND BALANCE

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

<u>Fund balance</u>	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Materials and supplies inventory	\$ 181,663	\$ 286,999	\$ 468,662
Prepayments	61,929	35,770	97,699
Interfund loan receivable	<u>2,798,048</u>	<u>-</u>	<u>2,798,048</u>
Total nonspendable	<u>3,041,640</u>	<u>322,769</u>	<u>3,364,409</u>
Restricted:			
Capital projects	-	4,561,819	4,561,819
Street maintenance	-	1,285,473	1,285,473
Emergency medical services	-	2,033,605	2,033,605
Municipal court	-	864,124	864,124
Law enforcement	-	332,605	332,605
Community improvements	-	270,464	270,464
Community developments	-	97,625	97,625
Fire protection	-	21,379	21,379
Debt service	-	<u>17,958</u>	<u>17,958</u>
Total restricted	<u>-</u>	<u>9,485,052</u>	<u>9,485,052</u>
Committed:			
Capital projects	-	2,219,874	2,219,874
Recreation	-	187,420	187,420
Other	-	<u>108,102</u>	<u>108,102</u>
Total committed	<u>-</u>	<u>2,515,396</u>	<u>2,515,396</u>
Assigned:			
General government	33,924	-	33,924
Security of persons and property	15,583	-	15,583
Leisure time activities	27,340	-	27,340
Other purposes	<u>1,010</u>	<u>-</u>	<u>1,010</u>
Total assigned	<u>77,857</u>	<u>-</u>	<u>77,857</u>
Unassigned (deficit)	<u>3,170,977</u>	<u>(4,337,035)</u>	<u>(1,166,058)</u>
Total fund balances	<u>\$ 6,290,474</u>	<u>\$ 7,986,182</u>	<u>\$ 14,276,656</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 25 - CONTRACTUAL COMMITMENTS

As of December 31, 2016, the City had the following contractual commitments outstanding related to various City projects and purchases:

<u>Vendor</u>	<u>Amount of Contract</u>	<u>Amount Paid as of 12/31/2016</u>	<u>Remaining Commitment 12/31/2016</u>
Advanced Media Technologies, Inc	\$ 475,913	\$ (175,562)	\$ 300,351
Fioritto Construction	147,874	-	147,874
All Reliable Services Inc	137,900	(76,779)	61,121
Equipment Technology	84,745	-	84,745
Henderson Products Inc	69,888	-	69,888
Fechko Excavating Inc	1,237,063	(1,163,580)	73,483
The Shelly Company	842,407	(821,895)	20,512
Environmental Control Specialists	113,132	-	113,132
Michael Baker International	59,000	(18,880)	40,120
Total	<u>\$ 3,167,922</u>	<u>\$ (2,256,696)</u>	<u>\$ 911,226</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WADSWORTH, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/NET PENSION ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST THREE YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>			
City's proportion of the net pension liability	0.079541%	0.080360%	0.080360%
City's proportionate share of the net pension liability	\$ 13,777,505	\$ 9,692,314	\$ 9,473,397
City's covered-employee payroll	\$ 9,878,600	\$ 9,860,667	\$ 10,202,015
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	139.47%	98.29%	92.86%
Plan fiduciary net position as a percentage of the total pension liability	81.08%	86.45%	86.36%
<i>Combined Plan:</i>			
City's proportion of the net pension asset	0.088980%	0.091286%	0.091286%
City's proportionate share of the net pension asset	\$ 43,300	\$ 35,148	\$ 9,578
City's covered-employee payroll	\$ 319,175	\$ 333,683	*
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	13.57%	10.53%	*
Plan fiduciary net position as a percentage of the total pension asset	116.90%	114.83%	104.56%
<i>Member Directed Plan:</i>			
City's proportion of the net pension asset	0.031724%	n/a	n/a
City's proportionate share of the net pension asset	\$ 121	n/a	n/a
City's covered-employee payroll	\$ 223,168	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	0.05%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	103.91%	n/a	n/a

* Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WADSWORTH, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST THREE YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.13101700%	0.10724110%	0.10724110%
City's proportionate share of the net pension liability	\$ 8,428,423	\$ 6,597,877	\$ 5,222,978
City's covered-employee payroll	\$ 2,778,726	\$ 3,300,129	\$ 2,526,022
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	303.32%	199.93%	206.77%
Plan fiduciary net position as a percentage of the total pension liability	66.77%	72.20%	73.00%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WADSWORTH, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 1,185,365	\$ 1,185,432	\$ 1,183,280	\$ 1,326,262
Contributions in relation to the contractually required contribution	<u>(1,185,365)</u>	<u>(1,185,432)</u>	<u>(1,183,280)</u>	<u>(1,326,262)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 9,878,042	\$ 9,878,600	\$ 9,860,667	\$ 10,202,015
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	13.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 40,851	\$ 38,301	\$ 40,042	\$ -
Contributions in relation to the contractually required contribution	<u>(40,851)</u>	<u>(38,301)</u>	<u>(40,042)</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 340,425	\$ 319,175	\$ 333,683	\$ -
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	13.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 17,745	\$ 21,201		
Contributions in relation to the contractually required contribution	<u>(17,745)</u>	<u>(21,201)</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>		
City's covered-employee payroll	\$ 186,789	\$ 223,168		
Contributions as a percentage of covered-employee payroll	9.50%	9.50%		

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 936,483	\$ 918,519	\$ 850,973	\$ 833,367	\$ 793,331	\$ 876,965
<u>(936,483)</u>	<u>(918,519)</u>	<u>(850,973)</u>	<u>(833,367)</u>	<u>(793,331)</u>	<u>(876,965)</u>
<u>\$ -</u>					
\$ 9,364,830	\$ 9,185,190	\$ 9,543,622	\$ 10,256,825	\$ 11,333,300	\$ 10,502,575
10.00%	10.00%	8.92%	8.13%	7.00%	8.35%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>					
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7.95%	7.95%	9.69%	8.13%	7.00%	8.35%

CITY OF WADSWORTH, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Police:</i>				
Contractually required contribution	\$ 417,026	\$ 402,612	\$ 481,740	\$ 310,231
Contributions in relation to the contractually required contribution	<u>(417,026)</u>	<u>(402,612)</u>	<u>(481,740)</u>	<u>(310,231)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 2,194,874	\$ 2,119,011	\$ 2,535,474	\$ 1,953,186
Contributions as a percentage of covered-employee payroll	19.00%	19.00%	19.00%	15.88%
<i>Fire:</i>				
Contractually required contribution	\$ 178,372	\$ 155,033	\$ 179,694	\$ 116,763
Contributions in relation to the contractually required contribution	<u>(178,372)</u>	<u>(155,033)</u>	<u>(179,694)</u>	<u>(116,763)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 759,030	\$ 659,715	\$ 764,655	\$ 572,836
Contributions as a percentage of covered-employee payroll	23.50%	23.50%	23.50%	20.38%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 258,958	\$ 250,581	\$ 240,768	\$ 228,912	\$ 241,285	\$ 243,935
<u>(258,958)</u>	<u>(250,581)</u>	<u>(240,768)</u>	<u>(228,912)</u>	<u>(241,285)</u>	<u>(243,935)</u>
<u>\$ -</u>					
\$ 2,031,043	\$ 1,965,341	\$ 1,888,376	\$ 1,795,388	\$ 1,892,431	\$ 1,913,216
12.75%	12.75%	12.75%	12.75%	12.75%	12.75%
\$ 91,242	\$ 94,982	\$ 91,263	\$ 86,768	\$ 91,459	\$ 92,463
<u>(91,242)</u>	<u>(94,982)</u>	<u>(91,263)</u>	<u>(86,768)</u>	<u>(91,459)</u>	<u>(92,463)</u>
<u>\$ -</u>					
\$ 528,939	\$ 550,620	\$ 529,061	\$ 503,003	\$ 530,197	\$ 536,017
17.25%	17.25%	17.25%	17.25%	17.25%	17.25%

CITY OF WADSWORTH, OHIO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

CITY OF WADSWORTH, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Capital Projects Funds

Airport Improvements Fund

To account for the federal grant dollars and local matches used for the capital improvements of the Wadsworth Municipal Airport.

Community Center Project Fund

To account for Income Tax Revenue Bond proceeds, the construction of a new community center and to receive lease payments and income tax revenues to service the bonds.

General Capital Improvements Fund

To account for income tax dollars used for various capital improvements and to account for dollars reserved for vehicle replacements.

EMS Reserve Fund

To account for EMS levy dollars set aside for EMS capital improvements.

Fire Levy Fund

To account for the Fire Levy dollars for the purpose of providing and maintaining fire apparatus, appliances, buildings, or sites.

Park Land Acquisition Fund

To account for fees paid in lieu of residential subdivision land dedication for public use by the developers and exclusively used for park land acquisition as determined by City Council.

Street Improvement Fund

To account for the costs associated with the street improvements made using income tax dollars.

West Street Improvements Fund

To account for the construction costs related to improvements made to West Street primarily paid for with a grant from the State of Ohio.

Special Assessments Fund

To account for transfers and cash payments by property owners related to sidewalk improvements that are assessed to the property owner.

Nonmajor Debt Service Funds

Special Assessment Bond Retirement Fund

To account for the money collected by the County Auditor for the payment of the bonds issued for the assessed projects.

CITY OF WADSWORTH, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The following are the special revenue funds which the City operates:

Recreation Fund

To account for income tax revenue, lease payments, contributions & donations related to the construction, operations, and debt service of the Community Center.

Street Maintenance Fund

To account for the income tax revenue, a portion of the gasoline excise tax, a portion of the motor vehicles license tax, and miscellaneous street related sales used in the operations of the Street Department.

Emergency Medical Services Fund

To account for the EMS levy collections, charges for services, interest and donations used to support the operations of EMS.

Municipal Court Special Programs Fund

To account for a portion of the fines collected from civil and criminal court orders used to maintain and purchase computer software and equipment for the municipal court. Accounts for the fees paid by individuals that have been court ordered to do community service. These fees are used to pay for a portion of the personal services of the Director of the Community Service Program. Also, accounts for municipal court fines collected on criminal cases and used to support the activities of the Probation Officer.

Municipal Court Improvements Fund

To account for a portion of the fines collected from civil and criminal court orders used to provide the municipal court with furniture, equipment and building maintenance.

Developers Shade Tree Fund

To account for the collection of fees for street trees in lieu of planting such street trees. This fee is generally paid for by developers when the City's Engineering department does a plat of a new development. These fees are used to pay for new plantings and maintenance of existing trees.

Drug Law Enforcement Fund

To account for drug fines and donations used to support the annual safety forces camp and drug prevention programs.

Law Enforcement & Education Fund

To account for the collection of DUI Fines received by the Municipal Court and used to purchase items that will assist the Police Department in enforcing the law.

Indigent Drivers Alcohol Treatment Fund

To account for fines received through the criminal cases and for monies received from the State of Ohio for the purpose of treating indigent drivers for alcohol abuse.

CITY OF WADSWORTH, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - (continued)

Law Enforcement Trust Fund

To account for seized property by Federal, State, and local governments used to enhance law enforcement.

Permissive Motor Vehicle License Fund

To account for the collection of the local motor vehicle license tax used to plan, construct, maintain, and repair public roads, highways and streets.

State Highway Fund

The State Highway is required by the Ohio Revised Code to account for State gasoline tax and motor vehicle registration fees designated for maintenance of State highways within the City.

Abatement of Public Nuisance Fund

To account for costs associated with the reduction of public nuisances supported by General Fund transfers and special assessments.

Chippewa Creek Well Reserve Fund

To account for funds set aside per the settlement agreement between the City and the County of Wayne to be used for the purpose of water well restoration for property owners in Wayne County whose wells have been dewatered as a result of the development and use of groundwater resources in the Chippewa Creek buried valley aquifer by the City.

Community Reinvestment Fund

To account for the annual fee paid by local businesses associated with their community reinvestment agreement and for the administration of the tax incentive program.

Fire Department Education Grant Fund

To account for State of Ohio grant dollars and donations received for the education of fire department employees.

Police Continuing Professional Training Fund

To account for the activity associated with a grant provided by the State of Ohio Attorney General's Office. These dollars are to be used for paying the cost of continuing professional training programs per ORC 109.802.

Community Development Block Grant (CDBG) Fund

To account for federal grant monies used for various capital projects within the City.

Community Housing Improvement Program (CHIP) Fund

To account for federal grant dollars used in various programs administered by the City for the community improvements.

CITY OF WADSWORTH, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - (continued)

CHIP Revolving Loan Fund

To account for the portion of CHIP loans required to be paid back to the City and reused for other home improvement loans in the future per State of Ohio requirements.

Economic Development Fund

To account for a portion of motel taxes and other contributions made by various funds used for costs related to economic development.

Recreation Tax Fund

To account for taxes collected related to residential building permits and used for the development of city owned recreation sites and facilities within the city.

Revolving Loan Fund

To account for transfers and money received from the State of Ohio Development Services Agency to assist eligible businesses within the City limits.

Tax Increment Financing Fund

To account for the collection of Tax Increment Financing dollars related to the Heritage Development (Wal-Mart & Home Depot) and Wadsworth Crossings Development (Lowe's, Target, & Kohl's) used to pay for the construction of city owned infrastructure.

CITY OF WADSWORTH, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 5,695,061	\$ -	\$ 4,131,190	\$ 9,826,251
Receivables:				
Income taxes	392,002	83,070	508,376	983,448
Real and other taxes	-	-	1,105,118	1,105,118
Accounts	-	-	646,232	646,232
Special assessments	419	1,770	20,925	23,114
Interfund loans	2,066,158	21,258	1,594,911	3,682,327
Due from other governments	105,418	-	1,408,598	1,514,016
Materials and supplies inventory	390	-	286,609	286,999
Prepayments	-	-	35,770	35,770
Total assets	\$ 8,259,448	\$ 106,098	\$ 9,737,729	\$ 18,103,275
Liabilities:				
Accounts payable	\$ 249,932	\$ -	\$ 53,010	\$ 302,942
Contracts payable	64,410	-	33,366	97,776
Accrued wages and benefits	-	-	81,702	81,702
Compensated absences payable	-	-	37,406	37,406
Interfund loans payable	637,298	20,296	3,003,944	3,661,538
Due to other governments	-	-	22,728	22,728
Matured interest payable	-	128	-	128
Accrued interest payable	7,831	-	1,291	9,122
Bond Anticipation notes payable	1,440,000	-	985,250	2,425,250
Total liabilities	2,399,471	20,424	4,218,697	6,638,592
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	1,076,163	1,076,163
Delinquent property tax revenue not available	-	-	28,955	28,955
Special assessments revenue not available	419	1,770	20,925	23,114
Miscellaneous revenue not available	-	-	508,218	508,218
Income tax revenue not available	311,194	65,946	403,579	780,719
Intergovernmental revenue not available	105,418	-	955,914	1,061,332
Total deferred inflows of resources	417,031	67,716	2,993,754	3,478,501
Fund balances:				
Nonspendable	390	-	322,379	322,769
Restricted	4,561,819	17,958	4,905,275	9,485,052
Committed	2,219,874	-	295,522	2,515,396
Unassigned (deficit)	(1,339,137)	-	(2,997,898)	(4,337,035)
Total fund balances	5,442,946	17,958	2,525,278	7,986,182
Total liabilities, deferred inflows of resources & fund balance	\$ 8,259,448	\$ 106,098	\$ 9,737,729	\$ 18,103,275

CITY OF WADSWORTH, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Nonmajor Capital Projects Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Income taxes	\$ 1,213,964	\$ 54,754	\$ 1,082,010	\$ 2,350,728
Real and other taxes	105,388	-	1,037,778	1,143,166
Charges for services	129,078	40,000	1,274,712	1,443,790
Licenses and permits	39,600	-	-	39,600
Fines and forfeitures	-	-	122,988	122,988
Intergovernmental	799,824	-	1,656,223	2,456,047
Special assessments	154,380	8,288	-	162,668
Investment income	-	-	361	361
Rental income	-	489,609	-	489,609
Contributions and donations	-	-	129,221	129,221
Payment in lieu of taxes	-	-	492,917	492,917
Other	145,852	12,816	14,782	173,450
Total revenues	<u>2,588,086</u>	<u>605,467</u>	<u>5,810,992</u>	<u>9,004,545</u>
Expenditures:				
<i>Current:</i>				
General government	50,238	-	160,350	210,588
Security of persons and property	57,268	-	1,654,663	1,711,931
Public health and welfare	-	-	8,499	8,499
Transportation	5,607	-	2,979,613	2,979,220
Leisure time activity	155,775	-	213,756	369,531
Economic development	-	-	952,258	952,258
Capital outlay	4,880,254	-	799,975	5,680,229
<i>Debt service:</i>				
Interest and fiscal charges	19,904	574,448	39,879	634,231
Bond issuance costs	-	196,717	-	196,717
Total expenditures	<u>5,169,046</u>	<u>771,165</u>	<u>6,802,993</u>	<u>12,743,204</u>
Excess of revenues over (under) expenditures	<u>(2,580,960)</u>	<u>(165,698)</u>	<u>(992,001)</u>	<u>(3,738,659)</u>
Other financing sources (uses):				
Bond issuance.	-	17,630,000	-	17,630,000
Payment to refunded bond escrow agent.	-	(18,037,257)	-	(18,037,257)
Sale of capital assets	-	-	66,008	66,008
Premium on bond issuance	-	598,691	-	598,691
Transfers in	228,461	-	22,838	251,299
Transfers out	-	(8,522)	-	(8,522)
Total other financing sources/(uses)	<u>228,461</u>	<u>182,912</u>	<u>88,846</u>	<u>500,219</u>
Net change in fund balances	(2,352,499)	17,214	(903,155)	(3,238,440)
Fund balances at beginning of year	<u>7,795,445</u>	<u>744</u>	<u>3,428,433</u>	<u>11,224,622</u>
Fund balances at end of year	<u>\$ 5,442,946</u>	<u>\$ 17,958</u>	<u>\$ 2,525,278</u>	<u>\$ 7,986,182</u>

CITY OF WADSWORTH, OHIO
COMBINING BALANCE SHEET
INDIVIDUAL NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	Nonmajor Capital Projects			
	Airport Improvements Fund	Community Center Project Fund	General Capital Improvements Fund	EMS Reserve Fund
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 46,819	\$ 118,259	\$ 875,661	\$ 787,379
Receivables:				
Income taxes	21,055	-	-	-
Real and other taxes	-	-	-	-
Accounts	-	-	-	-
Special assessments	-	-	-	-
Interfund loans	18,420	47,002	329,732	312,946
Due from other governments	-	-	105,418	-
Materials and supplies inventory	-	-	-	-
Prepayments	-	-	-	-
Total assets	<u>\$ 86,294</u>	<u>\$ 165,261</u>	<u>\$ 1,310,811</u>	<u>\$ 1,100,325</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 71,325	\$ -
Contracts payable	64,410	-	-	-
Accrued wages and benefits	-	-	-	-
Compensated absences payable	-	-	-	-
Interfund loans payable	106,763	-	506,577	-
Due to other governments	-	-	-	-
Accrued interest payable	-	-	-	-
Bond Anticipation notes payable	-	-	-	-
Matured interest payable	-	-	-	-
Total liabilities	<u>171,173</u>	<u>-</u>	<u>577,902</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Special assessments revenue not available	-	-	-	-
Miscellaneous revenue not available	-	-	-	-
Income tax revenue not available	16,715	-	-	-
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>16,715</u>	<u>-</u>	<u>105,418</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	165,261	627,491	1,100,325
Unassigned (deficit)	(101,594)	-	-	-
Total fund balances	<u>(101,594)</u>	<u>165,261</u>	<u>627,491</u>	<u>1,100,325</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 86,294</u>	<u>\$ 165,261</u>	<u>\$ 1,310,811</u>	<u>\$ 1,100,325</u>

Nonmajor Capital Projects					Nonmajor Debt Service	Nonmajor Special Revenue
Fire Levy Fund	Park Land Acquisition Fund	Street Improvement Fund	Special Assessments Fund	Total Capital Projects	Special Assessment Bond Retirement Fund	Recreation Fund
\$ 3,075,826	\$ 311,915	\$ 192,949	\$ 286,253	\$ 5,695,061	\$ -	\$ 189,801
-	-	370,181	766	392,002	83,070	34,453
-	-	-	-	-	-	-
-	-	-	-	-	-	44,932
-	-	-	419	419	1,770	-
1,253,842	14,882	61,487	27,847	2,066,158	21,258	66,972
-	-	-	-	105,418	-	-
390	-	-	-	390	-	-
-	-	-	-	-	-	3,146
<u>\$ 4,330,058</u>	<u>\$ 326,797</u>	<u>\$ 624,617</u>	<u>\$ 315,285</u>	<u>\$ 8,259,448</u>	<u>\$ 106,098</u>	<u>\$ 339,304</u>
\$ 52,070	\$ -	\$ 46,525	\$ 80,012	\$ 249,932	\$ -	\$ -
-	-	-	-	64,410	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	23,958	637,298	20,296	1,122,315
-	-	-	-	-	-	-
-	-	-	7,831	7,831	-	-
-	-	-	1,440,000	1,440,000	-	-
-	-	-	-	-	128	-
<u>52,070</u>	<u>-</u>	<u>46,525</u>	<u>1,551,801</u>	<u>2,399,471</u>	<u>20,424</u>	<u>1,122,315</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	419	419	1,770	-
-	-	-	-	-	-	-
-	-	293,871	608	311,194	65,946	27,351
-	-	-	-	105,418	-	-
-	-	<u>293,871</u>	<u>1,027</u>	<u>417,031</u>	<u>67,716</u>	<u>27,351</u>
390	-	-	-	390	-	3,146
4,277,598	-	284,221	-	4,561,819	17,958	-
-	326,797	-	-	2,219,874	-	-
-	-	-	(1,237,543)	(1,339,137)	-	(813,508)
<u>4,277,988</u>	<u>326,797</u>	<u>284,221</u>	<u>(1,237,543)</u>	<u>5,442,946</u>	<u>17,958</u>	<u>(810,362)</u>
<u>\$ 4,330,058</u>	<u>\$ 326,797</u>	<u>\$ 624,617</u>	<u>\$ 315,285</u>	<u>\$ 8,259,448</u>	<u>\$ 106,098</u>	<u>\$ 339,304</u>

Continued

CITY OF WADSWORTH, OHIO
COMBINING BALANCE SHEET
INDIVIDUAL NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2016

	Nonmajor Special Revenue			
	Street Maintenance Fund	Emergency Medical Services Fund	Municipal Court Special Programs Fund	Municipal Court Improvements Fund
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 550,768	\$ 1,436,470	\$ 124,984	\$ 353,344
Receivables:				
Income taxes	473,923	-	-	-
Real and other taxes	-	1,105,118	-	-
Accounts	-	601,300	-	-
Special assessments	-	-	-	-
Interfund loans	218,904	570,929	49,676	140,437
Due from other governments	380,925	62,982	-	-
Materials and supplies inventory	255,934	-	-	-
Prepayments	6,768	2,033	-	-
Total assets	\$ 1,887,222	\$ 3,778,832	\$ 174,660	\$ 493,781
Liabilities:				
Accounts payable	\$ 19,971	\$ 5,772	\$ 1,461	\$ 1,388
Contracts payable	-	-	-	-
Accrued wages and benefits	34,764	46,938	-	-
Compensated absences payable	37,406	-	-	-
Interfund loans payable	-	-	-	-
Due to other governments	8,562	14,166	-	-
Accrued interest payable	-	-	-	-
Bond Anticipation notes payable	-	-	-	-
Matured interest payable	-	-	-	-
Total liabilities	100,703	66,876	1,461	1,388
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	1,076,163	-	-
Delinquent property tax revenue not available	-	28,955	-	-
Special assessments revenue not available	-	-	-	-
Miscellaneous revenue not available	-	508,218	-	-
Income tax revenue not available	376,228	-	-	-
Intergovernmental revenue not available	250,612	62,982	-	-
Total deferred inflows of resources	626,840	1,676,318	-	-
Fund balances:				
Nonspendable	262,702	2,033	-	-
Restricted	896,977	2,033,605	173,199	492,393
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	1,159,679	2,035,638	173,199	492,393
Total liabilities, deferred inflows of resources & fund balance	\$ 1,887,222	\$ 3,778,832	\$ 174,660	\$ 493,781

CITY OF WADSWORTH, OHIO
COMBINING BALANCE SHEET
INDIVIDUAL NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2016

	Nonmajor Special Revenue			
	State Highway Fund	Abatement of Public Nuisance Fund	Chippewa Creek Well Reserve Fund	Community Reinvestment Fund
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 59,083	\$ 49,615	\$ 71,559	\$ 25,030
Receivables:				
Income taxes	-	-	-	-
Real and other tax	-	-	-	-
Accounts	-	-	-	-
Special assessments	-	20,925	-	-
Interfund loans	23,483	19,719	28,441	9,948
Due from other governments	30,886	-	-	-
Materials and supplies inventory	16,376	-	-	-
Prepayments	-	-	-	-
Total assets	<u>\$ 129,828</u>	<u>\$ 90,259</u>	<u>\$ 100,000</u>	<u>\$ 34,978</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits	-	-	-	-
Compensated absences payable	-	-	-	-
Interfund loans payable	-	-	-	-
Due to other governments	-	-	-	-
Accrued interest payable	-	-	-	-
Bond Anticipation notes payable	-	-	-	-
Matured interest payable	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Special assessments revenue not available	-	20,925	-	-
Miscellaneous revenue not available	-	-	-	-
Income tax revenue not available	-	-	-	-
Intergovernmental revenue not available	20,320	-	-	-
Total deferred inflows of resources	<u>20,320</u>	<u>20,925</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	16,376	-	-	-
Restricted	93,132	69,334	100,000	34,978
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	<u>109,508</u>	<u>69,334</u>	<u>100,000</u>	<u>34,978</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 129,828</u>	<u>\$ 90,259</u>	<u>\$ 100,000</u>	<u>\$ 34,978</u>

Nonmajor Special Revenue

Fire Department Education Grant Fund	Police Continuing Professional Training Fund	Community Development Block Grant (CDBG) Fund	Community Housing Improvement Program (CHIP) Fund	CHIP Revolving Loan Fund	Economic Development Fund	Recreation Tax Fund
\$ 15,299	\$ 6,375	\$ 53,685	\$ 9,294	\$ 21,480	\$ -	\$ 135,685
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,080	2,534	21,337	3,694	8,537	92,945	53,928
-	6,160	67,403	194,517	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	4,389	-
<u>\$ 21,379</u>	<u>\$ 15,069</u>	<u>\$ 142,425</u>	<u>\$ 207,505</u>	<u>\$ 30,017</u>	<u>\$ 97,334</u>	<u>\$ 189,613</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,400	\$ 2,193
-	-	33,366	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	72,924	207,505	-	14,079	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	106,290	207,505	-	16,479	2,193
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	4,389	-
21,379	15,069	36,135	-	30,017	76,466	-
-	-	-	-	-	-	187,420
-	-	-	-	-	-	-
<u>21,379</u>	<u>15,069</u>	<u>36,135</u>	<u>-</u>	<u>30,017</u>	<u>80,855</u>	<u>187,420</u>
<u>\$ 21,379</u>	<u>\$ 15,069</u>	<u>\$ 142,425</u>	<u>\$ 207,505</u>	<u>\$ 30,017</u>	<u>\$ 97,334</u>	<u>\$ 189,613</u>

Continued

CITY OF WADSWORTH, OHIO
COMBINING BALANCE SHEET
INDIVIDUAL NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2016

Nonmajor Special Revenue				
	Revolving Loan Fund	Tax Increment Financing Fund	Total Special Revenue	Totals
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 97,625	\$ 281,600	\$ 4,131,190	\$ 9,826,251
Receivables:				
Income taxes	-	-	508,376	983,448
Real and other taxes	-	-	1,105,118	1,105,118
Accounts	-	-	646,232	646,232
Special assessments	-	-	20,925	23,114
Interfund loans	-	85,040	1,594,911	3,682,327
Due from other governments	-	644,632	1,408,598	1,514,016
Materials and supplies inventory	-	-	286,609	286,999
Prepayments	-	-	35,770	35,770
Total assets	<u>\$ 97,625</u>	<u>\$ 1,011,272</u>	<u>\$ 9,737,729</u>	<u>\$ 18,103,275</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 53,010	\$ 302,942
Contracts payable	-	-	33,366	97,776
Accrued wages and benefits	-	-	81,702	81,702
Compensated absences payable	-	-	37,406	37,406
Interfund loans payable	-	1,587,121	3,003,944	3,661,538
Due to other governments	-	-	22,728	22,728
Accrued interest payable	-	1,291	1,291	9,122
Bond Anticipation notes payable	-	985,250	985,250	2,425,250
Matured interest payable	-	-	-	128
Total liabilities	<u>-</u>	<u>2,573,662</u>	<u>4,218,697</u>	<u>6,638,592</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	1,076,163	1,076,163
Delinquent property tax revenue not available	-	-	28,955	28,955
Special assessments revenue not available	-	-	20,925	23,114
Miscellaneous revenue not available	-	-	508,218	508,218
Income tax revenue not available	-	-	403,579	780,719
Intergovernmental revenue not available	-	622,000	955,914	1,061,332
Total deferred inflows of resources	<u>-</u>	<u>622,000</u>	<u>2,993,754</u>	<u>3,478,501</u>
Fund balances:				
Nonspendable	-	-	322,379	322,769
Restricted	97,625	-	4,905,275	9,485,052
Committed	-	-	295,522	2,515,396
Unassigned (deficit)	-	(2,184,390)	(2,997,898)	(4,337,035)
Total fund balances	<u>97,625</u>	<u>(2,184,390)</u>	<u>2,525,278</u>	<u>7,986,182</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 97,625</u>	<u>\$ 1,011,272</u>	<u>\$ 9,737,729</u>	<u>\$ 18,103,275</u>

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CITY OF WADSWORTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Nonmajor Capital Projects			
	Airport Improvements Fund	Community Center Project Fund	General Capital Improvements Fund	EMS Reserve Fund
Revenues:				
Income taxes	\$ 92,208	\$ -	\$ 222,245	\$ -
Real and other taxes	-	-	105,388	-
Charges for services	-	-	-	103,828
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	799,824	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Rental income	-	-	-	-
Contributions and donations	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Other	-	-	112,453	-
Total revenues	892,032	-	440,086	103,828
Expenditures:				
<i>Current:</i>				
General government	654	-	42,297	-
Security of persons and property	-	-	-	182
Public health and welfare	-	-	-	-
Transportation	-	-	-	-
Leisure time activity	-	13	-	-
Economic development	-	-	-	-
Capital outlay	996,764	-	638,930	-
<i>Debt service:</i>				
Interest and fiscal charges	1,780	-	5,910	-
Bond issuance costs	-	-	-	-
Total expenditures	999,198	13	687,137	182
Excess (deficiency) of revenues over/(under) expenditures	(107,166)	(13)	(247,051)	103,646
Other financing sources (uses):				
Bond issuance	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Sale of assets	-	-	-	-
Premium on bond issued	-	-	-	-
Transfer in	-	663	5,905	3,984
Transfer out	-	-	-	-
Total other financing sources/(uses)	-	663	5,905	3,984
Net change in fund balances	(107,166)	650	(241,146)	107,630
Fund balances at beginning of year	5,572	164,611	868,637	992,695
Fund balances at end of year	\$ (101,594)	\$ 165,261	\$ 627,491	\$ 1,100,325

Nonmajor Capital Projects						Nonmajor Debt Service
Fire Levy Fund	Park Land Acquisition Fund	Street Improvement Fund	West Street Improvements Fund	Special Assessments Fund	Total Capital Projects	Special Assessment Bond Retirement Fund
\$ -	\$ -	\$ 897,866	\$ -	\$ 1,645	\$ 1,213,964	\$ 54,754
-	-	-	-	-	105,388	-
25,250	-	-	-	-	129,078	40,000
-	39,600	-	-	-	39,600	-
-	-	-	-	-	-	-
-	-	-	-	-	799,824	-
-	-	-	-	154,380	154,380	8,288
-	-	-	-	-	-	-
-	-	-	-	-	-	489,609
-	-	-	-	-	-	-
-	-	33,399	-	-	145,852	12,816
25,250	39,600	931,265	-	156,025	2,588,086	605,467
-	-	-	-	7,287	50,238	-
57,086	-	-	-	-	57,268	-
-	-	-	-	-	-	-
-	-	5,607	-	-	5,607	-
-	155,762	-	-	-	155,775	-
-	-	-	-	-	-	-
724,269	-	1,072,124	-	1,448,167	4,880,254	-
-	-	-	-	12,214	19,904	574,448
-	-	-	-	-	-	196,717
781,355	155,762	1,077,731	-	1,467,668	5,169,046	771,165
(756,105)	(116,162)	(146,466)	-	(1,311,643)	(2,580,960)	(165,698)
-	-	-	-	-	-	17,630,000
-	-	-	-	-	-	(18,037,257)
-	-	-	-	-	-	-
-	-	-	-	-	-	598,691
69,133	137,187	2,482	-	9,107	228,461	-
-	-	-	-	-	-	(8,522)
69,133	137,187	2,482	-	9,107	228,461	182,912
(686,972)	21,025	(143,984)	-	(1,302,536)	(2,352,499)	17,214
4,964,960	305,772	428,205	-	64,993	7,795,445	744
\$ 4,277,988	\$ 326,797	\$ 284,221	\$ -	\$ (1,237,543)	\$ 5,442,946	\$ 17,958

Continued

CITY OF WADSWORTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Nonmajor Special Revenue			
	Recreation Fund	Street Maintenance Fund	Emergency Medical Services Fund	Municipal Court Special Programs Fund
Revenues:				
Income taxes	\$ -	\$ 1,082,010	\$ -	\$ -
Real and other taxes	-	-	924,178	-
Charges for services	-	360,533	760,311	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	27,464
Intergovernmental	-	787,209	132,011	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Rental income	-	-	-	-
Contributions and donations	101,850	-	-	-
Payment in lieu of taxes	-	-	-	-
Other	-	3,028	100	-
Total revenues	101,850	2,232,780	1,816,600	27,464
Expenditures:				
<i>Current:</i>				
General government	-	-	-	37,478
Security of persons and property	-	-	1,598,621	-
Public health and welfare	-	-	-	-
Transportation	-	2,413,210	-	-
Leisure time activity	164,893	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Interest and fiscal charges	12,341	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	177,234	2,413,210	1,598,621	37,478
Excess (deficiency) of revenues over/(under) expenditures	(75,384)	(180,430)	217,979	(10,014)
Other financing sources (uses):				
Bond issuance	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Sale of assets	-	59,632	-	-
Premium on bond issued	-	-	-	-
Transfer in	2,318	2,963	7,842	697
Transfer out	-	-	-	-
Total other financing sources/(uses)	2,318	62,595	7,842	697
Net change in fund balances	(73,066)	(117,835)	225,821	(9,317)
Fund balances at beginning of year	(737,296)	1,277,514	1,809,817	182,516
Fund balances at end of year	\$ (810,362)	\$ 1,159,679	\$ 2,035,638	\$ 173,199

Nonmajor Special Revenue

Municipal Court Improvements Fund	Developers Shade Tree Fund	Drug Law Enforcement Fund	Law Enforcement and Education Fund	Indigent Drivers Alcohol Treatment Fund	Law Enforcement Trust Fund	Permissive Motor Vehicle License Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	37,801	-	-	-	-	-
-	-	-	-	-	-	-
54,378	-	4,680	4,090	17,324	4,710	-
-	-	-	-	6,618	-	254,350
-	-	-	-	-	82	-
-	-	-	-	-	-	-
-	-	27,371	-	-	-	-
-	-	-	-	-	-	-
-	-	56	-	-	-	-
54,378	37,801	32,107	4,090	23,942	4,792	254,350
31,195	29,909	-	219	40,316	-	-
-	-	42,204	-	-	9,924	-
-	-	-	-	-	-	-
-	-	-	-	-	-	202,641
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
31,195	29,909	42,204	219	40,316	9,924	202,641
23,183	7,892	(10,097)	3,871	(16,374)	(5,132)	51,709
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	6,376	-
-	-	-	-	-	-	-
1,992	404	233	80	886	-	797
1,992	404	233	80	886	6,376	797
25,175	8,296	(9,864)	3,951	(15,488)	1,244	52,506
467,218	99,806	59,843	21,494	233,454	164,402	257,157
\$ 492,393	\$ 108,102	\$ 49,979	\$ 25,445	\$ 217,966	\$ 165,646	\$ 309,663

Continued

CITY OF WADSWORTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Nonmajor Special Revenue			
	State Highway Fund	Abatement of Public Nuisance Fund	Chippewa Creek Well Reserve Fund	Community Reinvestment Fund
Revenues:				
Income taxes	\$ -	\$ -	\$ -	\$ -
Real and other taxes	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	10,342	-	-
Intergovernmental	63,828	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Rental income	-	-	-	-
Contributions and donations	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Other	-	-	-	1,500
Total revenues	63,828	10,342	-	1,500
Expenditures:				
<i>Current:</i>				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Public health and welfare	-	8,499	-	-
Transportation	84,773	-	-	-
Leisure time activity	-	-	-	-
Economic development	-	-	-	90
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	84,773	8,499	-	90
Excess (deficiency) of revenues over/(under) expenditures	(20,945)	1,843	-	1,410
Other financing sources (uses):				
Bond issuance	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Sale of assets	-	-	-	-
Premium on bond issued	-	-	-	-
Transfer in	320	220	-	142
Transfer out	-	-	-	-
Total other financing sources/(uses)	320	220	-	142
Net change in fund balances	(20,625)	2,063	-	1,552
Fund balances at beginning of year	130,133	67,271	100,000	33,426
Fund balances at end of year	\$ 109,508	\$ 69,334	\$ 100,000	\$ 34,978

Nonmajor Special Revenue

Fire Department Education Grant Fund	Police Continuing Professional Training Fund	Community Development Block Grant (CDBG) Fund	Community Housing Improvement Program (CHIP) Fund	CHIP Revolving Loan Fund	Economic Development Fund	Recreation Tax Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	30,000	83,600
-	-	-	-	21,067	95,000	-
-	-	-	-	-	-	-
-	6,160	67,403	316,012	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	500	-
-	6,160	67,403	316,012	21,067	125,500	83,600
-	-	-	-	-	-	-
64	3,850	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	48,863
-	-	89,759	316,012	128	125,250	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
64	3,850	89,759	316,012	128	125,250	48,863
(64)	2,310	(22,356)	-	20,939	250	34,737
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
86	41	-	-	-	53	509
-	-	-	-	-	-	-
86	41	-	-	-	53	509
22	2,351	(22,356)	-	20,939	303	35,246
21,357	12,718	58,491	-	9,078	80,552	152,174
\$ 21,379	\$ 15,069	\$ 36,135	\$ -	\$ 30,017	\$ 80,855	\$ 187,420

Continued

CITY OF WADSWORTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

Nonmajor Special Revenue				
	Revolving Loan Fund	Tax Increment Financing Fund	Total Special Revenue	Total
Revenues:				
Income taxes	\$ -	\$ -	\$ 1,082,010	\$ 2,350,728
Real and other taxes	-	-	1,037,778	1,143,166
Charges for services	-	-	1,274,712	1,443,790
Licenses and permits	-	-	-	39,600
Fines and forfeitures	-	-	122,988	122,988
Intergovernmental	-	22,632	1,656,223	2,456,047
Special assessments	-	-	-	162,668
Investment income	85	194	361	361
Rental income	-	-	-	489,609
Contributions and donations	-	-	129,221	129,221
Payment in lieu of taxes	-	492,917	492,917	492,917
Other	-	9,598	14,782	173,450
Total revenues	85	525,341	5,810,992	9,004,545
Expenditures:				
<i>Current:</i>				
General government	21,233	-	160,350	210,588
Security of persons and property	-	-	1,654,663	1,711,931
Public health and welfare	-	-	8,499	8,499
Transportation	-	272,989	2,973,613	2,979,220
Leisure time activity	-	-	213,756	369,531
Economic development	-	421,019	952,258	952,258
Capital outlay	-	799,975	799,975	5,680,229
<i>Debt service:</i>				
Interest and fiscal charges	-	27,538	39,879	634,231
Bond issuance costs	-	-	-	196,717
Total expenditures	21,233	1,521,521	6,802,993	12,743,204
Excess (deficiency) of revenues over/(under) expenditures	(21,148)	(996,180)	(992,001)	(3,738,659)
Other financing sources (uses):				
Bond issuance	-	-	-	17,630,000
Payment to refunded bond escrow agent	-	-	-	(18,037,257)
Sale of assets	-	-	66,008	66,008
Premium on bond issued	-	-	-	598,691
Transfer in	-	3,255	22,838	251,299
Transfer out	-	-	-	(8,522)
Total other financing sources/(uses)	-	3,255	88,846	500,219
Net change in fund balances	(21,148)	(992,925)	(903,155)	(3,238,440)
Fund balances at beginning of year	118,773	(1,191,465)	3,428,433	11,224,622
Fund balances at end of year	\$ 97,625	\$ (2,184,390)	\$ 2,525,278	\$ 7,986,182

CITY OF WADSWORTH, OHIO

MAJOR FUNDS

The following funds are being reported as part of the General Fund

Street/Utility Maintenance Guarantees Fund

To account for the collection of money from subdivision developers as a performance guarantee on dedicated streets and utilities.

Parking Fund

To account for parking fines as defined in City ordinances used to improve and maintain City owned parking lots.

WCTV Fund

To account for the franchise fee paid by Time Warner Cable and Wadsworth Cable and the advertising charges for services provided by the Wadsworth Community Television (WCTV). These revenues support the daily operations of the cable studio, production of community channels, and the annual Clapper Awards public event.

Fire Dept HazMat Clean Up Fund

To account for the collection of dollars received by third parties for the containment and disposal of hazardous conditions.

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET/UTILITY MAINTENANCE GUARANTEES FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
<i>Current:</i>			
Transportation			
Contractual services	\$ 103	\$ 103	\$ -
Capital outlay	10,000	-	10,000
Total expenditures	<u>10,103</u>	<u>103</u>	<u>10,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,103)</u>	<u>(103)</u>	<u>10,000</u>
Other financing sources:			
Transfers in	219	210	(9)
Total other financing sources	<u>219</u>	<u>210</u>	<u>(9)</u>
Net change in fund balance	(9,884)	107	9,991
Fund balance at beginning of year	<u>52,218</u>	<u>52,218</u>	<u>-</u>
Fund balance at end of year	<u>\$ 42,334</u>	<u>\$ 52,325</u>	<u>\$ 9,991</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARKING FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Income tax	\$ 51,000	\$ -	\$ (51,000)
Fines and forfeitures	6,000	6,393	393
Total revenues	<u>57,000</u>	<u>6,393</u>	<u>(50,607)</u>
Expenditures:			
<i>Current:</i>			
General government			
Contractual services	373	373	-
Materials and supplies	700	398	302
Other	103	78	25
Capital outlay	35,257	34,086	1,171
Total expenditures	<u>36,433</u>	<u>34,935</u>	<u>1,498</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,567</u>	<u>(28,542)</u>	<u>(49,109)</u>
Other financing sources:			
Transfers in	547	530	(17)
Total other financing sources	<u>547</u>	<u>530</u>	<u>(17)</u>
Net change in fund balance	21,114	(28,012)	(49,126)
Fund balance at beginning of year	109,849	109,849	-
Prior year encumbrances appropriated	25,158	25,158	-
Fund balance at end of year	<u>\$ 156,121</u>	<u>\$ 106,995</u>	<u>\$ (49,126)</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WCTV FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$ 29,000	\$ 48,276	\$ 19,276
Licenses and permits	337,085	316,710	(20,375)
Total revenues	<u>366,085</u>	<u>364,986</u>	<u>(1,099)</u>
Expenditures:			
<i>Current:</i>			
Leisure time activities			
Personal services	254,020	250,486	3,534
Contractual services	52,383	49,716	2,667
Materials and supplies	24,506	19,412	5,094
Other	3,165	3,165	-
Capital outlay	39,000	38,735	265
Total leisure time activities	<u>373,074</u>	<u>361,514</u>	<u>11,560</u>
Debt service:			
Principal retirement	16,000	16,000	-
Interest and fiscal charges	160	160	-
Total expenditures	<u>389,234</u>	<u>377,674</u>	<u>11,560</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,149)</u>	<u>(12,688)</u>	<u>10,461</u>
Other financing sources (uses):			
Note issuance	8,000	8,000	-
Sale of assets	-	1	1
Transfer In	83	26	(57)
Total other financing sources (uses)	<u>8,083</u>	<u>8,027</u>	<u>(56)</u>
Net change in fund balance	(15,066)	(4,661)	10,405
Fund balance at beginning of year	26,573	26,573	-
Prior year encumbrances appropriated	<u>127</u>	<u>127</u>	<u>-</u>
Fund balance at end of year	<u>\$ 11,634</u>	<u>\$ 22,039</u>	<u>\$ 10,405</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE DEPT. HAZMAT CLEAN UP FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ 1,500	\$ -	\$ (1,500)
Total revenues	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
Expenditures:			
<i>Current:</i>			
Security of persons and property			
Contractual services	90	90	-
Materials and supplies	2,200	-	2,200
Total expenditures	<u>2,290</u>	<u>90</u>	<u>2,200</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(790)</u>	<u>(90)</u>	<u>700</u>
Other financing sources:			
Transfers in	96	92	(4)
Total other financing sources	<u>96</u>	<u>92</u>	<u>(4)</u>
Net change in fund balance	(694)	2	696
Fund balance at beginning of year	<u>22,848</u>	<u>22,848</u>	<u>-</u>
Fund balance at end of year	<u>\$ 22,154</u>	<u>\$ 22,850</u>	<u>\$ 696</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AIRPORT IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Income taxes	\$ 100,000	\$ 100,000	\$ -
Intergovernmental	1,231,507	799,824	(431,683)
Total revenues	<u>1,331,507</u>	<u>899,824</u>	<u>(431,683)</u>
Expenditures:			
<i>Current:</i>			
General government			
Contractual services	655	654	1
Capital outlay	1,001,012	1,001,012	-
Total general government	<u>1,001,667</u>	<u>1,001,666</u>	<u>1</u>
Debt service:			
Principal retirement	178,000	178,000	-
Interest and fiscal charges	1,780	1,780	-
Total debt service	<u>179,780</u>	<u>179,780</u>	<u>-</u>
Total expenditures	<u>1,181,447</u>	<u>1,181,446</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>150,060</u>	<u>(281,622)</u>	<u>(431,682)</u>
Other financing sources:			
Advance in	-	7,763	7,763
Transfer in	899	-	(899)
Note proceeds	99,000	99,000	-
Total other financing sources	<u>99,899</u>	<u>106,763</u>	<u>6,864</u>
Net change in fund balance	249,959	(174,859)	(424,818)
Fund balance at beginning of year	48,736	48,736	-
Prior year encumbrances appropriated	<u>126,604</u>	<u>126,604</u>	<u>-</u>
Fund balance at end of year	<u>\$ 425,299</u>	<u>\$ 481</u>	<u>\$ (424,818)</u>

CITY OF WADSWORTH, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY CENTER PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
<i>Current:</i>			
Leisure time activities			
Contractual services	\$ 13	\$ 13	\$ -
Total expenditures	<u>13</u>	<u>13</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13)</u>	<u>(13)</u>	<u>-</u>
Other financing sources:			
Transfers in	<u>-</u>	<u>663</u>	<u>663</u>
Total other financing sources	<u>-</u>	<u>663</u>	<u>663</u>
Net change in fund balance	(13)	650	663
Fund balance at beginning of year	<u>164,611</u>	<u>164,611</u>	<u>-</u>
Fund balance at end of year	<u>\$ 164,598</u>	<u>\$ 165,261</u>	<u>\$ 663</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL CAPITAL IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Income taxes	\$ 253,000	\$ 253,000	\$ -
Property taxes	75,000	105,388	30,388
Other	112,453	112,453	-
Total revenues	<u>440,453</u>	<u>470,841</u>	<u>30,388</u>
Expenditures:			
<i>Current:</i>			
General government			
Contractual services	49,050	283,998	(234,948)
Materials and Supplies	1,548	1,187	361
Capital outlay	443,098	254,948	188,150
Total general government	<u>493,696</u>	<u>540,133</u>	<u>(46,437)</u>
Security of persons and property			
Capital outlay	121,781	70,070	51,711
Total security of persons and property	<u>121,781</u>	<u>70,070</u>	<u>51,711</u>
Transportation			
Capital outlay	196,555	113,093	83,462
Total transportation	<u>196,555</u>	<u>113,093</u>	<u>83,462</u>
Leisure time activities			
Capital outlay	294,506	169,452	125,054
Total leisure time activities	<u>294,506</u>	<u>169,452</u>	<u>125,054</u>
Debt service:			
Principal retirement	591,006	591,006	-
Interest and fiscal charges	5,911	5,910	1
Total debt service	<u>596,917</u>	<u>596,916</u>	<u>1</u>
Total expenditures	<u>1,703,455</u>	<u>1,489,664</u>	<u>213,791</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,263,002)</u>	<u>(1,018,823)</u>	<u>244,179</u>
Other financing sources:			
Transfers in	6,074	5,905	(169)
Note issuance	506,577	506,577	-
Total other financing sources	<u>512,651</u>	<u>512,482</u>	<u>(169)</u>
Net change in fund balance	(750,351)	(506,341)	244,010
Fund balance at beginning of year	1,167,336	1,167,336	-
Prior year encumbrances appropriated	301,510	301,510	-
Fund balance at end of year	<u>\$ 718,495</u>	<u>\$ 962,505</u>	<u>\$ 244,010</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMS RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 101,000	\$ 103,828	\$ 2,828
Total revenues	<u>101,000</u>	<u>103,828</u>	<u>2,828</u>
Expenditures:			
<i>Current:</i>			
Security of persons and property			
Contractual services	<u>181</u>	<u>181</u>	<u>-</u>
Total expenditures	<u>181</u>	<u>181</u>	<u>-</u>
Excess (deficiency) of revenues over (under)	<u>100,819</u>	<u>103,647</u>	<u>2,828</u>
Other financing sources:			
Transfers in	<u>4,146</u>	<u>3,984</u>	<u>(162)</u>
Total other financing sources	<u>4,146</u>	<u>3,984</u>	<u>(162)</u>
Net change in fund balance	104,965	107,631	2,666
Fund balance at beginning of year	<u>992,694</u>	<u>992,694</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,097,659</u>	<u>\$ 1,100,325</u>	<u>\$ 2,666</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ -	\$ 25,250	\$ 25,250
Total revenues	<u>-</u>	<u>25,250</u>	<u>25,250</u>
Expenditures:			
<i>Current:</i>			
Security of persons and property			
Contractual services	30,990	24,810	6,180
Materials and supplies	40,285	38,731	1,554
Capital outlay	120,520	119,599	921
Total expenditures	<u>191,795</u>	<u>183,140</u>	<u>8,655</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(191,795)</u>	<u>(157,890)</u>	<u>33,905</u>
Other financing sources:			
Transfers in	19,814	69,133	49,319
Total other financing sources	<u>19,814</u>	<u>69,133</u>	<u>49,319</u>
Net change in fund balance	(171,981)	(88,757)	83,224
Fund balance at beginning of year	4,344,121	4,344,121	-
Prior year encumbrances appropriated	<u>6,356</u>	<u>6,356</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,178,496</u>	<u>\$ 4,261,720</u>	<u>\$ 83,224</u>

CITY OF WADSWORTH, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK LAND ACQUISITION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses and permits	\$ 14,400	\$ 39,600	\$ 25,200
Total revenues	<u>14,400</u>	<u>39,600</u>	<u>25,200</u>
Expenditures:			
<i>Current:</i>			
Leisure time activities			
Capital outlay	160,206	155,762	4,444
Total expenditures	<u>160,206</u>	<u>155,762</u>	<u>4,444</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(145,806)</u>	<u>(116,162)</u>	<u>29,644</u>
Other financing sources:			
Transfers in	137,216	137,187	(29)
Total other financing sources	<u>137,216</u>	<u>137,187</u>	<u>(29)</u>
Net change in fund balance	(8,590)	21,025	29,615
Fund balance at beginning of year	<u>305,772</u>	<u>305,772</u>	<u>-</u>
Fund balance at end of year	<u>\$ 297,182</u>	<u>\$ 326,797</u>	<u>\$ 29,615</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Income taxes	\$ 800,000	\$ 918,505	\$ 118,505
Other	-	33,399	33,399
Total revenues	<u>800,000</u>	<u>951,904</u>	<u>151,904</u>
Expenditures:			
<i>Current:</i>			
Transportation			
Contractual services	7,845	5,607	2,238
Capital outlay	1,115,348	1,089,537	25,811
Total expenditures	<u>1,123,193</u>	<u>1,095,144</u>	<u>28,049</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(323,193)</u>	<u>(143,240)</u>	<u>179,953</u>
Other financing sources:			
Transfers in	2,662	2,482	(180)
Total other financing sources	<u>2,662</u>	<u>2,482</u>	<u>(180)</u>
Net change in fund balance	(320,531)	(140,758)	179,773
Fund balance at beginning of year	296,118	296,118	-
Prior year encumbrances appropriated	<u>37,250</u>	<u>37,250</u>	<u>-</u>
Fund balance at end of year	<u>\$ 12,837</u>	<u>\$ 192,610</u>	<u>\$ 179,773</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL ASSESSMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Income tax	\$ 1,700	\$ 1,700	\$ -
Special assessments	230,747	154,380	(76,367)
Total revenues	<u>232,447</u>	<u>156,080</u>	<u>(76,367)</u>
Expenditures:			
<i>Current:</i>			
General government			
Contractual services	10,286	10,287	(1)
Materials and supplies	1,500	-	1,500
Capital outlay	1,584,344	1,368,155	216,189
Total expenditures	<u>1,596,130</u>	<u>1,378,442</u>	<u>217,688</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,363,683)</u>	<u>(1,222,362)</u>	<u>141,321</u>
Other financing sources (uses):			
Note proceeds	1,436,067	1,436,066	(1)
Advance in	-	2,700	2,700
Advance out	-	(5,970)	(5,970)
Total other financing sources (uses)	<u>1,436,067</u>	<u>1,432,796</u>	<u>(3,271)</u>
Net change in fund balance	72,384	210,434	138,050
Fund balance at beginning of year	95,666	95,666	-
Prior year encumbrances appropriated	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 173,050</u>	<u>\$ 311,100</u>	<u>\$ 138,050</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL ASSESSMENT BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Income tax	\$ 37,630	\$ 37,630	\$ -
Charges for services	40,000	40,000	-
Special assessments	8,760	8,288	(472)
Other	489,608	489,609	1
Total revenues	<u>575,998</u>	<u>575,527</u>	<u>(471)</u>
Expenditures:			
<i>Current:</i>			
Debt Service			
Principal retirement	8,072	8,072	-
Interest and fiscal charges	578,832	578,832	-
Bond issuance costs	197,036	196,717	319
Total expenditures	<u>783,940</u>	<u>783,621</u>	<u>319</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(207,942)</u>	<u>(208,094)</u>	<u>(152)</u>
Other financing sources (uses):			
Payment to refunded bond escrow agent	(18,037,258)	(18,037,257)	1
Bond issuance	17,630,000	17,630,000	-
Note issuance	3,934	3,934	-
Premium on bond issuance	12,816	12,816	-
Premium on refunding bond	598,690	598,691	1
Total other financing sources/(uses)	<u>208,182</u>	<u>208,184</u>	<u>1</u>
Net change in fund balance	240	90	(150)
Fund balance at beginning of year	<u>872</u>	<u>872</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,112</u>	<u>\$ 962</u>	<u>\$ (150)</u>

CITY OF WADSWORTH, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RECREATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Income taxes	\$ 50,000	\$ 50,000	\$ -
Charges for services	94,784	95,965	1,181
Contributions and donations	<u>101,849</u>	<u>101,850</u>	<u>1</u>
Total revenues	<u>246,633</u>	<u>247,815</u>	<u>1,182</u>
Expenditures:			
<i>Current:</i>			
Leisure time activities			
Other	97,452	96,996	456
Capital outlay	<u>13,311</u>	<u>5,760</u>	<u>7,551</u>
Total - leisure time activities	<u>110,763</u>	<u>102,756</u>	<u>8,007</u>
Debt Service			
Principal retirement	1,234,035	1,234,034	1
Interest and fiscal charges	<u>12,341</u>	<u>12,340</u>	<u>1</u>
Total - debt service	<u>1,246,376</u>	<u>1,246,374</u>	<u>2</u>
Total expenditures	<u>1,357,139</u>	<u>1,349,130</u>	<u>8,009</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,110,506)</u>	<u>(1,101,315)</u>	<u>9,191</u>
Other financing sources:			
Internal note issuance	1,122,315	1,122,315	-
Transfers in	<u>2,436</u>	<u>2,318</u>	<u>(118)</u>
Total other financing sources	<u>1,124,751</u>	<u>1,124,633</u>	<u>(118)</u>
Net change in fund balance	14,245	23,318	9,073
Fund balance at beginning of year	229,505	229,505	-
Prior year encumbrances appropriated	<u>3,950</u>	<u>3,950</u>	<u>-</u>
Fund balance at end of year	<u>\$ 247,700</u>	<u>\$ 256,773</u>	<u>\$ 9,073</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Income taxes	\$ 1,120,000	\$ 1,120,000	\$ -
Charges for services	367,929	360,533	(7,396)
Intergovernmental	780,000	782,783	2,783
Other	3,500	3,028	(472)
Total revenues	2,271,429	2,266,344	(5,085)
Expenditures:			
<i>Current:</i>			
Transportation			
Personal services	1,331,182	1,276,305	54,877
Contractual services	669,744	556,730	113,014
Materials and supplies	526,915	468,592	58,323
Other	4,704	3,165	1,539
Total expenditures	2,532,545	2,304,792	227,753
Excess (deficiency) of revenues over (under) expenditures	(261,116)	(38,448)	222,668
Other financing sources:			
Transfers in	3,085	2,963	(122)
Sale of assets	-	59,632	59,632
Total other financing sources	3,085	62,595	59,510
Net change in fund balance	(258,031)	24,147	282,178
Fund balance at beginning of year	668,111	668,111	-
Prior year encumbrances appropriated	39,402	39,402	-
Fund balance at end of year	\$ 449,482	\$ 731,660	\$ 282,178

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other local taxes	\$ 865,464	\$ 924,178	\$ 58,714
Charges for services	727,000	733,337	6,337
Intergovernmental	149,937	132,011	(17,926)
Contributions and donations	350	-	(350)
Other	500	100	(400)
Total revenues	1,743,251	1,789,626	46,375
Expenditures:			
<i>Current:</i>			
Security of persons and property			
Personal services	1,344,292	1,296,222	48,070
Contractual services	233,891	220,005	13,886
Materials and supplies	53,094	42,948	10,146
Other	21,235	16,887	4,348
Capital outlay	39,500	28,128	11,372
Total expenditures	1,692,012	1,604,190	87,822
Excess (deficiency) of revenues over (under) expenditures	51,239	185,436	134,197
Other financing sources:			
Transfers in	8,172	7,842	(330)
Total other financing sources	8,172	7,842	(330)
Net change in fund balance	59,411	193,278	133,867
Fund balance at beginning of year	1,787,948	1,787,948	-
Prior year encumbrances appropriated	9,817	9,817	-
Fund balance at end of year	\$ 1,857,176	\$ 1,991,043	\$ 133,867

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL COURT SPECIAL PROGRAMS FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 40,000	\$ 27,464	\$ (12,536)
Total revenues	<u>40,000</u>	<u>27,464</u>	<u>(12,536)</u>
Expenditures:			
<i>Current:</i>			
General government			
Contractual services	39,698	35,178	4,520
Materials and supplies	10,500	10,000	500
Total expenditures	<u>50,198</u>	<u>45,178</u>	<u>5,020</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,198)</u>	<u>(17,714)</u>	<u>(7,516)</u>
Other financing sources:			
Transfers in	699	697	(2)
Total other financing sources	<u>699</u>	<u>697</u>	<u>(2)</u>
Net change in fund balance	(9,499)	(17,017)	(7,518)
Fund balance at beginning of year	180,116	180,116	-
Prior year encumbrances appropriated	<u>10,100</u>	<u>10,100</u>	<u>-</u>
Fund balance at end of year	<u>\$ 180,717</u>	<u>\$ 173,199</u>	<u>\$ (7,518)</u>

CITY OF WADSWORTH, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL COURT IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 80,000	\$ 54,378	\$ (25,622)
Total revenues	<u>80,000</u>	<u>54,378</u>	<u>(25,622)</u>
Expenditures:			
<i>Current:</i>			
General government			
Personal services	5,622	4,695	927
Contractual services	18,697	17,227	1,470
Materials and supplies	90,000	7,455	82,545
Capital outlay	20,000	-	20,000
Total expenditures	<u>134,319</u>	<u>29,377</u>	<u>104,942</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(54,319)</u>	<u>25,001</u>	<u>79,320</u>
Other financing sources:			
Transfers in	2,126	1,992	(134)
Total other financing sources	<u>2,126</u>	<u>1,992</u>	<u>(134)</u>
Net change in fund balance	(52,193)	26,993	79,186
Fund balance at beginning of year	<u>466,788</u>	<u>466,788</u>	<u>-</u>
Fund balance at end of year	<u>\$ 414,595</u>	<u>\$ 493,781</u>	<u>\$ 79,186</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEVELOPERS SHADE TREE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$ 4,000	\$ 37,801	\$ 33,801
Total revenues	<u>4,000</u>	<u>37,801</u>	<u>33,801</u>
Expenditures:			
<i>Current:</i>			
General government			
Contractual services	32,741	30,614	2,127
Materials and supplies	10,000	-	10,000
Other	250	70	180
Total expenditures	<u>42,991</u>	<u>30,684</u>	<u>12,307</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(38,991)</u>	<u>7,117</u>	<u>46,108</u>
Other financing sources:			
Transfers in	428	404	(24)
Total other financing sources	<u>428</u>	<u>404</u>	<u>(24)</u>
Net change in fund balance	(38,563)	7,521	46,084
Fund balance at beginning of year	91,881	91,881	-
Prior year encumbrances appropriated	<u>8,525</u>	<u>8,525</u>	<u>-</u>
Fund balance at end of year	<u>\$ 61,843</u>	<u>\$ 107,927</u>	<u>\$ 46,084</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 5,000	\$ 4,680	\$ (320)
Contributions and donations	500	27,371	26,871
Other	-	56	56
Total revenues	<u>5,500</u>	<u>32,107</u>	<u>26,607</u>
Expenditures:			
<i>Current:</i>			
Security of persons and property			
Contractual services	15,481	13,481	2,000
Materials and supplies	19,500	13,602	5,898
Capital outlay	15,600	15,600	-
Total expenditures	<u>50,581</u>	<u>42,683</u>	<u>7,898</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(45,081)</u>	<u>(10,576)</u>	<u>34,505</u>
Other financing sources:			
Transfers in	242	233	(9)
Total other financing sources	<u>242</u>	<u>233</u>	<u>(9)</u>
Net change in fund balance	(44,839)	(10,343)	34,496
Fund balance at beginning of year	<u>59,843</u>	<u>59,843</u>	<u>-</u>
Fund balance at end of year	<u>\$ 15,004</u>	<u>\$ 49,500</u>	<u>\$ 34,496</u>

CITY OF WADSWORTH, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT AND EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 4,000	\$ 4,090	\$ 90
Total revenues	<u>4,000</u>	<u>4,090</u>	<u>90</u>
Expenditures:			
<i>Current:</i>			
General government			
Contractual services	219	219	-
Total expenditures	<u>219</u>	<u>219</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,781</u>	<u>3,871</u>	<u>90</u>
Other financing sources:			
Transfers in	81	80	(1)
Total other financing sources	<u>81</u>	<u>80</u>	<u>(1)</u>
Net change in fund balance	3,862	3,951	89
Fund balance at beginning of year	<u>21,494</u>	<u>21,494</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 25,356</u></u>	<u><u>\$ 25,445</u></u>	<u><u>\$ 89</u></u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INDIGENT DRIVERS ALCOHOL TREATMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 31,000	\$ 17,324	\$ (13,676)
Intergovernmental	-	6,618	6,618
Total revenues	<u>31,000</u>	<u>23,942</u>	<u>(7,058)</u>
Expenditures:			
<i>Current:</i>			
General government			
Contractual services	45,642	39,831	5,811
Total expenditures	<u>45,642</u>	<u>39,831</u>	<u>5,811</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,642)</u>	<u>(15,889)</u>	<u>(1,247)</u>
Other financing sources:			
Transfers in	948	886	(62)
Total other financing sources	<u>948</u>	<u>886</u>	<u>(62)</u>
Net change in fund balance	(13,694)	(15,003)	(1,309)
Fund balance at beginning of year	<u>213,535</u>	<u>213,535</u>	<u>-</u>
Fund balance at end of year	<u>\$ 199,841</u>	<u>\$ 198,532</u>	<u>\$ (1,309)</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 4,000	\$ 4,710	\$ 710
Investment income	30	82	52
Total revenues	<u>4,030</u>	<u>4,792</u>	<u>762</u>
Expenditures:			
<i>Current:</i>			
Security of persons and property			
Contractual services	450	450	-
Materials and supplies	12,058	9,032	3,026
Capital outlay	442	442	-
Total expenditures	<u>12,950</u>	<u>9,924</u>	<u>3,026</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,920)</u>	<u>(5,132)</u>	<u>3,788</u>
Other financing sources:			
Sale of assets	-	6,376	6,376
Total other financing sources	<u>-</u>	<u>6,376</u>	<u>6,376</u>
Net change in fund balance	(8,920)	1,244	10,164
Fund balance at beginning of year	<u>164,402</u>	<u>164,402</u>	<u>-</u>
Fund balance at end of year	<u>\$ 155,482</u>	<u>\$ 165,646</u>	<u>\$ 10,164</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMISSIVE MOTOR VEHICLE LICENSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 250,000	\$ 253,777	\$ 3,777
Total revenues	<u>250,000</u>	<u>253,777</u>	<u>3,777</u>
Expenditures:			
<i>Current:</i>			
Transportation			
Contractual services	154,438	152,438	2,000
Materials and supplies	8,815	4,571	4,244
Capital outlay	89,170	63,190	25,980
Total expenditures	<u>252,423</u>	<u>220,199</u>	<u>32,224</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,423)</u>	<u>33,578</u>	<u>36,001</u>
Other financing sources:			
Transfers in	805	797	(8)
Total other financing sources	<u>805</u>	<u>797</u>	<u>(8)</u>
Net change in fund balance	(1,618)	34,375	35,993
Fund balance at beginning of year	184,418	184,418	-
Prior year encumbrances appropriated	<u>31,995</u>	<u>31,995</u>	<u>-</u>
Fund balance at end of year	<u>\$ 214,795</u>	<u>\$ 250,788</u>	<u>\$ 35,993</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 60,000	\$ 63,469	\$ 3,469
Total revenues	<u>60,000</u>	<u>63,469</u>	<u>3,469</u>
Expenditures:			
<i>Current:</i>			
Transportation			
Contractual services	57,101	43,154	13,947
Materials and supplies	63,450	41,580	21,870
Total expenditures	<u>120,551</u>	<u>84,734</u>	<u>35,817</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,551)</u>	<u>(21,265)</u>	<u>39,286</u>
Other financing sources:			
Transfers in	303	320	17
Total other financing sources	<u>303</u>	<u>320</u>	<u>17</u>
Net change in fund balance	(60,248)	(20,945)	39,303
Fund balance at beginning of year	84,954	84,954	-
Prior year encumbrances appropriated	<u>13,557</u>	<u>13,557</u>	<u>-</u>
Fund balance at end of year	<u>\$ 38,263</u>	<u>\$ 77,566</u>	<u>\$ 39,303</u>

CITY OF WADSWORTH, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ABATEMENT OF PUBLIC NUISANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 400	\$ 10,342	\$ 9,942
Other	800	-	(800)
Total revenues	<u>1,200</u>	<u>10,342</u>	<u>9,142</u>
Expenditures:			
<i>Current:</i>			
Public health			
Contractual services	17,224	8,499	8,725
Total expenditures	<u>17,224</u>	<u>8,499</u>	<u>8,725</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,024)</u>	<u>1,843</u>	<u>17,867</u>
Other financing sources:			
Transfer in	16,697	220	(16,477)
Total other financing sources	<u>16,697</u>	<u>220</u>	<u>(16,477)</u>
Net change in fund balance	673	2,063	1,390
Fund balance at beginning of year	<u>67,271</u>	<u>67,271</u>	<u>-</u>
Fund balance at end of year	<u>\$ 67,944</u>	<u>\$ 69,334</u>	<u>\$ 1,390</u>

CITY OF WADSWORTH, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CHIPPEWA CREEK WELL RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund balance at beginning of year	\$ 100,000	\$ 100,000	\$ -
Fund balance at end of year	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>

CITY OF WADSWORTH, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY REINVESTMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ 2,500	\$ 1,500	\$ (1,000)
Total revenues	<u>2,500</u>	<u>1,500</u>	<u>(1,000)</u>
Expenditures:			
<i>Current:</i>			
Community and economic development			
Contractual services	2,290	90	2,200
Total expenditures	<u>2,290</u>	<u>90</u>	<u>2,200</u>
Excess (deficiency) of revenues over (under) expenditures	<u>210</u>	<u>1,410</u>	<u>1,200</u>
Other financing sources:			
Transfers in	148	142	(6)
Total other financing sources	<u>148</u>	<u>142</u>	<u>(6)</u>
Net change in fund balance	358	1,552	1,194
Fund balance at beginning of year	<u>33,426</u>	<u>33,426</u>	<u>-</u>
Fund balance at end of year	<u>\$ 33,784</u>	<u>\$ 34,978</u>	<u>\$ 1,194</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE DEPARTMENT EDUCATION GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 2,500	\$ -	\$ (2,500)
Total revenues	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
Expenditures:			
<i>Current:</i>			
Security of persons and property			
Contractual services	6,065	64	6,001
Total expenditures	<u>6,065</u>	<u>64</u>	<u>6,001</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,565)</u>	<u>(64)</u>	<u>3,501</u>
Other financing sources:			
Transfers in	90	86	(4)
Total other financing sources	<u>90</u>	<u>86</u>	<u>(4)</u>
Net change in fund balance	(3,475)	22	3,497
Fund balance at beginning of year	<u>21,357</u>	<u>21,357</u>	<u>-</u>
Fund balance at end of year	<u>\$ 17,882</u>	<u>\$ 21,379</u>	<u>\$ 3,497</u>

CITY OF WADSWORTH, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE CONTINUING PROFESSIONAL TRAINING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ -	\$ 2,400	\$ 2,400
Total revenues	<u>-</u>	<u>2,400</u>	<u>2,400</u>
Expenditures:			
<i>Current:</i>			
Security of persons and property			
Other	7,000	3,850	3,150
Total expenditures	<u>7,000</u>	<u>3,850</u>	<u>3,150</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,000)</u>	<u>(1,450)</u>	<u>5,550</u>
Other financing sources:			
Transfer in	44	41	(3)
Total other financing sources	<u>44</u>	<u>41</u>	<u>(3)</u>
Net change in fund balance	(6,956)	(1,409)	5,547
Fund balance at beginning of year	<u>10,318</u>	<u>10,318</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,362</u>	<u>\$ 8,909</u>	<u>\$ 5,547</u>

CITY OF WADSWORTH, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 75,000	\$ -	\$ (75,000)
Total revenues	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
Expenditures:			
<i>Current:</i>			
Community and economic development			
Contractual services	151,315	135,242	16,073
Total expenditures	<u>151,315</u>	<u>135,242</u>	<u>16,073</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(76,315)</u>	<u>(135,242)</u>	<u>(58,927)</u>
Other financing sources:			
Advance in	-	72,924	72,924
Total other financing sources	<u>-</u>	<u>72,924</u>	<u>72,924</u>
Net change in fund balance	(76,315)	(62,318)	13,997
Fund balance at beginning of year	31,566	31,566	-
Prior year encumbrances appropriated	<u>46,825</u>	<u>46,825</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,076</u>	<u>\$ 16,073</u>	<u>\$ 13,997</u>

CITY OF WADSWORTH, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY HOUSING IMPROVEMENT PROGRAM (CHIP) GRANTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 352,000	\$ 121,495	\$ (230,505)
Total revenues	<u>352,000</u>	<u>121,495</u>	<u>(230,505)</u>
Expenditures:			
<i>Current:</i>			
Community and economic development			
Contractual services	329,000	316,012	12,988
Total expenditures	<u>329,000</u>	<u>316,012</u>	<u>12,988</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,000</u>	<u>(194,517)</u>	<u>(217,517)</u>
Other financing sources:			
Advance in	-	207,505	207,505
Advance out	-	(103,185)	(103,185)
Total other financing sources	<u>-</u>	<u>104,320</u>	<u>104,320</u>
Net change in fund balance	23,000	(90,197)	(113,197)
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	<u>103,185</u>	<u>103,185</u>	<u>-</u>
Fund balance at end of year	<u>\$ 126,185</u>	<u>\$ 12,988</u>	<u>\$ (113,197)</u>

CITY OF WADSWORTH, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CHIP REVOLVING LOAN FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$ 3,000	\$ 21,067	\$ 18,067
Total revenues	<u>3,000</u>	<u>21,067</u>	<u>18,067</u>
Expenditures:			
<i>Current:</i>			
Community and economic development			
Contractual services	6,129	2,629	3,500
Total expenditures	<u>6,129</u>	<u>2,629</u>	<u>3,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,129)</u>	<u>18,438</u>	<u>21,567</u>
Other financing sources:			
Transfers in	51	-	(51)
Total other financing sources	<u>51</u>	<u>-</u>	<u>(51)</u>
Net change in fund balance	(3,078)	18,438	21,516
Fund balance at beginning of year	<u>9,079</u>	<u>9,079</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,001</u>	<u>\$ 27,517</u>	<u>\$ 21,516</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ECONOMIC DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property and other local taxes	\$ 30,000	\$ 30,000	\$ -
Charges for services	95,000	95,000	-
Other	-	500	500
Total revenues	<u>125,000</u>	<u>125,500</u>	<u>500</u>
Expenditures:			
<i>Current:</i>			
Community and economic development			
Contractual services	160,630	115,768	44,862
Materials and supplies	4,510	1,697	2,813
Other	20,295	20,001	294
Total expenditures	<u>185,435</u>	<u>137,466</u>	<u>47,969</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,435)</u>	<u>(11,966)</u>	<u>48,469</u>
Other financing sources:			
Transfers in	-	53	53
Total other financing sources	<u>-</u>	<u>53</u>	<u>53</u>
Net change in fund balance	(60,435)	(11,913)	48,522
Fund balance at beginning of year	70,150	70,150	-
Prior year encumbrances appropriated	<u>8,326</u>	<u>8,326</u>	<u>-</u>
Fund balance at end of year	<u>\$ 18,041</u>	<u>\$ 66,563</u>	<u>\$ 48,522</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RECREATION TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property tax	\$ 50,000	\$ 83,600	\$ 33,600
Total revenues	<u>50,000</u>	<u>83,600</u>	<u>33,600</u>
Expenditures:			
<i>Current:</i>			
Leisure time activities			
Contractual services	2,450	2,450	-
Other	1,800	1,200	600
Capital outlay	81,300	57,220	24,080
Total expenditures	<u>85,550</u>	<u>60,870</u>	<u>24,680</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,550)</u>	<u>22,730</u>	<u>58,280</u>
Other financing sources:			
Transfer in	494	509	15
Total other financing sources	<u>494</u>	<u>509</u>	<u>15</u>
Net change in fund balance	(35,056)	23,239	58,295
Fund balance at beginning of year	152,174	152,174	-
Prior year encumbrances appropriated	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Fund balance at end of year	<u>\$ 118,618</u>	<u>\$ 176,913</u>	<u>\$ 58,295</u>

CITY OF WADSWORTH, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
REVOLVING LOAN FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment income	\$ 45	\$ 85	\$ 40
Total revenues	<u>45</u>	<u>85</u>	<u>40</u>
Expenditures:			
<i>Current:</i>			
General government			
Contractual services	83,735	21,233	62,502
Total expenditures	<u>83,735</u>	<u>21,233</u>	<u>62,502</u>
Net change in fund balance	(83,690)	(21,148)	62,542
Fund balance at beginning of year	98,000	98,000	-
Prior year encumbrances appropriated	<u>20,773</u>	<u>20,773</u>	-
Fund balance at end of year	<u>\$ 35,083</u>	<u>\$ 97,625</u>	<u>\$ 62,542</u>

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TAX INCREMENT FINANCING FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Payments in lieu of taxes	\$ 483,582	\$ 492,917	\$ 9,335
Intergovernmental	1,612,000	-	(1,612,000)
Investment income	25	194	169
Other	-	9,598	9,598
Total revenues	<u>2,095,607</u>	<u>502,709</u>	<u>(1,592,898)</u>
Expenditures:			
<i>Current:</i>			
Community and economic development			
Contractual services	450,025	421,019	29,006
Total community and economic development	<u>450,025</u>	<u>421,019</u>	<u>29,006</u>
Transportation			
Contractual services	279,877	279,876	1
Capital outlay	1,106,251	1,037,219	69,032
Total transportation	<u>1,386,128</u>	<u>1,317,095</u>	<u>69,033</u>
Debt service:			
Principal retirement	1,431,500	1,431,500	-
Interest and fiscal charges	27,572	27,572	-
Total debt service	<u>1,459,072</u>	<u>1,459,072</u>	<u>-</u>
Total expenditures	<u>3,295,225</u>	<u>3,197,186</u>	<u>98,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,199,618)</u>	<u>(2,694,477)</u>	<u>(1,494,859)</u>
Other financing sources (uses):			
Advance in	-	1,217,371	1,217,371
Advance out	-	(729,586)	(729,586)
Note proceeds	1,036,182	1,355,000	318,818
Bond proceeds	985,250	-	(985,250)
Transfers in	2,649	3,255	606
Total other financing sources (uses)	<u>2,024,081</u>	<u>1,846,040</u>	<u>(178,041)</u>
Net change in fund balance	824,463	(848,437)	(1,672,900)
Fund balance at beginning of year	155,333	155,333	-
Prior year encumbrances appropriated	<u>822,500</u>	<u>822,500</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,802,296</u>	<u>\$ 129,396</u>	<u>\$ (1,672,900)</u>

CITY OF WADSWORTH, OHIO

Fund Descriptions – Proprietary Funds

Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position, and cash flow.

Internal Service Funds

Equipment Maintenance

To account for the costs associated with the maintenance and repair of City owned vehicles and equipment. All the funds that benefit from these services pay their direct costs and their proportionate share of overhead costs.

Information Technology

To account for the costs associated with the purchase, maintenance and repair of City owned networks and computer systems. All the funds that benefit from these services pay their proportionate share of direct and overhead costs based on the number of servers, network devices, and storage.

Health Insurance Retention

To account for payments of City employee health insurance claims, third party administrative costs, and stop loss insurance premiums. All funds that have employees covered under the City's health insurance are charged a premium based on the number of employees and the coverage.

Liability Insurance Retention

To account for monies used to pay for liabilities that are below third party insurance deductibles or not covered under certain policies.

Workers' Compensation Retention

To account for payments of City employee workers' compensation claims, third party administrative costs, and stop loss insurance premiums. All funds that have employees covered under the City's self-insured workers' compensation program are charged a premium based on the amount of gross wages.

CITY OF WADSWORTH, OHIO

COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2016

	Equipment Maintenance	Information Technology	Health Insurance Retention	Liability Insurance Retention	Workers' Compensation Retention	Total
Assets:						
Current assets:						
Equity in pooled cash, cash equivalents and investments	\$ 59,205	\$ 627,260	\$ 739,757	\$ 8,911	\$ 373,555	\$ 1,808,688
Receivables (net of allowances for uncollectibles):						
Interfund loan receivable	23,531	239,327	294,018	3,542	148,470	708,888
Materials and supplies inventory	320,300	-	-	-	-	320,300
Prepayments	3,289	28,303	-	-	54,167	85,759
Total current assets	406,325	894,890	1,033,775	12,453	576,192	2,923,635
Noncurrent assets:						
Net pension asset	1,015	1,891	-	-	-	2,906
Depreciable capital assets, net	142,068	354,103	-	-	-	496,171
Total noncurrent assets	143,083	355,994	-	-	-	499,077
Total assets	549,408	1,250,884	1,033,775	12,453	576,192	3,422,712
Deferred outflows of resources:						
Pension	124,170	231,386	-	-	-	355,556
Total asset and deferred outflows	673,578	1,482,270	1,033,775	12,453	576,192	3,778,268
Liabilities:						
Current liabilities:						
Accounts payable	15,821	-	-	-	-	15,821
Accrued wages and benefits	9,836	17,479	-	-	-	27,315
Intergovernmental payable	2,003	2,913	-	-	-	4,916
Claims payable	-	-	348,988	-	176,890	525,878
Interfund payable	-	387,026	-	-	-	387,026
Compensated absences payable - current	11,056	13,511	-	-	-	24,567
Total current liabilities	38,716	420,929	348,988	-	176,890	985,523
Long-term liabilities:						
Compensated absences payable - net of current portion	41,440	50,645	-	-	-	92,085
Net pension liability	321,968	599,976	-	-	-	921,944
Total long-term liabilities	363,408	650,621	-	-	-	1,014,029
Total liabilities	402,124	1,071,550	348,988	-	176,890	1,999,552
Deferred inflows of resources:						
Pension	8,603	16,030	-	-	-	24,633
Net position:						
Net investment in capital assets	142,068	354,103	-	-	-	496,171
Unrestricted	120,783	40,587	684,787	12,453	399,302	1,257,912
Total net position	\$ 262,851	\$ 394,690	\$ 684,787	\$ 12,453	\$ 399,302	\$ 1,754,083

CITY OF WADSWORTH, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Equipment Maintenance	Information Technology	Health Insurance Retention	Liability Insurance Retention	Workers' Compensation Retention	Total
Revenues:						
Charges for services	\$ 804,023	\$ 1,260,961	\$ 3,580,790	\$ -	\$ 191,678	\$ 5,837,452
Other	13	-	-	-	7,916	7,929
Total operating revenues	<u>804,036</u>	<u>1,260,961</u>	<u>3,580,790</u>	<u>-</u>	<u>199,594</u>	<u>5,845,381</u>
Operating expenses:						
Personal services	369,706	721,578	-	-	-	1,091,284
Contractual services	85,926	247,488	771,333	10,039	113,609	1,228,395
Materials and supplies	307,205	106,728	-	-	-	413,933
Claims	-	-	2,857,055	-	-	2,857,055
Depreciation	9,109	82,096	-	-	-	91,205
Other	3,642	11,601	-	-	20,077	35,320
Total operating expenditures	<u>775,588</u>	<u>1,169,491</u>	<u>3,628,388</u>	<u>10,039</u>	<u>133,686</u>	<u>5,717,192</u>
Operating income (loss)	<u>28,448</u>	<u>91,470</u>	<u>(47,598)</u>	<u>(10,039)</u>	<u>65,908</u>	<u>128,189</u>
Nonoperating revenues (expenses):						
Gain (loss) on sale of capital assets	4,169	(805)	-	-	-	3,364
Interest expense	-	(4,838)	-	-	-	(4,838)
Total nonoperating revenues (expenses)	<u>4,169</u>	<u>(5,643)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,474)</u>
Income (loss) before contributions and transfers	<u>32,617</u>	<u>85,827</u>	<u>(47,598)</u>	<u>(10,039)</u>	<u>65,908</u>	<u>126,715</u>
Transfers in	332	1,913	3,830	90	1,847	8,012
Change in net position	32,949	87,740	(43,768)	(9,949)	67,755	134,727
Net position at beginning of year	<u>229,902</u>	<u>306,950</u>	<u>728,555</u>	<u>22,402</u>	<u>331,547</u>	<u>1,619,356</u>
Net position at end of year	<u>\$ 262,851</u>	<u>\$ 394,690</u>	<u>\$ 684,787</u>	<u>\$ 12,453</u>	<u>\$ 399,302</u>	<u>\$ 1,754,083</u>

CITY OF WADSWORTH, OHIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2016

	<u>Equipment Maintenance</u>	<u>Information Technology</u>	<u>Health Insurance Retention</u>	<u>Liability Insurance Retention</u>	<u>Workers' Compensation Retention</u>	<u>Total</u>
Cash flows from operating activities:						
Cash received from customers	\$ 804,023	\$ 1,260,961	\$ 3,580,790	\$ -	\$ 191,678	\$ 5,837,452
Cash received from other operations	13	-	-	-	7,916	7,929
Cash payments to employees for services	(353,614)	(638,933)	-	-	-	(992,547)
Cash payments for goods and services	(445,286)	(352,682)	(771,333)	(10,039)	(113,367)	(1,692,707)
Cash payments for claims	-	-	(2,812,609)	-	-	(2,812,609)
Cash payments for other expenses	(3,642)	(11,601)	-	-	(20,077)	(35,320)
Net cash provided by (used in) operating activities	<u>1,494</u>	<u>257,745</u>	<u>(3,152)</u>	<u>(10,039)</u>	<u>66,150</u>	<u>312,198</u>
Cash flows from noncapital financing activities						
Cash received from transfers in	332	1,913	3,830	90	1,847	8,012
Cash received from internal notes	23,760	622,793	267,370	6,433	130,387	1,050,743
Cash used for internal notes	(23,531)	(723,110)	(294,018)	(3,542)	(148,470)	(1,192,671)
Net cash provided by (used in) noncapital financing activities	<u>561</u>	<u>(98,404)</u>	<u>(22,818)</u>	<u>2,981</u>	<u>(16,236)</u>	<u>(133,916)</u>
Cash flows from capital and related financing activities:						
Sale or transfer of capital assets	4,169	61	-	-	-	4,230
Acquisition of capital assets	(5,995)	(142,486)	-	-	-	(148,481)
Interest and fiscal charges	-	(4,838)	-	-	-	(4,838)
Net cash used in capital and related financing activities	<u>(1,826)</u>	<u>(147,263)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(149,089)</u>
Net increase (decrease) in cash and cash equivalents	229	12,078	(25,970)	(7,058)	49,914	29,193
Cash and cash equivalents at beginning of year	58,976	615,182	765,727	15,969	323,641	1,779,495
Cash and cash equivalents at end of year	<u>\$ 59,205</u>	<u>\$ 627,260</u>	<u>\$ 739,757</u>	<u>\$ 8,911</u>	<u>\$ 373,555</u>	<u>\$ 1,808,688</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 28,448	\$ 91,470	\$ (47,598)	\$ (10,039)	\$ 65,908	\$ 128,189
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	9,109	82,096	-	-	-	91,205
Changes in assets and liabilities						
(Increase) in materials and supplies inventory	(47,823)	-	-	-	-	(47,823)
(Increase) in prepayments	(2,128)	11,581	-	-	242	9,695
(Increase) in net pension asset	(147)	(517)	-	-	-	(664)
(Increase) in deferred outflows - pension	(81,123)	(163,206)	-	-	-	(244,329)
(Increase) decrease in accounts payable	(4,204)	(10,047)	-	-	-	(14,251)
Increase (decrease) in accrued wages and benefits	2,795	3,308	-	-	-	6,103
Increase (decrease) in compensated absences payable	9,472	12,547	-	-	-	22,019
Increase (decrease) in intergovernmental	266	555	-	-	-	821
Increase in net pension liability	82,694	221,005	-	-	-	303,699
Increase in deferred inflows - pension	4,135	8,953	-	-	-	13,088
Increase in claims payable	-	-	44,446	-	-	44,446
Net cash provided by (used in) operating activities	<u>\$ 1,494</u>	<u>\$ 257,745</u>	<u>\$ (3,152)</u>	<u>\$ (10,039)</u>	<u>\$ 66,150</u>	<u>\$ 312,198</u>

CITY OF WADSWORTH, OHIO

FUND DESCRIPTIONS - FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the city in a trustee capacity, or as an agency for individuals, private organizations, other governments and/or funds. The following are the city's fiduciary fund types:

Agency Funds

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

Escrow Accounts

To account for monies posted for development performance on various items. These monies are returned after final approval by the City of Wadsworth.

Medina County Law Library

To account for one half of the Ohio State Patrol fines collected by the Wadsworth Municipal Court in criminal related cases. These monies are forwarded to the Medina County Law Library on a monthly basis.

Memorial Park Trust

To account for third party monies used to purchase memorial trees, benches, and the like based on the third party's wishes.

Unclaimed Funds Muni Court

To account for staled dated checks issued by the City of Wadsworth for various expenses. These dollars are held in this fund until a legal claim is made.

Unclaimed Funds-City

To account for staled dated checks issued by the City of Wadsworth for various expenses. These dollars are held in this fund until a legal claim is made.

Utility Assistance Fund

To account for charitable money collected through utility bills to assist less fortunate residents pay their utility bills per the instruction by various charitable organizations within Wadsworth.

Community Center Project

To account for monies returned to the City by the Wadsworth City School District due to bid day savings.

Clearing Fund

To account for all purely custodial monies received by the City of Wadsworth that are not already accounted for in another fund.

Payroll Fund

To account for custodial monies related to payroll due to a third party.

Water Assessment Trust

To account for money collected by the City of Wadsworth for the portion of water line construction and due to a third party.

Sewer Deferred Assessment

To account for money paid to the City of Wadsworth for the portion of sewer line construction that is owed to the third party that originally constructed the sewer line.

Clearing - Utility Assessment

To temporarily account for water and sewer charges assessed to the property owner's tax duplicate and collected by the County. This money is then posted to the respective utility funds.

Muni Court

To account for civil cases and traffic/criminal cases within the court's jurisdiction.

Customer Deposits

To account for utility service deposits made by renters and/or delinquent accounts. These funds are held until the final bill is paid or the tenant becomes the owner of the property.

CITY OF WADSWORTH, OHIO

*COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2016*

	<u>Escrow Accounts</u>	<u>Medina County Law Library</u>	<u>Memorial Park Trust</u>	<u>Unclaimed Funds Muni Court</u>
Assets:				
Current Assets:				
Equity in pooled cash, cash equivalents and investments	\$ -	\$ -	\$ 369	\$ 22,556
Cash in segregated accounts	418,800	-	-	-
Restricted Assets:				
Equity in pooled cash, cash equivalents and investments	-	-	-	-
Total assets	<u>\$ 418,800</u>	<u>\$ -</u>	<u>\$ 369</u>	<u>\$ 22,556</u>
Liabilities:				
Retainage payable	\$ 418,800	\$ -	\$ -	\$ -
Deposits held and due to others	-	-	369	22,556
Refundable deposits	-	-	-	-
Total liabilities	<u>\$ 418,800</u>	<u>\$ -</u>	<u>\$ 369</u>	<u>\$ 22,556</u>

<u>Unclaimed Funds-City</u>	<u>Utility Assistance Fund</u>	<u>Community Center Project</u>	<u>Clearing Fund</u>	<u>Payroll Fund</u>	<u>Water Assessment Trust</u>	<u>Sewer Deferred Assessment</u>
\$ 12,978	\$ 1,337	\$ 1,734,310	\$ 63,466	\$ 281,290	\$ 10,134	\$ 14,747
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 12,978</u>	<u>\$ 1,337</u>	<u>\$ 1,734,310</u>	<u>\$ 63,466</u>	<u>\$ 281,290</u>	<u>\$ 10,134</u>	<u>\$ 14,747</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12,978	1,337	1,734,310	63,466	281,290	10,134	14,747
-	-	-	-	-	-	-
<u>\$ 12,978</u>	<u>\$ 1,337</u>	<u>\$ 1,734,310</u>	<u>\$ 63,466</u>	<u>\$ 281,290</u>	<u>\$ 10,134</u>	<u>\$ 14,747</u>

CITY OF WADSWORTH, OHIO

*COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2016*

	<u>Clearing - Utility Assessment</u>	<u>Muni Court</u>	<u>Customer Deposits</u>	<u>Total</u>
Assets:				
Current Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 2,655	\$ -	\$ -	\$ 2,143,842
Cash in segregated accounts	-	26,453	-	445,253
Restricted Assets:				
Equity in pooled cash, cash equivalents and investments	-	-	852,860	852,860
Total assets	<u>\$ 2,655</u>	<u>\$ 26,453</u>	<u>\$ 852,860</u>	<u>\$ 3,441,955</u>
Liabilities:				
Retainage payable	\$ -	\$ -	\$ -	\$ 418,800
Deposits held and due to others	2,655	26,453	-	2,170,295
Refundable deposits	-	-	852,860	852,860
Total liabilities	<u>\$ 2,655</u>	<u>\$ 26,453</u>	<u>\$ 852,860</u>	<u>\$ 3,441,955</u>

CITY OF WADSWORTH, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

Escrow Accounts	Balance 1/1/2016	Additions	Reductions	Balance 12/31/2016
Assets:				
Cash segregated accounts	\$ 373,659	\$ 418,800	\$ 373,659	\$ 418,800
Total assets	<u>\$ 373,659</u>	<u>\$ 418,800</u>	<u>\$ 373,659</u>	<u>\$ 418,800</u>
Liabilities:				
Retainage Payable	\$ 373,659	\$ 418,800	\$ 373,659	\$ 418,800
Total liabilities	<u>\$ 373,659</u>	<u>\$ 418,800</u>	<u>\$ 373,659</u>	<u>\$ 418,800</u>
Medina County Law Library				
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 3,964	\$ -	\$ 3,964	\$ -
Total assets	<u>\$ 3,964</u>	<u>\$ -</u>	<u>\$ 3,964</u>	<u>\$ -</u>
Liabilities:				
Deposits held and due to others	\$ 3,964	\$ -	\$ 3,964	\$ -
Total liabilities	<u>\$ 3,964</u>	<u>\$ -</u>	<u>\$ 3,964</u>	<u>\$ -</u>
Memorial Park Trust				
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 369	\$ -	\$ -	\$ 369
Total assets	<u>\$ 369</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 369</u>
Liabilities:				
Deposits held and due to others	\$ 369	\$ -	\$ -	\$ 369
Total liabilities	<u>\$ 369</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 369</u>
Unclaimed Funds Muni Court				
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 22,099	\$ 22,556	\$ 22,099	\$ 22,556
Total assets	<u>\$ 22,099</u>	<u>\$ 22,556</u>	<u>\$ 22,099</u>	<u>\$ 22,556</u>
Liabilities:				
Deposits held and due to others	\$ 22,099	\$ 22,556	\$ 22,099	\$ 22,556
Total liabilities	<u>\$ 22,099</u>	<u>\$ 22,556</u>	<u>\$ 22,099</u>	<u>\$ 22,556</u>
Unclaimed Funds-City				
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 11,244	\$ 12,978	\$ 11,244	\$ 12,978
Total assets	<u>\$ 11,244</u>	<u>\$ 12,978</u>	<u>\$ 11,244</u>	<u>\$ 12,978</u>
Liabilities:				
Deposits held and due to others	\$ 11,244	\$ 12,978	\$ 11,244	\$ 12,978
Total liabilities	<u>\$ 11,244</u>	<u>\$ 12,978</u>	<u>\$ 11,244</u>	<u>\$ 12,978</u>

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CITY OF WADSWORTH, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

Utility Assistance Fund	Balance 1/1/2016	Additions	Reductions	Balance 12/31/2016
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 892	\$ 1,337	\$ 892	\$ 1,337
Total assets	<u>\$ 892</u>	<u>\$ 1,337</u>	<u>\$ 892</u>	<u>\$ 1,337</u>
Liabilities:				
Deposits held and due to others	\$ 892	\$ 1,337	\$ 892	\$ 1,337
Total liabilities	<u>\$ 892</u>	<u>\$ 1,337</u>	<u>\$ 892</u>	<u>\$ 1,337</u>
Community Center Project				
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 1,234,310	\$ 1,734,310	\$ 1,234,310	\$ 1,734,310
Total assets	<u>\$ 1,234,310</u>	<u>\$ 1,734,310</u>	<u>\$ 1,234,310</u>	<u>\$ 1,734,310</u>
Liabilities:				
Deposits held and due to others	\$ 1,234,310	\$ 1,734,310	\$ 1,234,310	\$ 1,734,310
Total liabilities	<u>\$ 1,234,310</u>	<u>\$ 1,734,310</u>	<u>\$ 1,234,310</u>	<u>\$ 1,734,310</u>
Clearing Fund				
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 30,553	\$ 63,466	\$ 30,553	\$ 63,466
Total assets	<u>\$ 30,553</u>	<u>\$ 63,466</u>	<u>\$ 30,553</u>	<u>\$ 63,466</u>
Liabilities:				
Deposits held and due to others	\$ 30,553	\$ 63,466	\$ 30,553	\$ 63,466
Total liabilities	<u>\$ 30,553</u>	<u>\$ 63,466</u>	<u>\$ 30,553</u>	<u>\$ 63,466</u>
Payroll Fund				
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 267,120	\$ 281,290	\$ 267,120	\$ 281,290
Total assets	<u>\$ 267,120</u>	<u>\$ 281,290</u>	<u>\$ 267,120</u>	<u>\$ 281,290</u>
Liabilities:				
Deposits held and due to others	\$ 267,120	\$ 281,290	\$ 267,120	\$ 281,290
Total liabilities	<u>\$ 267,120</u>	<u>\$ 281,290</u>	<u>\$ 267,120</u>	<u>\$ 281,290</u>
Water Assessment Trust				
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 10,134	\$ -	\$ -	\$ 10,134
Total assets	<u>\$ 10,134</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,134</u>
Liabilities:				
Deposits held and due to others	\$ 10,134	\$ -	\$ -	\$ 10,134
Total liabilities	<u>\$ 10,134</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,134</u>

CITY OF WADSWORTH, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

Sewer Deferred Assessment	Balance 1/1/2016	Additions	Reductions	Balance 12/31/2016
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 14,747	\$ -	\$ -	\$ 14,747
Total assets	<u>\$ 14,747</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,747</u>
Liabilities:				
Deposits held and due to others	\$ 14,747	\$ -	\$ -	\$ 14,747
Total liabilities	<u>\$ 14,747</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,747</u>
Clearing - Utility Assessment				
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ -	\$ 2,655	\$ -	\$ 2,655
Total assets	<u>\$ -</u>	<u>\$ 2,655</u>	<u>\$ -</u>	<u>\$ 2,655</u>
Liabilities:				
Deposits held and due to others	\$ -	\$ 2,655	\$ -	\$ 2,655
Total liabilities	<u>\$ -</u>	<u>\$ 2,655</u>	<u>\$ -</u>	<u>\$ 2,655</u>
Muni Court				
Assets:				
Cash in segregated accounts	\$ 21,929	\$ 26,453	\$ 21,929	\$ 26,453
Total assets	<u>\$ 21,929</u>	<u>\$ 26,453</u>	<u>\$ 21,929</u>	<u>\$ 26,453</u>
Liabilities:				
Deposits held and due to others	\$ 21,929	\$ 26,453	\$ 21,929	\$ 26,453
Total liabilities	<u>\$ 21,929</u>	<u>\$ 26,453</u>	<u>\$ 21,929</u>	<u>\$ 26,453</u>
Customer Deposits				
Assets:				
Restricted Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 833,857	\$ 852,860	\$ 833,857	\$ 852,860
Total assets	<u>\$ 833,857</u>	<u>\$ 852,860</u>	<u>\$ 833,857</u>	<u>\$ 852,860</u>
Liabilities:				
Refundable Deposits	\$ 833,857	\$ 852,860	\$ 833,857	\$ 852,860
Total liabilities	<u>\$ 833,857</u>	<u>\$ 852,860</u>	<u>\$ 833,857</u>	<u>\$ 852,860</u>
TOTAL AGENCY FUNDS				
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 1,595,432	\$ 2,118,592	\$ 1,570,182	\$ 2,143,842
Cash in segregated accounts	395,588	445,253	395,588	445,253
Restricted Assets:				
Equity in pooled cash, cash equivalents and investments	833,857	852,860	833,857	852,860
Total assets	<u>\$ 2,824,877</u>	<u>\$ 3,416,705</u>	<u>\$ 2,799,627</u>	<u>\$ 3,441,955</u>
Liabilities:				
Retainage payable	\$ 373,659	\$ 418,800	\$ 373,659	\$ 418,800
Deposits held and due to others	1,617,361	2,145,045	1,592,111	2,170,295
Refundable Deposits	833,857	852,860	833,857	852,860
Total liabilities	<u>\$ 2,824,877</u>	<u>\$ 3,416,705</u>	<u>\$ 2,799,627</u>	<u>\$ 3,441,955</u>

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City of Wadsworth, Ohio

Statistical Section

This part of the City of Wadsworth's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the City's overall health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S1 - S12
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue sources: the property tax and the municipal income tax.	S13 - S19
Debt Capacity 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.	S20 - S26
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	S27 - S28
Operating Information These schedules contain services 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.	S29 - S39
Sources: Sources of the information presented in this section are provided at the bottom of each schedule. The City implemented the new reporting model prescribed by GASB Statement 34 for the year ended December 31, 2003.	

City of Wadsworth, Ohio

Net Position By Component

Last Ten Years

(Accrual Basis of Accounting)

	<u>2016</u>	<u>2015</u>	Restated <u>2014 (2)</u>	<u>2013</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 40,055,196	\$ 37,607,541	\$ 34,082,257	\$ 30,975,468
Restricted	8,973,458	10,496,479	12,647,495	12,544,168
Unrestricted	<u>1,615,807</u>	<u>(196,242)</u>	<u>7,664,110</u>	<u>7,012,414</u>
<i>Total Governmental Activities Net Position</i>	<u>50,644,461</u>	<u>47,907,778</u>	<u>54,393,862</u>	<u>50,532,050</u>
Business Type - Activities				
Net Investment in Capital Assets	65,930,713	63,019,576	60,936,466	63,409,337
Unrestricted	<u>17,953,130</u>	<u>15,605,300</u>	<u>18,848,040</u>	<u>12,827,606</u>
<i>Total Business-Type Activities Net Position</i>	<u>83,883,843</u>	<u>78,624,876</u>	<u>79,784,506</u>	<u>76,236,943</u>
Primary Government				
Net Investment in Capital Assets	105,985,909	100,627,117	95,018,723	94,384,805
Restricted	8,973,458	10,496,479	12,647,495	12,544,168
Unrestricted	<u>19,568,937</u>	<u>15,409,058</u>	<u>26,512,150</u>	<u>19,840,020</u>
<i>Total Primary Government Net Position</i>	<u>\$ 134,528,304</u>	<u>\$126,532,654</u>	<u>\$134,178,368</u>	<u>\$126,768,993</u>

NOTES:

(1) In 2011, the City implemented GASB 54 which caused a restatement of Net Position for 2010. The storm water fund was reclassified from governmental activities to business type activities.

(2) The City implemented GASB 68 during 2015, and as a result 2014 was restated.

(continued)

<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 27,652,789	\$ 24,968,078	\$ 38,668,682	\$ 38,890,685	\$ 38,787,056	\$ 36,230,196
12,444,429	15,067,789	15,528,872	11,157,801	13,788,640	12,235,180
<u>7,876,795</u>	<u>5,904,151</u>	<u>3,659,079</u>	<u>5,513,182</u>	<u>(195,832)</u>	<u>784,999</u>
<u>47,974,013</u>	<u>45,940,018</u>	<u>57,856,633</u>	<u>55,561,668</u>	<u>52,379,864</u>	<u>49,250,375</u>
57,015,769	51,914,458	36,603,685	35,357,502	37,100,988	34,557,074
<u>12,387,704</u>	<u>18,514,874</u>	<u>16,141,933</u>	<u>15,103,425</u>	<u>11,412,229</u>	<u>10,619,030</u>
<u>69,403,473</u>	<u>70,429,332</u>	<u>52,745,618</u>	<u>50,460,927</u>	<u>48,513,217</u>	<u>45,176,104</u>
84,668,558	76,882,536	75,272,367	74,248,187	75,888,044	70,787,270
11,774,608	15,067,789	15,528,872	11,157,801	13,788,640	12,235,180
<u>20,934,320</u>	<u>24,419,025</u>	<u>19,801,012</u>	<u>20,616,607</u>	<u>11,216,397</u>	<u>11,404,029</u>
<u>\$117,377,486</u>	<u>\$116,369,350</u>	<u>\$110,602,251</u>	<u>\$106,022,595</u>	<u>\$100,893,081</u>	<u>\$ 94,426,479</u>

City of Wadsworth, Ohio

Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

	2016	2015	2014	2013
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 995,222	\$ 692,556	\$ 545,039	\$ 660,499
Security of Persons and Property	1,429,331	1,255,895	1,368,456	1,310,679
Public Health	18,107	23,908	6,703	43,597
Leisure Time Services	926,673	1,173,166	1,047,403	1,020,645
Community and Economic Development	127,665	366,728	22,526	16,481
Public Works ¹	0	0	0	0
Transportation	363,561	364,342	344,096	322,749
Intergovernmental	0	0	0	0
Subtotal - Charges for Services	<u>3,860,559</u>	<u>3,876,595</u>	<u>3,334,223</u>	<u>3,374,650</u>
Operating Grants and Contributions:				
General Government	6,703	24,490	5,021	50,711
Security of Persons and Property	33,613	4,866	31,372	3,069
Public Health	0	0	5,133	0
Leisure Time Services	101,850	0	50,783	230,000
Community and Economic Development	369,595	585,026	2,241,748	478,423
Public Works	0	0	0	0
Transportation	1,420,417	1,102,091	991,154	777,475
Intergovernmental	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Subtotal - Operating Grants and Contributions	<u>1,932,178</u>	<u>1,716,473</u>	<u>3,325,211</u>	<u>1,539,678</u>
Capital Grants and Contributions:				
General Government	905,242	0	188,574	136,725
Security of Persons and Property	0	0	0	0
Public Health	0	0	0	0
Leisure Time Services	0	0	0	0
Community and Economic Development	0	0	0	206,469
Public Works	0	0	0	0
Transportation	477,433	1,119,844	0	0
Intergovernmental	0	0	0	0
	<u>1,382,675</u>	<u>1,119,844</u>	<u>188,574</u>	<u>343,194</u>
<i>Total Governmental Activities Program Revenues</i>	<u>7,175,412</u>	<u>6,712,912</u>	<u>6,848,008</u>	<u>5,257,522</u>

(continued)

2012	2011	2010	2009	2008	2007
\$ 517,728	\$ 616,010	\$ 415,956	\$ 1,804,234	\$ 1,637,283	\$ 1,630,640
1,340,579	1,388,280	1,053,063	1,019,968	951,404	838,539
10,997	16,799	14,508	12,637	9,906	12,413
615,348	226,537	460,552	759,662	719,242	744,047
49,559	42,082	40,288	48,260	31,738	59,565
0	0	828,752	0	1,403	24,461
50,209	31,754	1,037	20,452	75,132	77,862
0	0	828	0	21,562	968
<u>2,584,420</u>	<u>2,321,462</u>	<u>2,814,984</u>	<u>3,665,213</u>	<u>3,447,670</u>	<u>3,388,495</u>
27,364	46,244	14,222	188,200	17,768	11,077
99,958	226,398	84,341	75,909	424,018	84,813
1,029	741	701	336	404	296
7,909	8,986	7,244	2,643	3,407	130,026
528,546	277,912	2,265	16,637	360,036	35,628
4,778	93,093	0	0	0	0
10,615	1,740,863	0	0	305,707	0
0	0	52	0	24	6
0	0	0	0	0	0
<u>680,199</u>	<u>2,394,237</u>	<u>108,825</u>	<u>283,725</u>	<u>1,111,364</u>	<u>261,846</u>
145,251	0	566,630	859,483	1,007,719	613,643
20,662	74,447	0	311,907	339,133	614,587
129	0	0	6,828	8,071	17,195
990	0	258,347	82,761	69,265	130,511
545	117,146	209,486	414,934	19,725	509,967
0	0	785	0	0	0
5,356	239,370	624,234	136,363	352,655	0
0	0	0	0	3,021	379
<u>172,933</u>	<u>430,963</u>	<u>1,659,482</u>	<u>1,812,276</u>	<u>1,799,589</u>	<u>1,886,282</u>
<u>3,437,552</u>	<u>5,146,662</u>	<u>4,583,291</u>	<u>5,761,214</u>	<u>6,358,623</u>	<u>5,536,623</u>

(continued)

City of Wadsworth, Ohio

Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

	2016	2015	2014	2013
Business-Type Activities:				
Charges for Services:				
Electric	33,086,099	30,158,308	31,212,822	30,664,529
Sanitation	2,544,085	2,478,382	2,380,196	2,362,918
Sewer	4,088,798	4,057,291	4,038,723	3,804,179
Storm Water ¹	861,624	844,995	842,103	846,807
Telecom	5,248,649	4,950,215	4,606,769	4,267,447
Water	4,077,047	4,017,560	3,580,692	3,755,438
Subtotal - Charges for Services	<u>49,906,302</u>	<u>46,506,751</u>	<u>46,661,305</u>	<u>45,701,318</u>
Operating & Capital Grants and Contributions				
Electric	0	15,387	0	877,724
Sewer	0	0	0	245,002
Storm Water ¹	627,189	0	305,331	124,949
Water	613,978	0	0	0
Subtotal - Operating & Capital Grants and Contributions	<u>1,241,167</u>	<u>15,387</u>	<u>305,331</u>	<u>1,247,675</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>51,147,469</u>	<u>46,522,138</u>	<u>46,966,636</u>	<u>46,948,993</u>
<i>Total Primary Government Program Revenues</i>	<u>58,322,881</u>	<u>53,235,050</u>	<u>53,814,644</u>	<u>52,206,515</u>
Expenses				
Governmental Activities:				
General Government	3,673,205	2,787,972	3,683,873	3,985,055
Security of Persons and Property	6,645,484	8,000,937	6,531,114	5,946,408
Public Health	130,369	121,952	125,292	125,186
Leisure Time Services	2,440,724	1,431,808	1,467,632	1,609,321
Community and Economic Development	1,252,104	1,159,127	389,592	1,023,032
Public Works	0	0	0	0
Transportation	3,696,010	3,110,416	3,192,863	2,893,421
Intergovernmental	0	0	0	0
Interest and Fiscal Charges	936,989	749,206	751,170	775,567
<i>Total Governmental Activities Expenses</i>	<u>18,774,885</u>	<u>17,361,418</u>	<u>16,141,536</u>	<u>16,357,990</u>
Business-Type Activities:				
Electric	31,952,924	29,730,644	30,297,757	27,789,052
Sanitation	1,913,821	2,012,855	2,293,352	2,221,316
Sewer	3,571,494	3,815,598	3,168,619	3,245,256
Storm Water ¹	1,081,718	1,089,434	821,058	904,253
Telecom	4,959,269	4,639,496	4,565,953	4,574,954
Water	3,828,272	3,648,343	3,387,965	3,227,991
<i>Total Business-Type Activities Expenses</i>	<u>47,307,498</u>	<u>44,936,370</u>	<u>44,534,704</u>	<u>41,962,822</u>
<i>Total Primary Government Expenses</i>	<u>66,082,383</u>	<u>62,297,788</u>	<u>60,676,240</u>	<u>58,320,812</u>

(continued)

2012	2011	2010	2009	2008	2007
28,735,362	30,579,103	30,330,442	29,851,125	27,762,640	25,014,078
2,206,598	2,188,061	2,071,234	1,984,672	1,902,235	1,842,501
3,531,295	3,342,729	3,145,489	3,319,499	3,226,918	3,609,670
820,242	833,778	0	0	0	0
3,784,001	3,628,336	3,342,778	2,993,393	2,774,399	2,656,861
3,797,973	3,726,491	3,684,369	3,395,906	2,944,488	2,838,418
42,875,471	44,298,498	42,574,312	41,544,595	38,610,680	35,961,528
1,428,578	2,381,437	740,554	0	0	0
0	0	267,446	428,629	1,729,137	84,225
0	82,970	0	0	0	0
208,316	0	0	297,069	1,176,966	581,215
1,636,894	2,464,407	1,008,000	725,698	2,906,103	665,440
44,512,365	46,762,905	43,582,312	42,270,293	41,516,783	36,626,968
47,949,917	51,909,567	48,165,603	48,031,507	47,875,406	42,163,591
3,769,536	3,809,401	3,341,356	5,561,354	6,055,239	5,176,695
6,221,933	6,512,974	6,601,561	5,804,358	5,685,852	5,524,710
109,054	105,261	103,060	128,140	145,433	149,833
1,604,855	1,510,485	2,351,287	1,946,859	2,080,885	2,152,345
929,492	660,516	522,242	616,764	737,503	617,243
121,471	200,224	711,713	0	9,700	21,990
2,920,887	3,186,302	2,928,565	2,803,257	2,941,263	2,693,526
0	0	7,499	0	11,057	204,548
793,123	781,845	149,109	135,705	151,362	165,075
16,470,351	16,767,008	16,716,392	16,996,437	17,818,294	16,705,965
26,625,458	28,946,483	28,572,879	28,338,305	25,823,545	25,899,005
2,232,922	2,082,729	2,075,807	1,951,471	1,935,094	1,773,366
3,629,162	3,573,261	3,310,275	3,727,726	4,534,794	2,432,224
871,099	986,089	0	0	0	0
4,010,252	3,631,490	3,416,318	3,258,997	3,015,641	2,215,775
3,462,781	3,456,315	4,397,523	3,091,449	3,085,289	3,323,572
40,831,674	42,676,367	41,772,802	40,367,948	38,394,363	35,643,942
57,302,025	59,443,375	58,489,194	57,364,385	56,212,657	52,349,907

(continued)

City of Wadsworth, Ohio

Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

	2016	2015	2014	2013
Net (Expense)/Revenue				
Governmental Activities	(11,599,473)	(10,648,506)	(9,293,528)	(11,100,468)
Business-Type Activities	3,839,971	1,585,768	2,431,932	4,986,171
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(7,759,502)</u>	<u>(9,062,738)</u>	<u>(6,861,596)</u>	<u>(6,114,297)</u>
General Revenues				
Governmental Activities				
Taxes:				
Property and Other Taxes Levied For:				
General Purposes	1,941,290	2,267,673	1,839,371	1,160,532
Capital Projects	105,388	460,081	449,916	738,827
Emergency Medical Services	934,032	887,573	1,130,356	665,179
Other	113,600	100,585	0	0
Income Taxes	10,511,611	8,164,920	8,661,560	8,532,860
Payments in Lieu of Taxes	492,917	832,556	653,962	612,180
Grants and Entitlements not Restricted to				
Specific Programs	909,328	785,870	840,111	1,692,722
Investment Earnings	249,689	179,246	212,384	174,447
Other Income	225,975	189,990	131,219	144,354
<i>Total Governmental Activities</i>	<u>15,483,830</u>	<u>13,868,494</u>	<u>13,918,879</u>	<u>13,721,101</u>
Business-Type Activities				
Investment Earnings	53	2	2	2
Special Item - Stranded Costs	0	0	0	1,510,027
Other Income	271,269	350,569	352,090	274,674
<i>Total Business-Type Activities</i>	<u>271,322</u>	<u>350,571</u>	<u>352,092</u>	<u>1,784,703</u>
<i>Total Primary Government General Revenues</i>	<u>15,755,152</u>	<u>14,219,065</u>	<u>14,270,971</u>	<u>15,505,804</u>
Transfers				
Governmental Activities	(1,147,674)	(744,229)	(763,539)	(62,596)
Business-Type Activities	1,147,674	744,229	763,539	62,596
Change in Net Position				
Governmental Activities	2,736,683	2,475,759	3,861,812	2,558,037
Business-Type Activities	5,258,967	2,680,568	3,547,563	6,833,470
<i>Total Primary Government Change in Net Position</i>	<u>\$ 7,995,650</u>	<u>\$ 5,156,327</u>	<u>\$ 7,409,375</u>	<u>\$ 9,391,507</u>

(continued)

¹Storm Water moved from Public Works in Governmental Activities to Business-Type Activities in 2011.

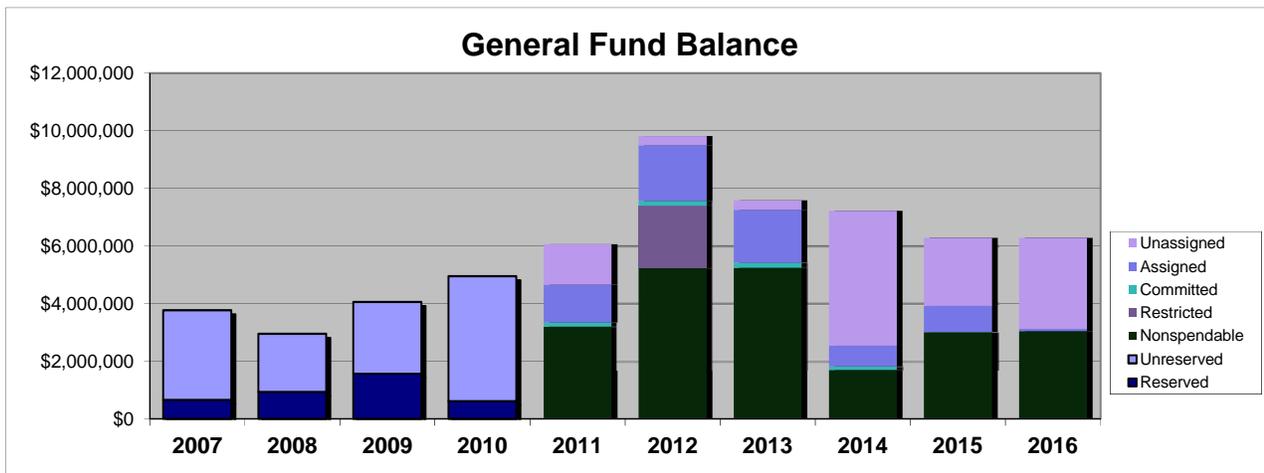
2012	2011	2010	2009	2008	2007
(13,032,799)	(11,620,346)	(12,133,101)	(11,235,223)	(11,459,671)	(11,169,342)
3,680,691	4,086,538	1,809,510	1,902,345	3,122,420	983,026
(9,352,108)	(7,533,808)	(10,323,591)	(9,332,878)	(8,337,251)	(10,186,316)
975,659	959,950	1,064,928	1,052,918	1,110,503	1,056,203
1,089,450	1,190,052	362,949	416,378	453,955	475,452
952,861	891,198	1,613,748	1,717,949	1,731,358	1,319,207
0	0	0	0	0	0
7,679,436	6,851,870	6,480,155	6,477,735	7,332,441	5,720,788
115,400	105,000	99,000	0	0	0
3,194,245	2,527,284	4,495,881	4,398,252	3,381,413	4,266,292
145,550	150,965	109,972	195,647	542,854	891,744
25,268	76,641	201,433	88,582	36,636	66,997
14,177,869	12,752,960	14,428,066	14,347,461	14,589,160	13,796,683
56,115	40,295	23,885	108,016	134,715	55,910
(4,584,933)	0	0	0	0	0
131,222	507,652	451,296	6,915	79,978	20
(4,397,596)	547,947	475,181	114,931	214,693	55,930
9,780,273	13,300,907	14,903,247	14,462,392	14,803,853	13,852,613
0	0	0	69,566	0	(750,000)
0	0	0	(69,566)	0	750,000
1,145,070	1,132,614	2,294,965	3,181,804	3,129,489	1,877,341
(716,905)	4,634,485	2,284,691	1,947,710	3,337,113	1,788,956
\$ 428,165	\$ 5,767,099	\$ 4,579,656	\$ 5,129,514	\$ 6,466,602	\$ 3,666,297

City of Wadsworth, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2016	2015	2014	2013	2012 ¹
General Fund					
Nonspendable	\$ 3,041,640	\$ 3,003,364	\$ 1,688,467	\$ 5,243,091	\$ 5,223,616
Restricted ¹	0	0	0	0	2,181,148
Committed	0	1,400	128,232	170,028	162,176
Assigned	77,857	906,761	713,106	1,849,862	1,934,414
Unassigned	3,170,977	2,370,945	4,695,499	331,919	317,964
Reserved	0	0	0	0	0
Unreserved	0	0	0	0	0
Total General Fund	6,290,474	6,282,470	7,225,304	7,594,900	9,819,318
All Other Governmental Funds					
Nonspendable	322,769	1,073,212	255,470	308,564	3,798,311
Restricted	9,485,052	9,492,012	11,769,497	11,805,616	6,258,676
Committed	2,515,396	2,589,267	211,731	169,956	1,661,064
Unassigned	(4,337,035)	(1,929,869)	(2,020,725)	(1,331,229)	(740,323)
Reserved	0	0	0	0	0
Unreserved, Undesignated (Deficit), Reported in:					
Special Revenue Funds	0	0	0	0	0
Capital Projects Funds	0	0	0	0	0
Total All Other Governmental Funds	7,986,182	11,224,622	10,215,973	10,952,907	10,977,728
Total Governmental Funds	\$ 14,276,656	\$ 17,507,092	\$ 17,441,277	\$ 18,547,807	\$ 20,797,046

¹ In 2012, the income tax special revenue fund became part of the general fund.

NOTE: In 2011, the City implemented GASB 54 which caused a restatement of Fund Balances for 2010.
 Periods prior to 2011 do not reflect restated amounts.



(continued)

2011	2010	2009	2008	2007
\$ 3,191,006	0	0	0	0
0	0	0	0	0
150,998	0	0	0	0
1,315,726	0	0	0	0
1,406,960	0	0	0	0
0	\$ 611,466	\$ 1,557,563	\$ 924,595	\$ 650,932
0	4,344,340	2,503,732	2,028,877	3,119,368
<u>6,064,690</u>	<u>4,955,806</u>	<u>4,061,295</u>	<u>2,953,472</u>	<u>3,770,300</u>
336,264	0	0	0	0
14,058,202	0	0	0	0
1,458,238	0	0	0	0
(340,450)	0	0	0	0
0	3,264,480	3,473,817	5,473,400	5,215,585
0	8,075,725	8,404,961	5,501,520	4,139,390
0	4,674,201	490,946	(690,805)	970,349
<u>15,512,254</u>	<u>16,014,406</u>	<u>12,369,724</u>	<u>10,284,115</u>	<u>10,325,324</u>
<u>\$ 21,576,944</u>	<u>\$ 20,970,212</u>	<u>\$ 16,431,019</u>	<u>\$ 13,237,587</u>	<u>\$ 14,095,624</u>

City of Wadsworth, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2016	2015	2014	2013
Revenues				
Real and Other Taxes	\$ 3,071,586	\$ 3,720,489	\$ 3,433,871	\$ 2,581,162
Income Taxes	8,672,404	8,062,643	8,613,796	8,262,502
Payments in Lieu of Taxes	492,917	832,556	653,962	612,180
Special Assessments	165,842	68,538	86,206	117,860
Charges for Services	1,880,994	2,214,049	2,080,205	2,041,901
Licenses and Permits	532,199	524,437	446,013	415,605
Fines and Forfeitures	541,708	593,603	637,310	641,820
Intergovernmental	3,272,209	2,981,735	3,575,058	3,186,386
Investment income	250,050	179,406	212,694	174,773
Rental income	516,312	25,737	72,519	72,295
Contributions and Donations	130,786	2,988	56,442	233,251
Refunds and Reimbursements	148,355	111,697	123,039	0
Other	177,397	448,902	209,384	710,509
<i>Total Revenues</i>	<u>19,852,759</u>	<u>19,766,780</u>	<u>20,200,499</u>	<u>19,050,244</u>
Expenditures				
Current:				
General Government	3,318,672	3,513,440	3,775,373	3,921,993
Security of Persons and Property	6,533,973	6,639,490	6,383,016	6,419,692
Public Health	130,405	121,980	125,315	125,208
Leisure Time Services	2,181,849	1,297,382	1,331,935	1,668,959
Community and Economic Development	1,237,451	1,156,155	390,100	1,053,406
Public Works	0	0	0	0
Transportation	3,779,405	2,654,515	2,664,891	2,406,833
Intergovernmental	0	0	0	0
Capital Outlay	4,880,254	3,068,043	4,654,288	4,255,788
Debt Service:				
Principal Retirement	2,782	452,646	667,558	642,455
Interest and Fiscal Charges	637,848	746,308	752,064	756,578
Issuance Costs	196,717	0	0	0
<i>Total Expenditures</i>	<u>22,899,356</u>	<u>19,649,959</u>	<u>20,744,540</u>	<u>21,250,912</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,046,597)</u>	<u>116,821</u>	<u>(544,041)</u>	<u>(2,200,668)</u>
Other Financing Sources (Uses)				
Notes Issued	0	0	0	0
Bonds Issued	17,630,000	0	0	0
Premium on Debt Issued	598,691	0	0	0
Proceeds of Loans	0	0	0	0
Proceeds from Sale of Capital Assets	113,128	66,015	54,264	14,025
Transfers In	251,299	151,467	121,096	215,252
Transfers Out	(739,700)	(268,488)	(737,849)	(277,848)
Other Financing Uses	(18,037,257)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(183,839)</u>	<u>(51,006)</u>	<u>(562,489)</u>	<u>(48,571)</u>
<i>Net Change in Fund Balances</i>	<u>\$ (3,230,436)</u>	<u>\$ 65,815</u>	<u>\$ (1,106,530)</u>	<u>\$ (2,249,239)</u>
Debt Service as a Percentage of Noncapital Expenditures	3.6%	7.2%	9.1%	8.4%

(continued)

	2012	2011	2010	2009	2008	2007
\$	3,034,146	\$ 3,121,651	\$ 2,996,532	\$ 3,167,698	\$ 3,258,568	\$ 2,838,180
	7,611,247	6,741,133	6,573,369	6,591,226	6,525,267	6,672,229
	115,400	105,000	99,000	0	0	0
	128,722	117,146	184,287	84,377	28,630	56,267
	1,367,216	1,128,411	1,857,582	2,210,771	1,887,220	2,215,944
	486,210	407,278	390,012	938,955	826,768	758,027
	692,486	715,652	653,093	261,333	298,730	205,859
	4,576,149	4,537,339	6,145,906	5,475,695	5,606,904	5,273,528
	182,294	206,885	109,972	195,647	542,854	891,744
	5,400	1,400	9,400	236,945	246,065	208,665
	11,426	3,505	9,631	57,908	17,768	30,253
	0	0	0	0	0	0
	25,268	75,241	201,433	88,582	36,636	66,997
	<u>18,235,964</u>	<u>17,160,641</u>	<u>19,230,217</u>	<u>19,309,137</u>	<u>19,275,410</u>	<u>19,217,693</u>
	3,529,686	3,277,952	2,891,212	5,215,166	6,118,002	5,523,566
	5,999,955	5,986,941	6,034,330	5,418,631	5,643,693	5,274,973
	110,517	105,402	100,441	83,021	95,258	110,122
	1,551,703	1,461,356	2,099,175	1,855,581	2,103,211	2,087,317
	941,155	655,562	516,310	606,807	739,088	625,538
	123,100	200,224	690,694	4,636	7,928	19,281
	2,460,481	2,698,700	2,054,047	2,000,080	2,314,431	2,023,168
	0	0	7,499	0	11,057	204,548
	1,698,178	925,826	17,813,141	2,417,711	2,591,116	2,949,313
	627,351	197,254	252,161	372,072	356,987	336,905
	774,643	785,044	100,713	137,073	152,676	169,363
	0	0	360,988	53,149	0	0
	<u>17,816,769</u>	<u>16,294,261</u>	<u>32,920,711</u>	<u>18,163,927</u>	<u>20,133,447</u>	<u>19,324,094</u>
	419,195	866,380	(13,690,494)	1,145,210	(858,037)	(106,401)
	0	0	0	0	0	0
	0	0	18,290,000	2,015,000	0	0
	0	0	0	33,222	0	0
	0	0	0	0	0	0
	35,217	3,810	39,648	0	0	0
	1,594,303	6,914,635	6,845,800	7,339,800	5,611,000	5,451,000
	(1,594,303)	(6,911,048)	(6,842,213)	(7,339,800)	(5,611,000)	(5,451,000)
	0	0	(103,548)	0	0	0
	<u>35,217</u>	<u>7,397</u>	<u>18,229,687</u>	<u>2,048,222</u>	<u>0</u>	<u>0</u>
\$	<u>454,412</u>	<u>\$ 873,777</u>	<u>\$ 4,539,193</u>	<u>\$ 3,193,432</u>	<u>\$ (858,037)</u>	<u>\$ (106,401)</u>
	8.8%	6.4%	2.3%	3.4%	3.1%	3.3%

City of Wadsworth, Ohio

Assessed Valuation and Estimated Actual Values of Taxable Property

Last Ten Years

Collection Year	Real Property (a)		Public Utility Property (b)	Tangible Personal Property (c)	Tax Exempt Real Property (d)
	Residential/Agricultural	Commercial Industrial/PU			
2016	\$345,155,040	\$ 109,741,200	\$ 761,170	0	\$ 91,083,610
2015	341,109,680	108,163,140	728,220	0	92,156,500
2014	336,977,510	104,328,790	705,290	0	93,134,100
2013	365,802,220	104,399,470	676,760	0	64,359,360
2012	362,232,680	105,674,510	615,470	0	64,973,380
2011	360,319,920	105,174,960	615,470	0	65,910,500
2010	398,307,240	102,405,800	596,720	\$ 272,055	65,973,740
2009	397,144,370	99,296,020	584,720	585,540	n/a
2008	392,307,660	99,886,380	592,490	11,754,010	n/a
2007	346,652,230	94,214,570	2,366,120	17,948,870	n/a

Source: Medina County Auditor, Medina Ohio

Property in the county is reassessed annually.

(a) Real property is assessed at 35% of actual value. Real property taxes collected in a calendar year are levied as of January 1 of that year based on assessed values as of January 1 of the preceding year.

(b) Public utility is assessed at 88% of actual value. Public utility real and tangible property taxes collected in a calendar year are levied in the preceding calendar year based on assessed values determined as of December 31 of the second preceding year.

(c) For 2005 and prior, tangible personal property was assessed at 25% of true value for capital assets and 23% of true value for inventory.

For 2006, tangible personal property tax was assessed at 18.75% of property value, including inventory.

For 2007, tangible personal property tax was assessed at 12.50% of property value, including inventory.

For 2008, tangible personal property tax was assessed at 6.25% of property value, including inventory.

For 2009, tangible personal property tax was eliminated, except for telephone companies and inter-exchange telecommunications companies. Tax was assessed at 10% of property value.

For 2010, tangible personal property tax was assessed at 5% of property value.

For 2011 and future years, tangible personal property tax will be assessed at zero.

(d) Tax exempt information was not available prior to tax year 2009.

(e) Does not include tax-exempt property.

(continued)

<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value (e)</u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$ 455,657,410	4.70	\$ 1,300,568,509	35.04%
450,001,040	5.80	1,284,464,151	35.03%
442,011,590	5.80	1,261,676,609	35.03%
470,878,450	5.80	1,344,202,445	35.03%
468,522,660	5.80	1,337,577,083	35.03%
466,110,350	5.80	1,330,684,769	35.03%
501,581,815	5.80	1,431,286,777	35.04%
497,610,650	5.80	1,419,065,569	35.07%
504,540,540	5.80	1,406,941,970	35.86%
461,181,790	5.80	1,262,308,201	36.53%

City of Wadsworth, Ohio

Direct and Overlapping Property Tax Rates

Last Ten Collection Years

	2016	2015	2014	2013	2012
Unvoted Millage					
Operating	2.1000	2.1000	2.1000	2.1000	2.1000
Police Pension	0.3000	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	2.4000	2.4000	2.4000	2.4000	2.4000
Voted Millage					
Fire Levy	0.0000	1.1000	1.1000	1.1000	1.1000
EMS Levy	2.3000	2.3000	2.3000	2.3000	2.3000
<i>Total Voted Millage</i>	2.3000	3.4000	3.4000	3.4000	3.4000
Total Millage	4.7000	5.8000	5.8000	5.8000	5.8000
Overlapping Rates by Taxing District					
Wadsworth City School District					
Residential/Agricultural Real	43.9568	43.9793	44.0279	42.0488	42.0488
Commercial/Industrial and Public Utility Real	47.4339	47.0489	46.8178	45.7549	45.7549
General Business and Public Utility Personal	79.0000	79.0000	79.0000	78.6000	78.6000
Medina County					
Residential/Agricultural Real	7.4960	7.6036	7.5147	7.4599	7.4699
Commercial/Industrial and Public Utility Real	7.6108	7.5066	7.4956	7.4575	7.4675
General Business and Public Utility Personal	8.0400	8.0400	8.0400	8.0400	8.0400
Wadsworth Public Library					
Residential/Agricultural Real	2.7500	2.7500	2.7132	2.6046	2.6046
Commercial/Industrial and Public Utility Real	2.7064	2.7086	2.6614	2.6289	2.6289
General Business and Public Utility Personal	2.7041	2.6796	2.7500	2.7500	2.7500
Medina County Park District					
Residential/Agricultural Real	0.7500	0.7500	0.7500	0.7366	0.7366
Commercial/Industrial and Public Utility Real	0.7500	0.7500	0.7500	0.7435	0.7435
General Business and Public Utility Personal	0.7500	0.7500	0.7500	0.7500	0.7500
Highland Local School District					
Residential/Agricultural Real	36.2878	36.3148	36.3868	36.5880	36.6880
Commercial/Industrial and Public Utility Real	32.7417	32.9339	32.6199	33.6398	33.6398
General Business and Public Utility Personal	75.3000	75.3000	75.3000	76.8000	76.8000
Medina County Library District					
Residential/Agricultural Real	2.1000	1.8500	1.8500	2.0315	2.0315
Commercial/Industrial and Public Utility Real	2.1000	1.8500	1.8500	2.0464	2.0464
General Business and Public Utility Personal	2.1000	1.8500	1.8500	2.0500	2.0500
Vocational Education					
Residential/Agricultural Real	2.2312	2.2371	2.2446	2.1694	2.1694
Commercial/Industrial and Public Utility Real	2.2493	2.2438	2.2251	2.1483	2.1483
General Business and Public Utility Personal	3.0500	3.0500	3.0500	3.0500	3.0500

Source: Medina County Auditor

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The City's basic property tax rate may be increased only by a majority vote of the City's residents. Real property tax rates for voted levies are reduced so that inflationary increases in values do not generate additional revenue. Overlapping rates are those of local and county governments that apply to property owners within the City.

(continued)

2011	2010	2009	2008	2007
2.1000	2.1000	2.1000	2.1000	2.1000
0.3000	0.3000	0.3000	0.3000	0.3000
2.4000	2.4000	2.4000	2.4000	2.4000
1.1000	1.1000	1.1000	1.1000	1.1000
2.3000	2.3000	2.3000	2.3000	2.3000
3.4000	3.4000	3.4000	3.4000	3.4000
5.8000	5.8000	5.8000	5.8000	5.8000
36.1295	31.5638	31.6916	28.8014	31.7282
38.2956	35.7988	36.1101	33.1027	35.1643
72.6000	70.2000	70.4000	67.5000	71.5000
6.5082	5.9807	5.9167	5.9261	6.2510
6.4369	6.0632	5.9891	5.9752	6.2039
8.0400	8.0400	8.0700	8.0700	8.0700
1.6032	1.4441	1.4388	1.4396	1.6044
1.5295	1.5234	1.5034	1.5236	1.5865
1.7500	1.7500	1.7500	1.7500	1.7500
0.7366	0.6775	0.6758	0.6777	0.7446
0.7052	0.6969	0.6951	0.6922	0.7424
0.7500	0.7500	0.7500	0.7500	0.7500
29.7286	28.4983	29.1516	29.2728	31.4184
25.0217	24.9227	25.5162	25.0795	26.3436
69.9000	69.9000	70.5500	70.5500	70.5500
2.0319	1.9378	2.1352	2.1388	1.6348
1.9854	1.9696	2.1651	2.6050	1.6660
2.0500	2.0500	2.2500	2.2500	2.2500
2.0582	2.0048	2.0000	2.0000	2.0000
1.9420	2.0158	2.0081	1.9999	2.0214
2.9000	3.0500	3.0500	3.0500	3.0500

City of Wadsworth, Ohio

Principal Property Taxpayers

2016 vs. 2008

Taxpayer	2016	
	Property Assessed Valuation	Percentage of Total Assessed Valuation
FC Stratford Crossings LLC	\$6,062,690	1.33%
Liverty Residence Holding	3,454,730	0.76%
BRE Throne Wadsworth Crossing	3,327,640	0.73%
Walmart Real Estate	3,289,820	0.72%
Echo Wadsworth Associates	3,182,020	0.70%
Inn at Coalridge Limited	2,768,770	0.61%
HD Development of Maryland Inc.	2,432,500	0.53%
Lowe's Home Centers Inc	2,131,730	0.47%
224 Quadral LLC	2,065,280	0.45%
LA Wadsworth LLC	2,011,100	0.44%
TOTAL	\$30,726,280	6.74%
Total Assessed Property Valuation	\$455,657,410	
	2008 ⁽¹⁾	
Taxpayer	Property Assessed Valuation	Percentage of Total Assessed Valuation
Ebner Furnaces Inc	\$3,571,220	0.71%
DJB No 23 LP	3,328,440	0.66%
Big Sky Inc	3,279,400	0.65%
Day Family Enterprises	2,441,390	0.48%
Rohrer Properties	1,861,020	0.37%
Priority II LLC	1,840,790	0.36%
Wal-Mart Real Estate	1,716,540	0.34%
Buehler Food Market	1,612,690	0.32%
Soprema USA Inc	1,519,710	0.30%
Careamerica Corp	1,435,050	0.28%
TOTAL	\$22,606,250	4.48%
Total Assessed Property Valuation	\$504,540,540	

Source: Medina County Auditor, Medina Ohio

(1) Information prior to 2008 is not available

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Collections to Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2016	\$2,188,167	\$ 2,097,774	95.87%	\$ 57,322	\$ 2,155,096	98.49%	\$ 8,648	0.40%
2015	2,577,229	2,422,194	93.98%	57,571	2,479,765	96.22%	9,429	0.37%
2014	2,587,604	2,411,866	93.21%	77,930	2,489,796	96.22%	55,938	2.16%
2013	2,745,491	2,535,165	92.34%	81,128	2,616,293	95.29%	67,120	2.44%
2012	2,728,428	2,504,698	91.80%	82,110	2,586,808	94.81%	82,720	3.03%
2011	2,574,610	2,487,748	96.63%	127,257	2,615,005	101.57%	108,640	4.22%
2010	2,802,032	2,531,524	90.35%	88,332	2,619,856	93.50%	115,559	4.12%
2009	2,745,743	2,491,596	90.74%	84,079	2,575,675	93.81%	74,096	2.70%
2008	2,731,362	2,468,134	90.36%	84,742	2,552,876	93.47%	69,108	2.53%
2007	2,347,638	2,136,651	91.01%	64,735	2,201,386	93.77%	69,270	2.95%

Source: Medina County, Ohio; County Auditor

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

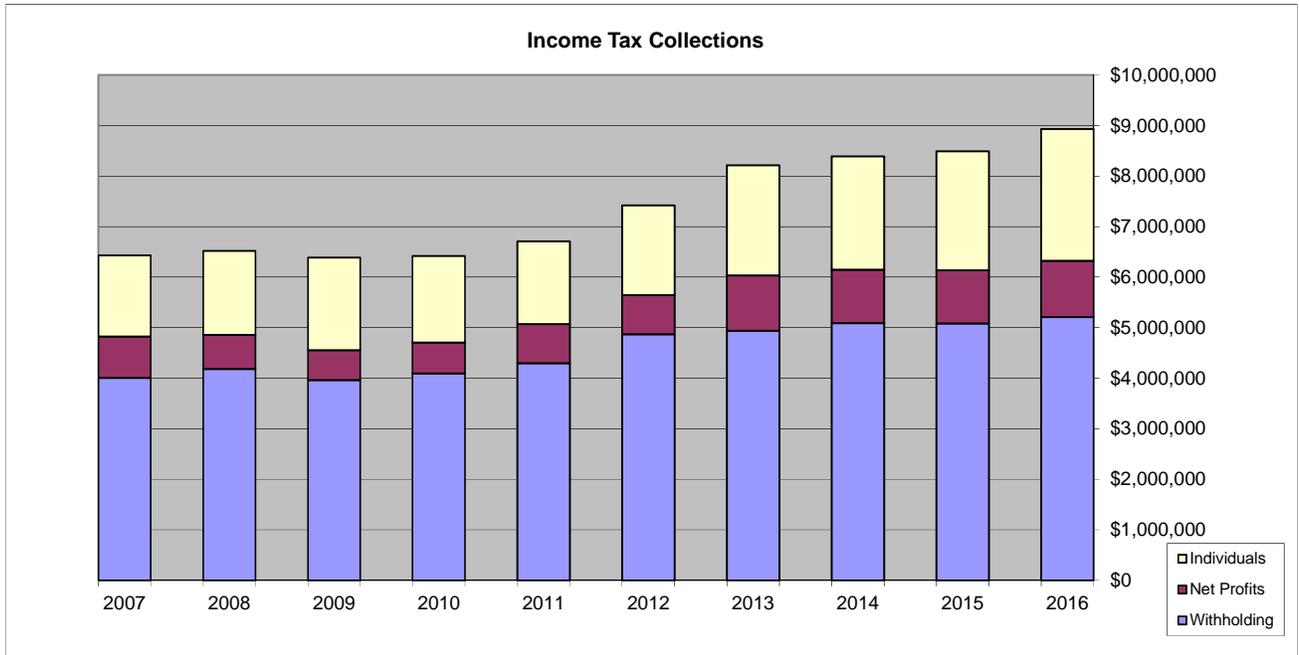
Note: Delinquent tax records are maintained by an external agency, Medina County. The agency does not identify delinquent collections by the year for which the tax was levied.

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

Tax Year	Tax Rate	Total Tax Collected (1)	Adjustments	Percentage of Adjustments	Taxes From Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes from Individual Payments	Percentage of Taxes from Individual Payments
2016	1.4%	\$ 8,921,694	\$ (9,756)	-0.11%	\$ 5,210,661	58.40%	\$ 1,113,807	12.48%	\$2,606,982	29.22%
2015	1.4%	8,592,975	105,320	1.23%	5,082,661	59.15%	1,055,262	12.28%	2,349,732	27.34%
2014	1.4%	8,648,629	259,672	3.00%	5,090,287	58.86%	1,055,632	12.21%	2,243,038	25.94%
2013	1.4%	8,358,492	143,662	1.72%	4,937,985	59.08%	1,095,886	13.11%	2,180,959	26.09%
2012	1.4%	7,580,998	164,172	2.17%	4,871,985	64.27%	772,196	10.19%	1,772,645	23.38%
2011	1.3%	6,897,196	188,226	2.73%	4,297,884	62.31%	775,851	11.25%	1,635,235	23.71%
2010	1.3%	6,603,817	185,280	2.81%	4,094,600	62.00%	609,982	9.24%	1,713,955	25.95%
2009	1.3%	6,511,354	124,325	1.91%	3,960,924	60.83%	591,822	9.09%	1,834,283	28.17%
2008	1.3%	6,643,871	122,624	1.85%	4,181,576	62.94%	676,919	10.19%	1,662,752	25.03%
2007	1.3%	6,534,276	101,351	1.55%	4,004,084	61.28%	820,218	12.55%	1,608,623	24.62%

Source: Central Collection Agency - Cleveland, OH & Regional Income Tax Agency - Brecksville, OH

(1) Gross Collections - Cash Basis of Accounting



City of Wadsworth, Ohio
Ratios of Outstanding Debt by Type
Last Ten Years

Fiscal Year	Governmental Activities		Business-type Activities								Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Income Tax Revenue Bonds	Stormwater G.O. Bonds	OWPC Loan	Water G.O. Bonds	OWDA Loan	Electric Revenue Bonds	Electric AMP Loan	Electric AMP Stranded Costs	Electric G.O. Bonds			
2016	0	\$18,215,337	\$ 583,552	\$ 78,432	\$ 8,286,624	\$ 14,420,133	0	\$3,094,689	\$ 3,894,944	\$ 111,653	\$ 48,685,364	7.89%	\$ 2,227
2015	0	16,446,792	654,621	84,034	8,744,100	15,501,615	0	3,718,689	4,463,785	147,204	49,760,840	8.20%	2,278
2014 (7)	0	16,892,957	725,690	0	9,196,576	16,549,937	0	4,342,689	5,036,864	182,755	52,927,468	8.98%	2,423
2013 (6)	\$218,437	17,339,122	786,759	0	9,634,052	17,565,266	0	4,961,992	5,604,614	218,306	56,328,548	9.66%	2,579
2012 (5)	431,875	17,765,287	842,828	0	10,076,528	18,550,064	0	5,585,992	0	253,856	53,506,430	9.09%	2,468
2011	635,312	18,186,452	908,896	0	10,504,003	19,504,560	\$7,177,875	0	0	284,406	57,201,504	11.91%	3,045
2010 (4)	833,750	18,186,452	959,966	0	10,896,480	20,429,684	7,713,174	0	0	314,958	59,334,464	11.42%	3,102
2009 (3)	1,032,187	0	1,016,035	0	1,544,361	21,326,340	8,228,474	0	0	345,509	33,492,906	7.15%	1,956
2008	370,000	0	0	0	0	21,474,268	8,724,758	0	0	0	30,569,026	7.32%	2,009
2007	725,000	0	0	0	0	21,119,252	9,201,459	0	0	0	31,045,711	6.99%	1,919

(1) See S-27 for personal income and population data.

(2) The City issued sewer revenue bonds for the construction of a new wastewater treatment plant.

(3) The City issued \$3.9 million in General Obligation Bonds to retire \$3.2 million in interfund transactions and to fund new street improvement and stormwater drainage and management facilities.

(4) The City issued \$18.3 million in Income Tax Revenue Bonds to construct a new community center. The City also issued \$9.4 million in G.O.Bonds to make water system improvements.

(5) AMP loan proceeds were used to redeem the electric revenue bonds.

(6) The City booked the AMP Stranded Liability of \$5.791M with a 10 year term.

(7) The City issued \$4.75 million in General Obligation Notes for various capital improvements.

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

	Debt Attributable to Governmental Activities	Percentage Applicable to Wadsworth (1)	Amount of Direct and Overlapping Debt
<u>Direct Debt:</u>			
City of Wadsworth			
Community Center Revenue Bonds	\$18,215,337	100.00%	\$18,215,337
Total Direct Debt	\$18,215,337		\$18,215,337
<u>Overlapping Debt:</u>			
Payable from Property Taxes			
Medina County Bonds ⁽²⁾	\$10,602,103	10.16%	\$1,077,637
Wadsworth City School District Bonds ⁽³⁾	0	70.85%	0
Highland School District ⁽⁴⁾	34,039,390	1.35%	459,000
Payable from Other Sources			
Medina County Special Assessment Bonds ⁽²⁾	355,000	10.16%	36,084
Medina County OPWC Loans ⁽²⁾	86,397	10.16%	8,782
Wadsworth City School District Bonds ⁽³⁾	79,454,050	70.85%	56,289,804
Total Overlapping Debt	\$124,536,940		\$57,871,306
Total	\$142,752,277		\$76,086,643

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations were for the 2016 collection year (2015 tax year).

(2) Source - Medina County Auditor's Office

(3) Source - Wadsworth City Schools - reported as of June 30, 2016

(4) Source - Highland Local School District CAFR - reported as of June 30, 2016

City of Wadsworth, Ohio
*Ratio of General Obligation Bonded Debt to Estimated True
Value of Taxable Property and Bonded Debt Per Capita
Last Ten Years*

Fiscal Year	Total General Obligation Bonded Debt	Resources Available for Principal Payment	Net General Obligation Bonded Debt	Estimated Actual Value of Taxable Property	Ratio of Net General Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt per Capita
2016	\$8,981,829	\$17,958	\$8,963,871	\$1,300,568,509	0.69%	\$410.06
2015	9,545,925	744	9,545,181	1,284,464,151	0.74%	437.01
2014	10,105,021	1,052	10,103,969	1,261,676,609	0.80%	462.59
2013	10,857,554	5,316	10,852,238	1,344,202,445	0.81%	496.85
2012	11,605,087	200,371	11,404,716	1,337,577,083	0.85%	525.98
2011	12,332,617	1,089,861	11,242,756	1,330,684,769	0.84%	521.29
2010	13,005,154	1,197,458	11,807,696	1,431,286,777	0.82%	547.49
2009	3,938,092	1,152,383	2,785,709	1,419,065,569	0.20%	134.60
2008	370,000	370,000	0	1,406,941,970	0.00%	0.00
2007	725,000	725,000	0	1,262,308,201	0.00%	0.00

City of Wadsworth, Ohio

Legal Debt Margin Information

Last Ten Years

	2016	2015	2014	2013	2012	2011
Overall Debt Limitation (10.5% of Assessed Valuation)	\$47,844,028	\$47,250,109	\$36,632,136	\$49,442,237	\$49,194,879	\$48,941,587
Net Debt Applicable to Debt Limit	<u>1,440,000</u>	<u>1,040,000</u>	<u>7,550,125</u>	<u>3,322,582</u>	<u>2,666,855</u>	<u>1,383,448</u>
Overall Legal Debt Margin (10.5% of Assessed Valuation)	<u>\$46,404,028</u>	<u>\$46,210,109</u>	<u>\$29,082,011</u>	<u>\$46,119,655</u>	<u>\$46,528,024</u>	<u>\$47,558,139</u>
Legal Debt Margin as a Percentage of Debt Limit	96.99%	97.80%	79.39%	93.28%	94.58%	97.17%
Unvoted Debt Limitation (5.5% of Assessed Valuation)	\$25,061,158	\$24,750,057	\$19,188,262	\$25,898,315	\$25,768,746	\$25,636,069
Net Debt Applicable to Debt Limit	<u>1,440,000</u>	<u>1,040,000</u>	<u>7,550,125</u>	<u>3,322,582</u>	<u>2,666,855</u>	<u>1,383,448</u>
Unvoted Legal Debt Margin (5.5% of Assessed Valuation)	<u>\$23,621,158</u>	<u>\$23,710,057</u>	<u>\$11,638,137</u>	<u>\$22,575,733</u>	<u>\$23,101,891</u>	<u>\$24,252,621</u>
Legal Debt Margin as a Percentage of Debt Limit	94.25%	95.80%	60.65%	87.17%	89.65%	94.60%

Legal Debt Margin Calculation for Fiscal Year 2015

	Unvoted Margin Within 5.5%	Overall Margin Within 10.5%
Assessed property value	<u>\$455,657,410</u>	<u>\$455,657,410</u>
Overall Debt Limitation (percentage of assessed valuation)	\$25,061,158	\$47,844,028
Gross Indebtedness	48,685,364	48,685,364
Less: Stormwater G.O. Bonds	(583,552)	(583,552)
OWPC Loan	(78,432)	(78,432)
Income Tax Revenue Bonds	(18,215,337)	(18,215,337)
Water Revenue Bonds	(8,286,624)	(8,286,624)
OWDA Loan	(14,420,133)	(14,420,133)
Electric G.O. Bonds	(111,653)	(111,653)
Electric AMP Loan	(3,094,689)	(3,094,689)
Electric AMP Stranded Costs	(3,894,944)	(3,894,944)
Net Debt Applicable to Debt Limit	<u>0</u>	<u>0</u>
Legal Debt Margin Within Limitations	<u>\$25,061,158</u>	<u>\$47,844,028</u>

Note: Under State of Ohio finance law, the City of Wadsworth's outstanding general obligation debt that is supported through real estate value should not exceed 10.5 percent of total assessed property value. In addition, the outstanding general obligation debt net of voted debt should not exceed 5.5 percent of total assessed property value. By law, the general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds.

(continued)

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$52,666,091	\$52,249,118	\$52,976,757	\$48,424,088
<u>2,128,369</u>	<u>2,774,864</u>	<u>4,092,937</u>	<u>3,756,190</u>
<u>\$50,537,722</u>	<u>\$49,474,254</u>	<u>\$48,883,820</u>	<u>\$44,667,898</u>
95.96%	94.69%	92.27%	92.24%
\$27,587,000	\$27,368,586	\$27,749,730	\$25,364,998
<u>2,128,369</u>	<u>2,774,864</u>	<u>4,092,937</u>	<u>3,756,190</u>
<u>\$25,458,631</u>	<u>\$24,593,722</u>	<u>\$23,656,793</u>	<u>\$21,608,808</u>
92.28%	89.86%	85.25%	85.19%

City of Wadsworth, Ohio
Pledged Revenue Coverage
Income Tax Revenue Bonds
Last Seven Years

Fiscal Year	Income Taxes	Direct Operating Expenses (1)	Net Available Revenues	Debt Service (2)		Coverage
				Principal	Interest	
2016	\$ 8,672,404	\$ 347,549	\$ 8,324,855	\$ 460,000	\$ 686,363	726.2%
2015	8,062,643	493,218	7,569,425	450,000	697,613	659.6%
2014	8,613,796	389,254	8,224,542	450,000	707,738	710.4%
2013	8,262,502	447,833	7,814,669	430,000	716,338	681.7%
2012	7,611,247	413,509	7,197,738	425,000	724,838	626.0%
2011	6,741,133	527,629	6,213,504	0	724,838	857.2%
2010	6,573,369	566,969	6,006,400	0	597,991	1004.4%

Note: For each type of non-general obligation debt backed by pledged revenues, the City should present gross revenues (and, if applicable, specific expenses, to produce net available revenues) principal and interest requirements, and a coverage ratio.

(1) Direct operating expenses do not include depreciation expense.

(2) Debt Service payments started in 2010.

City of Wadsworth, Ohio
Pledged Revenue Coverage
Ohio Water Development Authority Loan
Last Nine Years

Fiscal Year	Sewer Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service (2)		Coverage
				Principal	Interest	
2016	\$ 4,088,798	\$ 2,142,160	\$ 1,946,638	\$ 1,081,604	\$ 479,909	124.7%
2015	4,062,756	2,172,628	1,890,128	1,048,322	513,191	121.0%
2014	4,039,018	1,891,709	2,147,309	1,015,329	546,184	137.5%
2013	3,804,179	1,778,471	2,025,708	984,798	576,714	129.7%
2012	3,543,391	2,261,390	1,282,001	954,495	612,018	81.8%
2011	3,356,742	2,092,367	1,264,375	925,124	636,389	81.0%
2010	3,153,796	1,867,981	1,285,815	896,657	664,856	82.3%
2009	3,361,223	2,321,467	1,039,756	869,066	692,447	66.6%
2008	3,242,762	2,137,669	1,105,093	842,324	673,526	72.9%

Note: For each type of non-general obligation debt backed by pledged revenues, the City should present gross revenues (and, if applicable, specific expenses, to produce net available revenues) principal and interest requirements, and a coverage ratio.

(1) Direct operating expenses do not include depreciation expense.

(2) Debt Service payments started in 2008.

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

Year	Population (1a)	Total Personal Income (5)	Personal Income Per Capita (1b)	Median Household Income (1b)	Unemployment Rate (2)		City Square Miles(3)	Average Sales Price of Residential Property (4)	Median Age(1c)
					Medina County	State of Ohio			
2016	21,860	\$ 617,370,120	\$ 28,242	\$ 64,806	4.3	4.9	11.294	\$ 148,701	39.7
2015	21,842	606,508,656	27,768	58,007	4.3	4.7	11.200	139,447	40.4
2014	21,842	589,712,158	26,999	57,539	5.2	5.7	11.070	146,127	37.6
2013	21,842	583,094,032	26,696	57,150	6.5	6.4	10.633	131,113	38.7
2012	21,683	588,433,254	27,138	58,868	6	7.2	10.633	137,441	40.2
2011	21,567	551,360,355	25,565	59,178	6.7	8.6	10.633	127,282	37.8
2010	21,567	586,083,225	27,175	57,060	8.4	10.1	10.633	130,649	37.5
2009	20,696	566,159,766	27,356	57,821	8.3	10.2	10.633	130,639	36.5
2008	20,417	560,732,488	27,464	55,695	5.8	6.5	10.633	142,895	36.4
2007	20,417	560,732,488	27,464	55,695	5.2	5.6	n/a	n/a	36.4

- (1) Source: (a) U.S. Census Bureau: American FactFinder - 2010 Demographic Profile
(b) U.S. Census Bureau: U.S. Census Quick Facts
(c) U.S. Census Bureau: U.S. Census Quick Facts
(2) Source: Ohio Labor Market Information, U.S. Bureau of Labor Statistics
(3) Source: City of Wadsworth Planning Department and Engineering Department
(4) Source: Medina County Auditor's Office Monthly Property Transfers
(5) Computation of per capita personal income multiplied by population
(6) Source: U.S. Census Bureau - American Fact Finder

City of Wadsworth, Ohio

Principal Employers

2016 vs. 2007

Employer	2016		2007	
	Rank	Percent of Total Withholding Taxes Paid	Rank	Percent of Total Withholding Taxes Paid
Wadsworth City School District	1	6.65%	1	7.33%
City of Wadsworth	2	3.66%	2	4.27%
Rohrer Corporation	3	2.91%		
WalMart Assoc Inc	4	2.20%	3	2.67%
Remington Products Co.	5	2.18%		
ECS Tuning LLC	6	2.07%		
Summa Health Systems	7	2.05%		
Parker Hannifin Corp	8	1.91%		
Clampco	9	1.75%		
Louis Perry & Associates Inc	10	1.51%		
Kohl's Department Stores Inc.			4	0.39%
Marie's Pizza Restaurant Inc			5	0.41%
Structure Personnel Inc			6	0.43%
Target Corp			7	0.72%
Diversified Employee Solutions			8	0.78%
Buehler Food Markets Inc			9	1.15%
Wadsworth-Rittman Area Hospital Asoc Inc			10	5.55%
Total of Top Ten *		<u>26.89%</u>		<u>23.70%</u>

* Percentage presented is only for the top 10 employers in each respective year.

Source: City of Wadsworth CAFR for 2007; Regional Income Tax Agency (RITA) records for 2016.

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City of Wadsworth, Ohio

Full-Time Equivalent City Government Employees by Function/Program

Last Ten Years

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Governmental-Type Activities:</u>										
General Government										
Auditor	6.5	7.0	6.5	6.0	6.0	6.0	6.0	6.0	6.0	5.0
Council	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.5	5.0
Engineering	9.0	9.5	9.0	9.5	10.5	9.5	10.0	11.0	11.0	10.5
Human Resources	1.5	2.0	2.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Income Tax	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0
Law Director	4.0	4.0	4.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Mayor	3.0	3.5	3.5	3.0	3.0	3.0	2.5	3.0	3.0	2.0
Municipal Court	13.0	13.0	13.5	12.5	12.0	11.5	13.5	13.0	13.5	14.0
Service Director	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Stormwater	0.5	3.0	4.0	3.5	3.5	4.5	4.0	1.5	1.5	1.0
Treasurer		0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Security of Persons and Property	18.5									
Emergency Medical Services	19.0	18.5	19.5	18.5	17.5	19.0	23.5	22.0	22.5	23.5
Fire	41.5	19.0	18.5	19.0	18.0	16.0	15.0	17.0	17.5	15.5
Police	1.0	39.5	39.0	40.0	39.5	41.5	39.5	44.5	44.5	42.5
Safety Director		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Health	1.0									
Animal Control		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Leisure Time Services	10.0									
Parks	0.0	9.5	8.0	10.0	10.0	14.0	14.0	13.0	12.5	12.5
Recreation	2.5	0.0	0.0	0.0	0.0	0.0	35.5	44.0	52.5	50.5
Senior Center	4.0	2.5	2.5	2.5	3.0	3.0	2.5	3.0	4.0	3.5
Wadsworth Cable Television		4.5	4.0	5.0	5.0	5.0	4.5	5.5	6.0	4.0
Community and Economic Development	2.5									
Building & Planning		3.0	3.0	2.5	2.5	2.5	2.5	3.0	3.5	3.5
Transportation Services	17.5									
Streets		17.5	16.5	17.5	18.0	18.5	23.5	21.5	24.5	22.5
<u>Business-Type Activities:</u>										
	40.5									
Electric	7.5	40.0	38.0	42.5	42.5	43.5	41.5	45.0	45.5	47.5
Information Technology	8.0	6.5	6.5	8.0	4.5	4.0	4.0	2.0	2.0	2.0
Sanitation	9.0	9.5	8.5	8.5	9.0	10.0	8.5	9.0	11.5	11.0
Sewer	4.5	9.0	8.0	9.0	9.0	10.0	10.0	11.0	11.0	11.0
Telecommunications	12.0	13.5	13.0	13.0	12.5	12.5	12.5	15.5	13.0	14.5
Vehicle Maintenance	5.5	5.5	5.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0
Water	16.0	17.0	17.0	16.0	17.0	18.5	18.0	20.0	22.0	23.5
Totals:	<u>267.5</u>	<u>269.0</u>	<u>261.5</u>	<u>269.5</u>	<u>267.0</u>	<u>276.5</u>	<u>315.0</u>	<u>334.5</u>	<u>352.0</u>	<u>343.5</u>

Note: All part-time employees, Council Members, Mayor, Treasurer, and Auditor were counted as 0.5 FTE's for the purposes of this table.

Source: City Payroll Records

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

Function/Program	2016	2015	2014	2013
General Government				
Streets (miles)	95	94	94	94
Salt Domes	2	2	2	2
Airports	1	1	1	1
Fueling System	2	1	1	1
Administrative Vehicles	2	2	2	2
Service Vehicles	42	42	42	40
Security of Persons and Property				
<i>Service Director</i>				
Early Warning Sirens	9	9	9	8
Vehicles	1	1	1	1
<i>Police</i>				
Stations	1	1	1	1
Shooting Ranges	1	1	1	1
Vehicles	23	22	22	21
<i>Fire & EMS</i>				
Stations	2	2	2	2
Fire Apparatus	7	7	8	8
Rescue Squads	4	4	5	5
Other Vehicles	7	6	5	5
Leisure Time Activities				
<i>Parks & Recreation</i>				
Recreation Center	0	0	0	0
Public Swimming Pools	1	1	1	0
Parks	19	18	16	16
Playgrounds	13	13	13	13
Baseball Diamonds	13	13	13	13
Tennis Courts	6	6	9	9
Full Sized Soccer Fields	10	10	10	10
Vehicles	15	15	11	11
<i>Cable T.V. Access</i>				
Cameras	11	11	11	11
Vehicles	1	1	1	1
Community and Economic Development				
<i>Building and Zoning</i>				
Vehicles	1	1	1	1

(continued)

2012	2011	2010	2009	2008	2007
94	94	96	95	94	92
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
40	40	40	40	41	41
8	8	8	8	8	6
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
21	21	21	21	23	20
2	2	2	2	2	2
8	8	8	8	8	8
5	5	5	5	4	4
5	5	5	5	5	5
0	0	0	1	1	1
0	0	0	2	2	2
16	16	16	16	16	16
14	14	14	14	14	14
13	13	13	15	15	15
9	9	9	9	9	9
10	10	10	10	10	10
11	11	11	12	14	12
11	11	11	11	11	11
1	1	1	1	1	1
1	1	1	1	1	1

(continued)

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

Function/Program	2016	2015	2014	2013
Storm Water				
Storm Sewers (miles)	103	102	98	98
Telecom				
Vehicles	15	15	14	14
Sewer				
Lines (miles)	104	104	102	102
Lift Stations	3	3	3	3
Treatment Plants	1	1	1	1
Vehicles	4	4	5	5
Water				
Wells	12	12	12	12
Towers	6	6	6	6
Lines (miles)	129	127	121	121
Treatment Plants	1	1	1	1
SCADA	1	1	1	1
Vehicles	11	14	13	13
Electric				
Substations	6	6	6	6
Aerial Lines (miles)	150	150	230	230
Transmission Lines (miles)	20	19	19	19
Underground Lines (miles)	80	76	69	69
SCADA	1	1	1	1
Meters	13,087	13,001	12,317	12,317
Vehicles	28	28	28	28
Sanitation				
Transfer Stations	1	1	1	1
Packer Trucks	4	4	4	4
Automated Trucks	4	5	4	4
Vehicles	5	4	4	4

(continued)

2012	2011	2010	2009	2008	2007
98	98	97	97	95	93
14	14	14	14	14	14
102	102	104	100	99	96
4	4	4	4	4	3
1	1	1	1	1	1
5	5	5	5	5	5
12	12	12	12	12	12
5	5	5	5	5	5
121	121	122	121	120	116
1	1	1	1	1	1
1	1	1	1	1	1
13	13	13	13	13	13
6	6	6	6	6	8
230	230	230	229	237	238
19	19	19	19	19	19
69	69	69	68	66	66
1	1	1	1	1	1
12,510	12,726	12,726	12,192	12,378	12,258
28	28	28	28	28	26
1	1	1	1	1	1
4	4	4	5	5	5
4	4	4	3	3	3
4	4	4	4	4	4

City of Wadsworth, Ohio
Operating Indicators by Function/Program
Last Ten Years (1)

Function/Program	2016	2015	2014	2013
General Government				
<i>Council and Clerk</i>				
Number of Ordinances Passed	178	169	193	145
Number of Resolutions Passed	10	17	62	9
<i>Finance Department</i>				
Number of checks/ vouchers issued (payroll not included)	4,396	4,565	4,942	5,240
Amount of checks written (cash basis)	\$ 56,099,787	\$ 52,993,480	\$ 57,468,760	\$ 61,302,919
Interest earnings for fiscal year (cash basis)	\$ 250,051	\$ 196,339	\$ 213,763	\$ 199,239
Number of Receipts issued (2)	157,323	154,500	149,835	78,427
General Fund Receipts (cash basis)	\$ 11,762,926	\$ 11,135,471	\$ 10,296,774	\$ 10,672,770
General Fund Expenditures (cash basis)	\$ 12,587,730	\$ 11,676,854	\$ 11,392,312	\$ 11,615,621
<i>Income Tax Department</i>				
Number of Business net profit forms processed	2,076	1,764	2,051	1,416
Number of Individual forms processed	18,503	17,832	20,852	18,184
Number of business withholding accounts	1,947	1,802	1,601	1,583
Amount of Penalties and Interest Collected	\$ 139,899	\$ 127,338	\$ 217,412	\$ 136,674
<i>Civil Service</i>				
Number of police entry tests administered	1	2	1	0
Number of fire entry tests administered	0	1	0	1
Number of police promotional tests administered	1	0	0	0
Number of fire promotional tests administered	0	0	0	0
Number of hires of Police Officers from certified lists	1	1	1	0
Number of hires of Fire/Medics from certified lists	0	1	0	0
Number of promotions from police certified lists	2	0	0	0
Number of promotions from fire certified lists	0	0	0	0
<i>Engineering</i>				
Number of New Subdivision	3	0	3	0
Number of New Lots	79	0	86	0
Number of Plat/Surveys Completed	7	20	11	7
Streets Constructed (linear feet)	5,768	0	3,651	0
Streets Resurfaced (linear feet)	20,266	83,504	12,725	10,288
Storm Sewer Lines Constructed (linear feet)	10,029	1,540	7,556	1,262
Number of New Catch Basins	83	26	77	7
Number of New Storm Manholes	48	6	30	3
Water Lines Constructed (linear feet)	9,458	9,287	8,005	795
Raw Water Lines Constructed (linear feet)	0	0	0	0
Number of New Hydrants	41	33	31	10
Number of New Valves	45	31	48	7
Sanitary Sewer Lines Constructed (linear feet)	1,101	1,000	3,278	1,354
Force Mains Constructed (linear feet)	0	0	0	3,613
Number of New Sanitary Manholes	4	4	31	30
Culverts Constructed (linear feet), not including drive culverts	0	15	48	40

(continued)

2012	2011	2010	2009	2008	2007
160	133	143	150	153	194
13	16	15	14	22	46
5,117	5,209	5,396	5,552	6,148	7,536
\$ 74,451,412	\$ 79,755,372	\$ 68,250,591	\$ 55,193,439	\$ 65,520,049	\$ 58,413,247
\$ 266,414	\$ 303,011	\$ 182,657	\$ 373,082	\$ 904,666	\$ 1,188,433
31,135	28,981	27,664	26,895	10,458	11,757
\$ 12,144,942	\$ 11,397,872	\$ 12,101,051	\$ 11,555,924	\$ 10,158,576	\$ 10,258,939
\$ 11,597,390	\$ 10,966,566	\$ 10,378,503	\$ 11,390,512	\$ 10,803,479	\$ 10,501,749
1,594	1,783	1,764	1,583	1,708	1,679
17,483	16,111	19,386	20,223	15,628	17,043
1,643	1,625	1,568	1,486	1,476	1,513
\$ 163,382	\$ 161,501	\$ 200,835	\$ 163,493	\$ 86,507	\$ 103,845
1	0	1	1	1	0
0	0	0	2	0	0
0	0	2	0	0	0
0	0	0	0	0	0
0	0	2	3	1	0
0	0	0	6	0	0
0	0	2	0	0	0
0	0	0	0	0	0
1	0	0	0	1	5
48	2	0	0	42	209
6	3	5	3	7	10
2,383	0	0	2,169	3,422	6,665
6,432	4,477	8,160	21,819	8,913	3,886
7,251	2,502	1,302	7,315	8,945	15,218
55	17	15	82	78	108
21	0	0	30	31	64
12,356	3,827	4,586	44,033	25,038	20,332
0	0	0	0	0	0
36	9	11	17	88	66
51	13	19	19	115	93
679	2,106	9,069	5,382	19,187	1,990
0	0	0	0	2,776	0
0	11	14	37	94	13
0	0	198	0	0	101

(continued)

City of Wadsworth, Ohio
Operating Indicators by Function/Program
Last Ten Years (1)

Function/Program	2016	2015	2014	2013
<i>Municipal Court</i>				
Number of Civil Cases	811	641	811	866
Number of Criminal Cases	5,465	6,790	6,827	7,567
Security of Persons and Property				
<i>Police</i>				
Total Calls for Services	14,578	12,252	14,469	14,182
Class 1 crimes	676	642	635	678
Adult arrests	798	767	817	715
Juvenile arrests	55	57	56	44
Criminal summons	349	332	360	421
Traffic citations	1,022	1,083	1,143	1,415
Warning citations	0	508	201	556
Parking Tickets	909	913	1,115	1,190
Vehicle accidents- property damage	384	364	333	451
Vehicle accidents-injury	55	78	62	22
Total miles driven	225,093	220,340	241,949	246,071
Total gasoline cost	\$ 41,495	\$ 43,136	\$ 72,088	\$ 72,359
<i>Fire and EMS</i>				
EMS Calls	2,067	2,058	1,987	1,854
Ambulance Billing Collections (net)	\$ 475,181	\$ 530,654	\$ 512,483	\$ 500,719
Fire Calls	225	241	240	239
Fires with Loss	39	33	20	21
Fires with Losses exceeding \$10K	15	8	4	8
Fire Losses	\$ 1,096,500	\$ 991,795	\$ 164,400	\$ 516,770
Fire Safety Inspections	656	481	778	830
No. of times Mutual Aid received from other Fire and EMS	32	25	14	17
No. of times Mutual Aid given by Fire and EMS	60	54	49	33
Training hours	2,842	3,890	3,570	3,086
Leisure Time Activities				
<i>Recreation</i>				
Recreation Center membership receipts (cash basis)	\$0	\$0	\$0	\$0
Recreation Center rental receipts (cash basis)	\$0	\$0	\$0	\$0
Recreation Center program receipts (cash basis)	\$0	\$0	\$0	\$0
Recreation Center miscellaneous receipts (cash basis)	\$0	\$0	\$0	\$0
Total Recreation Department receipts (cash basis)	\$0	\$0	\$0	\$0
Recreation Center Expenditures (cash basis)	\$0	\$0	\$0	\$0
<i>Parks</i>				
Parks Expenditures (cash basis)	\$ 720,366	\$ 653,621	\$ 756,740	\$ 672,449
Hours maintaining parks and City Buildings	2,146	1,474	1,568	8,341
Hours preparing Fields/Ball Diamonds	1,874	1,965	1,488	1,373
Hours of Snow removal	709	1,010	968	709
Average Cost per Resident	\$ 33.40	\$ 21.82	\$ 34.64	\$ 30.78

(continued)

2012	2011	2010	2009	2008	2007
966	924	1,067	1,108	1,226	1,182
7,807	7,300	7,330	9,514	8,809	7,322
13,177	12,695	13,027	12,150	10,667	10,151
612	0	569	508	489	485
600	719	624	541	662	736
20	28	19	17	37	58
335	341	337	289	321	238
1,440	2,047	2,040	2,259	2,098	1,863
1,129	1,375	1,506	1,363	1,184	1,030
1,518	1,916	1,404	1,354	1,444	1,295
409	663	713	651	743	762
19	56	88	71	106	98
279,380	260,993	266,330	260,471	279,747	287,540
\$ 86,414	\$ 75,118	\$ 62,369	\$ 50,173	\$ 72,032	\$ 68,132
1,858	1,751	1,754	1,610	1,780	1,714
\$ 498,351	\$ 443,741	\$ 460,717	\$ 458,357	\$ 335,427	\$ 477,244
249	221	250	283	276	291
35	25	31	24	22	36
9	4	5	8	5	13
\$ 905,741	\$ 2,253,160	\$ 219,820	\$ 757,170	\$ 289,910	\$ 583,275
995	1,120	902	985	847	650
12	19	25	23	15	21
32	16	14	10	31	20
2,902	3,345	3,832	4,695	4,400	5,689
\$0	\$0	\$10,724	\$121,141	\$156,785	\$168,872
\$0	\$0	\$29,704	\$47,441	\$48,449	\$52,196
\$0	\$0	\$24,887	\$152,492	\$158,928	\$155,820
\$0	\$0	\$1,612	\$7,186	\$8,747	\$10,008
\$0	\$0	\$66,927	\$328,260	\$372,908	\$386,896
\$0	\$0	\$413,339	\$937,342	\$1,003,533	\$1,006,926
\$ 643,928	\$ 856,753	\$ 756,915	\$ 752,320	\$ 775,589	\$ 770,200
8,558	15,191	15,910	12,479	15,874	15,666
1,413	1,840	1,628	2,402	2,209	2,351
434	1,214	1,791	1,302	1,964	1,544
\$ 29.69	\$ 39.73	\$ 39.16	\$ 46.49	\$ 38.69	\$ 39.38

(continued)

City of Wadsworth, Ohio
Operating Indicators by Function/Program
Last Ten Years (1)

Function/Program	2016	2015	2014	2013
Community and Economic Development				
<i>Building and Zoning</i>				
Estimated Value of Construction	\$ 31,005,053	\$ 43,574,974	\$ 20,675,040	\$ 19,233,420
Residential/Commercial/Zoning Permits Issued	502	447	331	346
Electric Permits	170	187	145	246
Heating Permits	200	217	146	167
Total Permits Issued	872	851	622	759
Permit Revenue	\$ 150,434	\$ 178,366	\$ 100,558	\$ 94,655
Number of Contractor Licenses	119	131	129	143
Code Enforcement Notices	217	216	347	426
Zoning Board of Appeals Hearings	17	10	20	16
Number of Planning Commission Docket Items	63	74	38	42
Transportation				
Crack Seal Coating Program (Miles)	26	17	21	24
Street Repair (Curbs, aprons, berms, asphalt) (hours)	6,725	4,754	2,966	4,585
Cold & Dura Patch (hours)	1,124	2,254	2,347	825
Tons of Asphalt	470	383	106	266
Tons of Limestone	397	410	434	200
Paint Striping (gallons of paint)	500	610	600	600
Leaf Collection (hours)	2,727	2,319	2,307	2,281
Tons of Salt	1,792	2,582	2,104	2,330

(continued)

(1) Certain information for Income Tax and Community & Economic Development is not available for years 2002-2004.
(2) Implementation of NWS in 2013

2012	2011	2010	2009	2008	2007
\$ 19,871,902	\$ 46,993,066	\$ 101,699,650	\$ 20,226,917	\$ 21,403,499	\$ 20,964,278
388	386	339	366	324	362
125	132	149	149	155	177
128	127	150	151	124	141
641	645	638	666	603	680
\$ 77,430	\$ 93,022	\$ 103,544	\$ 112,439	\$ 101,963	\$ 106,133
132	127	133	138	153	166
270	267	236	286	302	128
13	13	15	12	90	121
35	50	76	21	34	44
18	10	13	13	16	16
5,680	5,276	3,636	2,456	3,204	2,951
910	531	1,624	887	1,600	2,472
175	350	388	327	677	821
75	1,000	300	1,250	1,750	1,872
600	600	812	720	600	550
3,216	2,261	3,388	2,833	2,370	2,182
1,760	4,833	5,481	4,210	4,259	3,171

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CITY OF WADSWORTH

MEDINA COUNTY, OHIO

AUDIT REPORT

For the Year Ended December 31, 2016





Dave Yost • Auditor of State

CITY OF WADSWORTH

MEDINA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
OCTOBER 3, 2017

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Dave Yost • Auditor of State

Members of Council
City of Wadsworth
120 Maple Street
Wadsworth, Ohio 44281

We have reviewed the Independent Auditor's Report of the City of Wadsworth, Medina County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

September 19, 2017

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CITY OF WADSWORTH
MEDINA COUNTY, OHIO
Audit Report
For the Year Ended December 31, 2016

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CITY OF WADSWORTH
MEDINA COUNTY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through Ohio Department of Aging</i>			
National Family Caregiver Support, Title III, Part E	93.052	Not Available	\$ 6,080
Total U.S. Department of Health and Human Services			6,080
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Passed through the Ohio Development Services Agency</i>			
Community Development Block Grants/State's Programs and Non-Entitlement Grants in Hawaii	14.228	A-F-15-2EH-1 A-F-14-2EH-1	3,043 69,500
Revolving Loan Program	14.228	Not Available	21,233
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			93,776
Home Investment Partnerships Program	14.239	Not Available	129
Total U.S. Department of Housing and Urban Development			93,905
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Direct Program</i>			
Bulletproof Vest Partnership Program	16.607	Not Available	6,439
Total U. S. Department of Justice			6,439
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Direct Program</i>			
Airport Improvement Program (3-39-0083-017-2015)	20.106	Not Available	83,565
Airport Improvement Program (3-39-0083-018-2016)			756,697
Total Airport Improvement Program			840,262
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction (2014)	20.205	81338	186,196
Highway Planning and Construction	20.205	81338	4,352
Total Highway Planning and Construction			190,548
Total U.S. Department of Transportation			1,030,810
Total Expenditures of Federal Awards			\$1,137,234

The accompanying notes are an integral part of this schedule.

**CITY OF WADSWORTH
MEDINA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Wadsworth (the City's) under programs of the federal government for the year ended December 31, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following either the cost principles contained in OMB Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The City has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) and HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS WITH REVOLVING LOAN CASH BALANCE

The current cash balance on the City's local program income account as of December 31, 2016 is \$30,017.

NOTE D - MATCHING REQUIREMENT

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE E - PRIOR YEAR PROGRAM EXPENDITURE ADJUSTMENT FOR U.S. DEPARTMENT OF TRANSPORTATION - HIGHWAY PLANNING AND CONSTRUCTION

\$186,196 was a 2014 federal expenditure and should have been reported on the City's 2014 SEFA.

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

City of Wadsworth
Medina County
120 Maple Street
Wadsworth, Ohio 44281

To the Members of Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wadsworth, Medina County, Ohio (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 20, 2017.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

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

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

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
June 20, 2017

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

City of Wadsworth
Medina County
120 Maple Street
Wadsworth, Ohio 44281

To the Members of Council:

Report on Compliance for the Major Federal Program

We have audited the City of Wadsworth's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City's major federal program for the year ended December 31, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City's major program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City of Wadsworth complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2016.

Report on Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Wadsworth, Medina County, Ohio (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 20, 2017. We conducted our audit to opine on the City's' basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



CHARLES E. HARRIS & ASSOCIATES, INC.
June 20, 2017

**CITY OF WADSWORTH
MEDINA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
December 31, 2016**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unmodified
(d)(1)(ii)	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any significant deficiencies reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any significant deficiencies reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
(d)(1)(vi)	<i>Are there any reportable findings under 2 CFR § 200.516(a)?</i>	No
(d)(1)(vii)	<i>Major Program:</i>	Airport Improvement Program CFDA # 20.106
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee under 2 CFR §200.520?</i>	No

**CITY OF WADSWORTH
MEDINA COUNTY**

**SCHEDULE OF FINDINGS - (continued)
2 CFR § 200.515
December 31, 2016**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

**CITY OF WADSWORTH
Medina County
Schedule of Prior Audit Findings
December 31, 2016**

The prior report, for the year ending December 31, 2015, reported no material citations or recommendations.



Dave Yost • Auditor of State

CITY OF WADSWORTH

MEDINA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
OCTOBER 3, 2017

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