

CITY OF

FAIRVIEW PARK

A Great Place to Grow



Comprehensive Annual Financial Report For the Year Ended December 31, 2018

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Members of Council
City of Fairview Park
20777 Lorain Road
Fairview Park, Ohio 44126

We have reviewed the *Independent Auditor's Report* of the City of Fairview Park, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2018 through December 31, 2018. 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 Fairview Park is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 14, 2019

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Introductory Section

City of Fairview Park, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2018

Prepared by:

Gregory M. Cingle, CPA, Finance Director

and Department of Finance

CITY OF
FAIRVIEW PARK

A Great Place to Grow

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2018**

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CITY OF FAIRVIEW PARK

20777 Lorain Road
Fairview Park, Ohio 44126-2018

— *Established in 1910* —

June 26, 2019

Honorable Mayor Eileen Ann Patton and Members of City Council, and
Citizens of Fairview Park
20777 Lorain Road
Fairview Park, OH 44126

It gives me great pleasure to present the Comprehensive Annual Financial Report (CAFR) for the City of Fairview Park (City). 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 Section 117.38, which requires the cities reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of year end. Although not required by law, management of the City has decided to prepare this CAFR. It is intended to provide pertinent and necessary information to the stakeholders of Fairview Park.

The information contained in this report will assist City officials in making management decisions and will provide the taxpayers of the City with comprehensive financial data in such a format as to enable them to gain a true understanding of the City's financial affairs. The general public, as well as investors, will be able to compare the financial position of the City and the results of its operations with other governmental entities.

The CAFR of the City for the year ended December 31, 2018, is submitted herewith. The City, and more specifically, the Department of Finance, assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures contained within this report. The accuracy and completeness of the data is based upon a comprehensive framework of internal controls that it has established for this purpose. Since 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 of any material misstatements. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. We have included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

State statutes require the City to be subjected to an annual examination either by the Auditor of State or an independent public accounting firm. Ciuni & Panichi, Inc. rendered an opinion on the City's financial statements as of December 31, 2018, and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

This is the 20th CAFR issued by the City. The report is prepared in accordance with GAAP, as set forth by the Governmental Accounting Standards Board (GASB), other authoritative sources, and the guidelines set by the Government Finance Officers Association (GFOA).

REPORTING ENTITY

For financial purposes, the City includes all funds, agencies, boards and commissions, and its potential component units in accordance with the GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. The primary government comprises all activities and services, which are not legally separate for the City. The City provides various services, such as public safety (police and fire), highways and streets, parks and recreation, public improvements, community development (planning and zoning), sewers, sanitation, and general administrative and legislative services. The operation of each of these activities is directly controlled by Council through the budgetary process.

The Rocky River Wastewater Treatment Plant is a joint venture that is discussed in Note 18 of the notes to the basic financial statements. The City is associated with the West Shore Council of Governments, Tri-City Park, S.A.F.E. Council of Governments, and West Shore Area Rescue Association, which are identified as jointly governed organizations. These organizations are presented in Note 19 of the notes to the basic financial statements.

A complete discussion of the City's reporting entity is provided in Note 1 of the notes to the basic financial statements.

AN OVERVIEW OF THE CITY OF FAIRVIEW PARK

The City is located in Cuyahoga County, approximately 10 miles west of the downtown area of the City of Cleveland. It was incorporated as the Village of Fairview in 1910 and became the City of Fairview Park in 1951. According to the 2015 Census estimate, the City's population is 16,407. The City's area is approximately 4.77 square miles, broken down by land use as follows:

	<u>Area</u>	<u>Percent of Assessed Valuation of Real Property</u>
Residential	54.5%	81.1%
Commercial/Industrial	9.7%	17.6%
Public Utility	0.1%	1.3%
Governmental (including parks) and Other Tax Exempt	34.3%	(a)
Agricultural	0.0%	0.0%
Undeveloped	1.4%	(b)

(a) Not applicable. Exempt from property taxation.

(b) Included in above categories.

Source: Fairview Park Building Department and Cuyahoga County Fiscal Office.

The City is served by diversified transportation facilities, including three state and U.S. highways and Interstate 480. The City is adjacent to areas served by Conrail and Amtrak, and is served by passenger air services at Cleveland Hopkins International Airport, located within two and one-half miles of the City, and by Burke Lakefront Airport, located within thirteen miles of the City. Public mass transit for the area is provided by the Greater Cleveland Regional Transit Authority (RTA).

Banking and financial services are provided to the City by offices of local commercial banks, all of which have their principal offices elsewhere.

The City is served by one daily newspaper, the Cleveland Plain Dealer, and two weekly newspapers, WestLife News and the Sun Post-Herald. The City is within the broadcast area of seven television stations and 30 AM and FM radio stations. Multi-channel cable television service, including educational, governmental, and public access channels, is provided by Cox Cable Communications, Inc., AT&T, and Wide Open West (WOW!).

Within commuting distance are several public and private two-year and four-year colleges and universities that provide numerous educational opportunities. These education institutions include Baldwin-Wallace University, Case Western Reserve University, Cleveland State University, Cuyahoga Community College, John Carroll University, Kent State University, Lorain County Community College, Ursuline College, Notre Dame College, Oberlin College, and The University of Akron.

City residents are served by four hospitals within a 10 mile radius of the City: Fairview General Hospital, MetroHealth Medical Center, Southwest General Hospital, and St. John West Shore Hospital. The City is also served by numerous other hospitals in Cuyahoga County, including The Cleveland Clinic Foundation Hospital and University Hospitals of Cleveland, two tertiary care facilities.

The City is served by a variety of recreational facilities, including the city-owned Gemini Center, a 93,000 square foot recreation and community center located in Fairview Park. The City operates a system of parks that features 54.2 acres of parkland, playgrounds, baseball diamonds and other athletic fields, playing courts, nature and jogging trails, the Bain Park Community Cabin, and picnic areas. The City's Recreation Department, in cooperation with the Fairview Park City School District, provides various recreational programs and activities for City residents in those parks. The City also operates, in conjunction with the City of Rocky River and City of Westlake, the 14-acre Tri-City Park, which offers a baseball diamond, soccer field, basketball court, playground area, parking facility, and four tennis courts. Finally, a portion of the City lies within the Rocky River Reservation of the Cleveland Metropolitan Park District.

THE CITY'S FORM OF GOVERNMENT

The City of Fairview Park operates under and is governed by its Charter, first adopted by the voters in 1958. The Charter has been and may be amended by the electorate and provides for a Council-Mayor form of government. Under the Ohio Constitution, the City may exercise all powers of local self-government and law enforcement to the extent they are not conflicting with applicable general laws.

Legislative authority is vested in a seven-member Council. Two members are elected at-large and the remaining five are elected from wards, each serving concurrent four-year terms. The presiding officer is the President of Council, who is one of the Council members elected at-large. City Council sets compensation for City officials and employees and enacts ordinances and resolutions relating to City services, appropriating and borrowing money, licensing and regulating businesses and trades, tax levies, and other municipal purposes. The City Charter establishes certain administrative departments. City Council may establish divisions of those departments and create additional departments.

The City's chief executive and administrative officer is the Mayor, who is elected directly by the voters to a four-year term. The Mayor appoints, subject to the approval of City Council, the directors of City departments. The Mayor also appoints members to a number of boards and commissions, and appoints and removes, in accordance with civil service requirements, all appointed officers and employees, except City Council officials and employees. The Mayor may veto any legislation passed by City Council. A veto may be overridden by a two-thirds vote of all members of City Council.

ECONOMIC DEVELOPMENT

The City continues with drive and passion in staying on track in the Department of Development. The primary economic development focus has been Lorain Road. The City is aggressively working with existing and prospective businesses to increase employment along this important corridor in order to generate new income tax dollars.

The City, through a partnership with the United States Small Business Administration and the Cuyahoga County Department of Development, have developed the Lorain Road Loan Program to provide financial assistance to start-ups and expansions of business in this business corridor. Businesses using qualifying SBA loan products may be eligible to receive a three-year forgivable loan providing up to \$50,000 in support for property acquisition and building and property improvements.

The redevelopment of property on Lorain Road has been successful. Riversouth Urban Lofts has recently sold its last available unit. Andrako Insurance Consultants completed renovation of the former 210 Medical Building located at the southeast corner of West 210th Street and Lorain Road. The building now serves as the new corporate home to the growing full-service insurance company.

The blend of restaurants, retail, and office buildings provide job creation at a variety of different levels throughout the City. In 2018, the City enjoyed the opening of JB Engineering, Andrako Insurance Consultants, Rockport Wealth Advisors, Everstaff, MGH Athletics, Red Robin, Turney & Dunham Appliances, Custom Fit Kids, Gone to the Dogs (relocated), Black Lotus Jiu Jitsu, Aqua Marine Salon, and Divine Elements Spa. Of particular note, nine of these businesses are located on Lorain Road.

Fairview Park was fortunate to be awarded over \$2.5 million in grants to support economic development, park development, public safety, and infrastructure reinvestment efforts.

The Fairview Park Department of Development had a good year in 2018, and we look forward to an even better year in 2019. The Department of Development will remain dedicated to keeping Fairview Park, “A Great Place to Grow.”

CITY SERVICE

The City maintains a full-time Service Department to serve the residents and commerce of the City. The primary areas of service involve street maintenance, storm and sanitary sewer maintenance, park maintenance, building maintenance, and assistance to residents.

In 2018, the Service Department participated in capital improvement projects for a variety of City enhancements:

- Over \$815,000 in street improvements were completed.
- Water lines on North Park Drive were replaced.
- Repair and replacement of the Senior Center attic insulation, ventilation, and roof started in the fall.
- Diagnosed and designed a repair to the Gemini Center natatorium roof.
- Removed and remediated the underground fuel storage tanks located at the Rear Service Garage.

- Assisted the Recreation Department in the development of Nelson Russ Park and redevelopment of Grannis Park.
- With the Development Department, kicked off the Lorain Road corridor study to identify ways to improve vehicular and pedestrian safety and support economic development and beautification of Lorain Road.

Over the years, the City has experienced flooding in specific areas of the community. As a result, public meetings were held with the affected residents to discuss possible steps to relieve the problem. The result of these meetings was the City's decision to work with an outside consultant, Black & Veatch Engineering, to develop a comprehensive plan to address the flooding issues. In 2015, a skeletal model of the collection system that services the neighborhoods on the western border of the City was developed. This model provided a blueprint for the City to follow to prioritize improvements to mitigate future flooding in these areas. Phase I of these improvements, lining of approximately 3,000 lineal feet of sanitary sewer down West 229th Street that extends from Lorain Road to Clifford Drive, was included in early 2017. Phase II of these improvements includes the replacement and upsizing of the Clifford Drive Sewer between West 212th Street and West 220th Street and between West 227th Street and West 229th Street. In 2017, the City was awarded nearly \$1.8 million in grant funding and another \$1.8 million in a no-interest loan to complete this nearly \$4 million project. Engineering was completed in 2018 and the project was bid and awarded to a private contractor. Construction started in January 2019 on this important project.

In 2016, the City established a contractual relationship with the Cuyahoga County Public Works Department to provide sewer maintenance services. These services include sewer lining and rehabilitation, televising and cleaning, and other services deemed necessary to the City. The current contract is valued at \$250,000 and extends into 2019.

BUILDING

Building, rebuilding, and expansions to private homes and businesses continued at high volumes in 2018, with the building of seven new homes in the Thomas Lane neighborhood, three new townhomes in the Riversouth development, 13 new garages, four decks and 106 major alterations. Additionally, 19 Certificate of Occupancies were granted to businesses. The Building Department issued 1,349 permits in 2018 for various items.

The City's Property Maintenance program works to preserve maintenance standards in residential neighborhoods. A home is generally the most valuable investment an individual possesses, and the Building Department helps ensure that the City's housing stock continues to remain strong for years to come. In this regard, there were over 1,100 inspections completed and 1,015 complaints, including property maintenance, rental dwelling, and apartment inspections, investigated and resolved during 2018.

LONG-TERM FINANCIAL PLANNING

In order to make sound fiscal decisions, City officials closely monitor all revenues for fluctuations in collections and thoroughly review each purchase request before processing. These policies assist in providing sound financial management. In addition, a multi-year financial forecast is completed to project future revenues, expenditures, and fund balances.

The unassigned fund balance in the general fund is 30.33 percent of the total general fund revenues. One-time revenues are to be used for financing one-time expenditures, i.e. major maintenance projects, capital improvements, debt service, and reserves for current year contingencies. Additionally, unassigned fund balances provide beginning of the year cash flow until current revenues are received.

RELEVANT FINANCIAL POLICIES

As mentioned earlier, the City operates under and is governed by its Charter. Therefore, the City Charter sets relevant financial policies that assist City officials in balancing the yearly budget while maintaining sufficient cash balances to achieve fiscal strength into the future. The City Charter is reviewed by a Mayor-appointed Charter Review Committee (Committee) every 10 years. The Committee has the authority to recommend changes to the City Charter that may be placed on the ballot for the electorate to consider.

AWARDS AND ACKNOWLEDGEMENTS

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the year ended December 31, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe our current report continues to meet the requirements for the Certificate of Achievement, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The publication of this CAFR represents a significant achievement in the ability of the City to provide significantly enhanced financial information and accountability to its citizens, elected officials, management, and investors. This report continues the aggressive program of the Finance Department to improve the City's overall financial accounting, management, and reporting capabilities.

I would like to acknowledge the efforts of the entire staff of the Finance Department for their contributions to this report. Special thanks are extended to Mayor Eileen A. Patton and members of City Council for their enthusiastic support of this project, and for the guidance and assistance provided by James G. Zupka CPA, Inc.

I would also like to thank all of the department heads and staff for their assistance and cooperation in the preparation of this CAFR. I ask for their continued support of this project and of my efforts toward continuing the sound financial management of the City.

Sincerely,

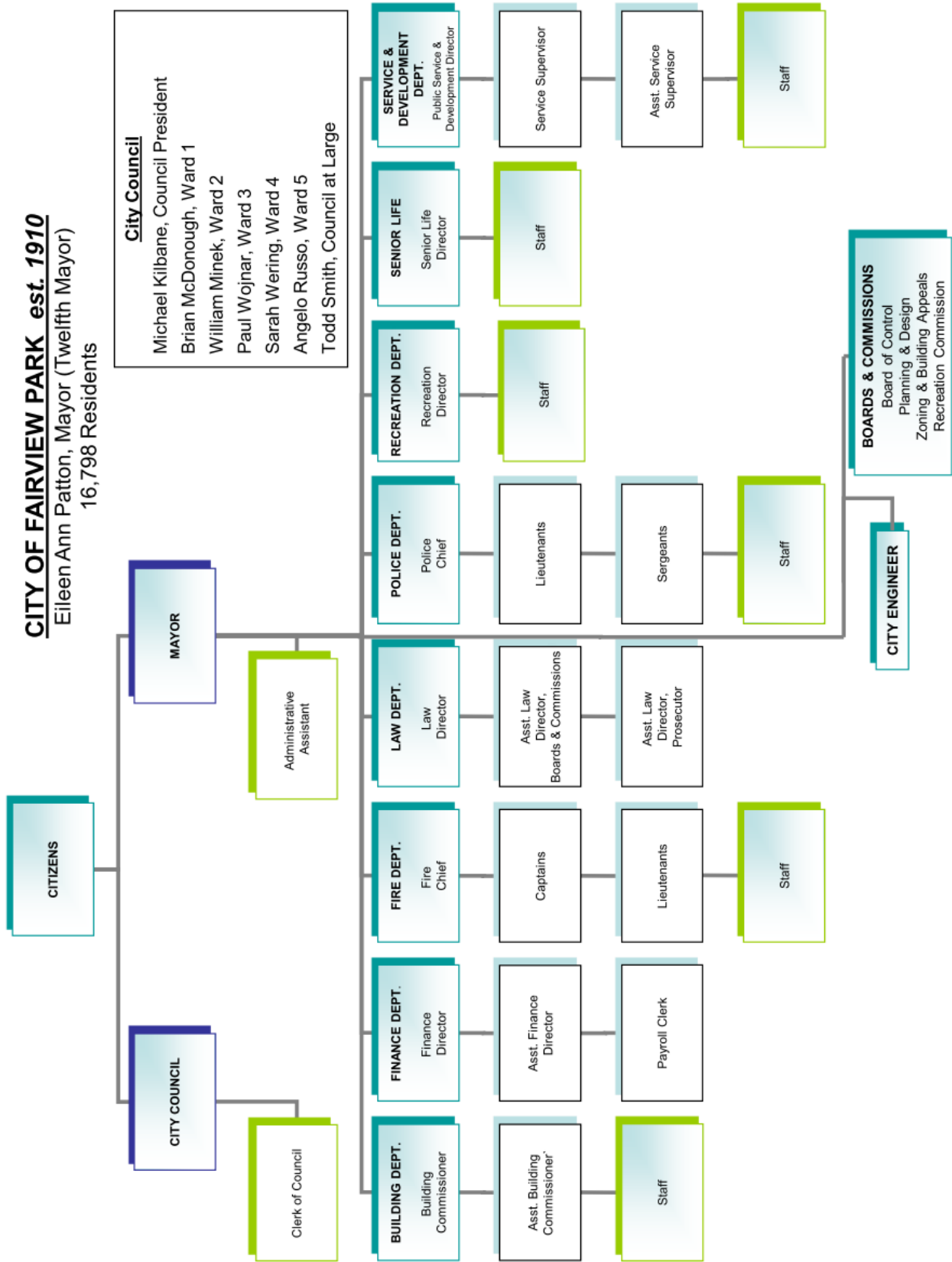
A handwritten signature in black ink, appearing to read 'G. M. Cingle', written in a cursive style.

Gregory M. Cingle, CPA
Director of Finance

CITY OF FAIRVIEW PARK est. 1910

Eileen Ann Patton, Mayor (Twelfth Mayor)

16,798 Residents



CITY OF FAIRVIEW PARK, OHIO

City Officials

Elected Officials

Mayor

Eileen Ann Patton

Council Members

President of Council	Michael Kilbane
Council – Ward I	Brian McDonough
Council – Ward II	William F. Minek
Council – Ward III	Paul Wojnar
Council – Ward IV	Sarah Wering
Council – Ward V	Angelo Russo
Council at Large	Todd Smith

Appointed Officials

Director of Law	Joseph P. Gibbons
Finance Director	Gregory M. Cingle
Police Chief	Erich Upperman
Fire Chief	Anthony Raffin
Director of Public Service & Development	Shawn Leininger
Recreation Director	Steve Owens
Building Commissioner	Walter Maynard
Senior Life Director	Regina Sillasen



Government Finance Officers Association

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

Presented to

**City of Fairview Park
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

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Financial Section

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Independent Auditor's Report

To the City Council
City of Fairview Park, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairview Park, Ohio (the "City"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

To the City Council
City of Fairview Park, Ohio

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Recreation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Implementation of New Accounting Standard

As described in Note 3 to the basic financial statements, in 2018, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and as a result restated the December 31, 2017 net position of the governmental activities, business-type activities, and Sewer Fund. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

To the City Council
City of Fairview Park, Ohio

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Cleveland, Ohio
June 26, 2019

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**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
UNAUDITED**

The discussion and analysis of the City of Fairview Park's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2018. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key Financial highlights for 2018 are as follows:

- The City completed the second year in the Summit County Health Connection program. The current agreement with Summit County expires on December 31, 2019.
- The City received \$504,655 from the City of Cleveland to fund the 2018 Water Main Replacement project, which improved the waterlines on North Park Drive. The project was completed in 2018 and was being reported as an agency fund in the City's financial statements.
- The City continues to closely monitor its current financial condition and is aggressively looking for economic development opportunities in order to diversify and increase the City's income tax base. In addition, expenditures are carefully reviewed to ascertain that proposed expenditures have been budgeted prior to purchase.

Overview of the Financial Statements

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

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

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

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

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

Fund Financial Statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Fairview Park, 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.

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

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

Information is presented separately in the governmental funds balance sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the Recreation Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements.

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

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

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

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

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

Government-Wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City do financially during 2018?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

The Statement of Net Position and the Statement of Activities are divided into the following categories:

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

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The City of Fairview Park as a Whole

As referenced earlier, the Statement of Net Position looks at the City as a whole. The following provides a summary of the City's net position for 2018 compared to 2017:

**NET POSITION
TABLE 1**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017 *	2018	2017 *	2018	2017 *
ASSETS						
Current and Other Assets	\$ 18,773,930	\$ 16,912,923	\$ 7,164,830	\$ 7,373,269	\$ 25,938,760	\$ 24,286,192
Capital Assets, Net	41,888,889	41,723,655	14,220,852	14,507,379	56,109,741	56,231,034
Total Assets	60,662,819	58,636,578	21,385,682	21,880,648	82,048,501	80,517,226
DEFERRED OUTFLOWS OF RESOURCES						
Deferral on Refunding	1,352,965	1,475,962	-	-	1,352,965	1,475,962
Pension	2,761,902	4,498,267	163,663	98,931	2,925,565	4,597,198
OPEB	1,371,672	62,014	15,907	3,101	1,387,579	65,115
Total Deferred Outflows of Resources	5,486,539	6,036,243	179,570	102,032	5,666,109	6,138,275
LIABILITIES						
Current and Other Liabilities	1,172,212	1,220,491	16,608	185,063	1,188,820	1,405,554
Long-term Liabilities:						
Due Within One Year	1,252,657	1,154,362	119,912	119,230	1,372,569	1,273,592
Due in More than One Year:						
Net Pension Liability	16,158,016	18,574,315	310,280	256,486	16,468,296	18,830,801
Net OPEB Liability	13,918,336	11,893,446	209,944	198,220	14,128,280	12,091,666
Other Amounts	20,471,285	20,972,151	2,348,020	2,549,095	22,819,305	23,521,246
Total Liabilities	52,972,506	53,814,765	3,004,764	3,308,094	55,977,270	57,122,859
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	4,454,971	3,951,230	-	-	4,454,971	3,951,230
Pension	1,995,838	576,679	72,833	2,266	2,068,671	578,945
OPEB	359,552	-	17,594	-	377,146	-
Total Deferred Inflows of Resources	6,810,361	4,527,909	90,427	2,266	6,900,788	4,530,175
NET POSITION						
Net Investment in						
Capital Assets	23,022,489	22,531,465	11,768,180	11,852,986	34,790,669	34,384,451
Restricted	7,331,648	6,597,914	-	-	7,331,648	6,597,914
Unrestricted	(23,987,646)	(22,799,232)	6,701,881	6,819,334	(17,285,765)	(15,979,898)
Total Net Position	\$ 6,366,491	\$ 6,330,147	\$ 18,470,061	\$ 18,672,320	\$ 24,836,552	\$ 25,002,467

* - Restated

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The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.” For fiscal year 2018, the City adopted GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan’s *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio’s statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City’s proportionate share of each plan’s collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from \$18,161,579 to \$6,330,147 for Governmental Activities and from \$18,987,818 to \$18,672,320 for Business Type Activities.

Total assets increased from the prior year primarily due to an increase in cash and receivables.

The primary reason for the changes in deferred inflows of resources, deferred outflows of resources, net pension liability, and net OPEB liability were due to GASB 68 and GASB 75. The net pension liability and Net OPEB liability represent the City's proportionate share of the OPERS' and OP&F unfunded benefits for pension and OPEB. Changes in pension and OPEB benefits, contribution rates, and return on investments affect the balance of the net pension liability and net OPEB liability.

The implementation of GASB Statement No. 68 and 75 requires the reader to perform additional calculations to determine the City's Total Net Position at December 31, 2018 without the implementation of GASB Statement No. 68 and 75. This is an important exercise, as the State Pension Systems (OPERS & OP&F) collect, hold, invest, and distribute pensions to our employees, not the City of Fairview Park. These calculations are as follows:

	Governmental Activities	Business-Type Activities
Total Net Position at December 31, 2018 (with GASB 68 and 75)	\$ 6,366,491	\$ 18,470,061
GASB 68/75 Calculations:		
Add:		
Deferred Inflows related to Pension	1,995,838	72,833
Deferred Inflows related to OPEB	359,552	17,594
Net Pension Liability	16,158,016	310,280
Net OPEB Liability	13,918,336	209,944
Less:		
Deferred Outflows related to Pension	(2,761,902)	(163,663)
Deferred Outflows related to OPEB	(1,371,672)	(15,907)
Total Net Position (without GASB 68 and 75)	<u>\$ 34,664,659</u>	<u>\$ 18,901,142</u>

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In order to further understand what makes up the changes in net position for the current year, the following table provides readers with further details regarding the results of activities for the current year:

**CHANGES IN NET POSITION
TABLE 2**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
REVENUES						
Program Revenues:						
Charges for Services	\$ 3,282,776	\$ 3,505,952	\$ 2,211,646	\$ 2,592,552	\$ 5,494,422	\$ 6,098,504
Operating Grants and Contributions	1,524,753	903,952	-	-	1,524,753	903,952
Capital Grants and Contributions	279,933	422,500	152,524	314,731	432,457	737,231
Total Program Revenues	5,087,462	4,832,404	2,364,170	2,907,283	7,451,632	7,739,687
General Revenues:						
Property Taxes	3,984,015	3,966,368	-	-	3,984,015	3,966,368
Municipal Income Taxes	10,047,185	9,150,740	-	-	10,047,185	9,150,740
Franchise Taxes	288,482	303,296	-	-	288,482	303,296
Grants and Entitlements	960,404	1,009,971	-	-	960,404	1,009,971
Investment Income	163,163	77,605	-	-	163,163	77,605
Gain on Sale of Capital Assets	7,028	8,549	-	-	7,028	8,549
All Other Revenues	355,341	335,981	2,762	15,608	358,103	351,589
Total General Revenues	15,805,618	14,852,510	2,762	15,608	15,808,380	14,868,118
Total Revenues	20,893,080	19,684,914	2,366,932	2,922,891	23,260,012	22,607,805
EXPENSES						
Program Expenses:						
Security of Persons and Property	8,853,807	7,901,743	-	-	8,853,807	7,901,743
Public Health Services	1,450	1,145	-	-	1,450	1,145
Leisure Time Activities	3,836,177	3,683,442	-	-	3,836,177	3,683,442
Community Environment	434,806	415,725	-	-	434,806	415,725
Basic Utility Services	952,905	860,716	-	-	952,905	860,716
Transportation	2,568,015	2,743,853	-	-	2,568,015	2,743,853
General Government	3,472,851	3,422,805	-	-	3,472,851	3,422,805
Interest and Fiscal Charges	736,725	767,358	-	-	736,725	767,358
Sanitary Sewer	-	-	2,569,191	2,058,420	2,569,191	2,058,420
Gilles-Sweet	-	-	-	356	-	356
Total Expenses	20,856,736	19,796,787	2,569,191	2,058,776	23,425,927	21,855,563
Change in Net Position	36,344	(111,873)	(202,259)	864,115	(165,915)	752,242
Net Position - Beginning of Year, Restated	6,330,147	N/A	18,672,320	N/A	25,002,467	N/A
Net Position - End of Year	\$ 6,366,491	\$ 6,330,147	\$ 18,470,061	\$ 18,672,320	\$ 24,836,552	\$ 25,002,467

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$65,115 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$1,119,862. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

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	Governmental Activities	Business-Type Activities	Total
Total 2018 program expenses under GASB 75	\$20,856,736	\$ 2,569,191	\$23,425,927
OPEB expense under GASB 75	(1,102,893)	(16,969)	(1,119,862)
2018 contractually required pension contribution	28,109	457	28,566
Adjusted 2018 program expenses	19,781,952	2,552,679	22,334,631
Total 2017 program expenses under GASB 45	19,796,787	2,058,776	21,855,563
Increase (Decrease) in program expenses not related to OPEB	\$ (14,835)	\$ 493,903	\$ 479,068

Governmental Activities

Governmental activities increased the City’s net position by \$36,344 during 2018.

Several types of revenues fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate was 2 percent for 2018, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City provides 75 percent credit up to 1.25 percent for those who pay income tax to another city. By ordinance, City Council could choose to reduce the income tax credit in order to generate additional revenues for the City.

Income tax revenue increased in 2018 as a result of increases in employee municipal income tax withholdings, individual income tax receipts and net profit tax collections. General revenue from property taxes is also a significant source of revenue. Property tax revenue generated in 2018 increased slightly compared to 2017.

Operating grants and contributions increased in 2018 due to the City receiving grants related to Nature Works playground enhancement, Cuyahoga County and United States Small Business Administration Lorain Road loan program and Lorain Road Corridor planning study in the recreation and federal grants special revenue funds, respectively in 2018.

The tables on the prior page reflects how the City funds its programs, either through program or general revenues. As can be seen on the prior page, all programs have a heavy reliance on general revenues.

The table above reflects the decrease in expenses not related to OPEB. Overall, expenses decreased slightly in 2018 as compared to 2017.

The largest program function for the City for 2018 is security of persons and property. The program pays for basic police, fire and emergency medical services, pensions, and equipment.

Business-Type Activities

The business-type activities of the City had a decrease in net position of \$202,259 in 2018, as revenues were not able to outpace operating expenses. Charges for services revenue and sanitary sewer expenses both decreased in 2018. Charges for services decreased in 2018 due to the Cleveland Division of Water changing from quarterly to monthly billing. Expenses increased as a result of when the invoices were received from the City of North Olmsted for the operation of their wastewater treatment plant.

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Financial Analysis of the Government's Funds

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

Governmental Funds

Funds are created and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. An activity not required to be reported in a separate fund is included in the General Fund. Governmental funds are used to account for tax-supported activities.

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 a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins on page 20. These funds are accounted for by using the modified accrual basis of accounting. Fund balances are the differences between assets and deferred outflows of resources and liabilities and deferred inflows of resources reported in a governmental fund. The restricted fund balance is that portion of a governmental fund's fund balance that has constraints on the use of the resources.

Fund balances that are committed include amounts that can be used only for the specific purposes imposed by formal action of Council. Assigned fund balances are intended to be used for specific purposes and reflect a government's self-imposed limitation on the use or otherwise available expendable financial resources in governmental funds. Unassigned fund balances are amounts available for appropriation. As of the end of the current year, the City of Fairview Park's governmental funds reported combined ending fund balances of \$9,332,062, which was an increase of \$932,745 from 2017. Of the total governmental fund balances, \$3,574,879 constitutes the general fund balance, a \$454,500 increase from 2017. The increase is due to revenues and other financing sources outpacing expenditures and transfers out.

All governmental funds had total revenues and other financing sources of \$22,217,490 and expenditures and other financing uses of \$21,284,745, with revenues exceeding expenditures by \$932,745. Efforts are being made to reduce expenditures in all City departments, as spending down the fund balance cannot continue indefinitely.

The City's Funds

General Fund

The General Fund is the main operating fund of the City. At the end of the current year, the total fund balance for the General Fund was \$3,574,879, of which \$268,522 was nonspendable, \$78,659 was assigned, and \$3,227,698 was unassigned for financial reporting purposes. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to annual fund expenditures. Unassigned general fund balance represents 34.55 percent of total General Fund expenditures, while total fund balance represents 38.27 percent of that same amount.

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Recreation Fund

The Recreation Fund is another major fund for the City. At the end of the current year, the total fund balance was \$1,692,235, all of which was committed or nonsependable for financial reporting purposes. This was the tenth full year of operations for the Gemini Recreation Center. Fund balance decreased slightly in 2018 as compared to 2017.

General Fund Budgeting Highlights

The City’s budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of 2018, the City amended its General Fund budget three times. The City does allow small interdepartmental budget changes that modify line items within the accounting system which are within their appropriation category (department level). The General Fund supports many of our major activities, i.e. police department, fire department, and administration. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the General Fund, original budgeted revenues and other financing sources were \$9,500,921 and final budgeted revenues and other financing sources were \$10,626,761 and actual revenues and other financing sources were \$10,626,761. Final budgeted revenues increased from the original budgeted revenues mainly due to the increase in property taxes and municipal income taxes. General Fund original budgeted expenditures and other financing uses were \$10,403,583 and the final budgeted expenditures and other financing uses were \$10,663,359. Actual General Fund expenditures and other financing uses were \$10,468,446, or \$194,913 less than the final budget, with most of the decrease occurring in security of persons and property and general government. This represents the City’s proactive management and legislative action to control and reduce costs wherever practicable during 2018.

Capital Assets and Debt Administration

Capital Assets

**CAPITAL ASSETS AT DECEMBER 31
 (NET OF DEPRECIATION)
 TABLE 3**

	Governmental Activities		Business-Type Activities	
	2018	2017	2018	2017
Land	\$ 1,050,943	\$ 1,050,943	\$ -	\$ -
Construction in progress	1,774,879	1,112,026	149,335	-
Buildings	15,338,075	15,740,803	132,777	137,835
Land improvements	1,412,161	1,246,216	44,589	-
Equipment and Furniture	854,884	804,453	206,845	197,626
Vehicles	1,367,314	809,004	170,080	196,246
Waste Water Treatment Plant Rights	-	-	2,629,974	2,685,342
Infrastructure	20,090,633	20,960,210	10,887,252	11,290,330
Total	\$ 41,888,889	\$ 41,723,655	\$ 14,220,852	\$ 14,507,379

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In 2018, the City's governmental acquisitions of capital assets outpaced current year depreciation, while the business-type activities current year depreciation outpaced the acquisition of capital assets. These results were due to infrastructure improvements and purchase of a fire truck and detective vehicle.

The City is committed to a long-term goal of meeting the needs of its infrastructure and facilities. For additional information see Note 11 to the basic financial statements.

Debt Administration

As of December 31, 2018, the City of Fairview Park had the following in bonds, notes, loans, and leases outstanding:

**OUTSTANDING DEBT AT DECEMBER 31
 TABLE 4**

	Governmental Activities		Business-Type Activities	
	2018	2017	2018	2017
General Obligation Bonds	\$ 18,853,834	\$ 19,943,909	\$ -	\$ -
OPWC Loan	538,134	563,164	-	-
Intergovernmental Loan	-	-	2,452,672	2,654,393
Capital Leases	827,397	161,079	-	-
Total Outstanding Debt	<u>\$ 20,219,365</u>	<u>\$ 20,668,152</u>	<u>\$ 2,452,672</u>	<u>\$ 2,654,393</u>

The City's overall legal debt margin was \$41,065,763 at December 31, 2018.

In 2012, the City issued \$20,590,000 to advance refund the 2005 various purpose general obligation bonds. The bonds are for a 19 year period and will be repaid from the Recreation Special Revenue Fund.

On December 29, 2009, the City issued a loan with Ohio Public Works Commission for sewer and various street projects around the City. The OPWC loan will be paid out of the capital improvements capital project fund and with user charges in the Sewer Enterprise Fund.

In 2016, the City of Fairview Park entered into a contractual agreement with the City of North Olmsted for the construction and future maintenance of a wastewater treatment plant that is in North Olmsted and that Fairview Park residents will be able to tap into. This intergovernmental loan is paid from the Sanitary Sewer Enterprise Fund.

The capital leases are for a fire truck and a fire engine pumper.

Additional information concerning the City's debt can be found in Notes 16 and 17 to the basic financial Statements.

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
UNAUDITED**

Current Financial Related Activities

The City of Fairview Park continues to maintain the Aa2 rating from Moody's Investors Service. During 2018, the City's financial position increased due to revenues exceeding expenses. Management and City Council continue to review options that will create additional revenue in order to increase cash balances to protect the long-term financial stability of the City. In addition the City will continue its stringent budgeting and procurement standards to contain costs.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends, or invests. If you have any questions about this report or need additional information, please contact Gregory M. Cingle, Finance Director, at greg.cingle@fairviewpark.org.

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 7,747,129	\$ 3,409,748	\$ 11,156,877
Materials and Supplies Inventory	29,617	-	29,617
Accounts Receivable	235,150	-	235,150
Intergovernmental Receivable	1,238,985	672,721	1,911,706
Due from Agency Fund	452	-	452
Prepaid Items	314,129	4,929	319,058
Municipal Income Taxes Receivable	4,004,977	-	4,004,977
Property Taxes Receivable	4,558,477	-	4,558,477
Special Assessments Receivable	338,257	-	338,257
Assets Held for Resale	306,757	-	306,757
Investment in Joint Venture	-	3,077,432	3,077,432
Nondepreciable Capital Assets	2,825,822	149,335	2,975,157
Depreciable Capital Assets	39,063,067	14,071,517	53,134,584
Total Assets	60,662,819	21,385,682	82,048,501
DEFERRED OUTFLOWS OF RESOURCES			
Deferral on Refunding	1,352,965	-	1,352,965
Pension	2,761,902	163,663	2,925,565
OPEB	1,371,672	15,907	1,387,579
Total Deferred Outflows of Resources	5,486,539	179,570	5,666,109
LIABILITIES			
Accounts Payable	229,358	4,609	233,967
Contracts Payable	107,407	-	107,407
Accrued Wages and Benefits	203,378	5,576	208,954
Intergovernmental Payable	150,490	4,235	154,725
Vacation Benefits Payable	76,628	2,188	78,816
Accrued Interest Payable	64,748	-	64,748
Retainage Payable	40,203	-	40,203
Unearned Revenue	300,000	-	300,000
Long-term Liabilities:			
Due Within One Year	1,252,657	119,912	1,372,569
Due in More than One Year:			
Net Pension Liability	16,158,016	310,280	16,468,296
Net OPEB Liability	13,918,336	209,944	14,128,280
Other Amounts Due in More than One Year	20,471,285	2,348,020	22,819,305
Total Liabilities	52,972,506	3,004,764	55,977,270
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	4,454,971	-	4,454,971
Pension	1,995,838	72,833	2,068,671
OPEB	359,552	17,594	377,146
Total Deferred Inflows of Resources	6,810,361	90,427	6,900,788
NET POSITION			
Net Investment in Capital Assets	23,022,489	11,768,180	34,790,669
Restricted for:			
Capital Projects	2,638,496	-	2,638,496
Street Construction, Maintenance and Repair	305,080	-	305,080
State Highway	77,719	-	77,719
Street Lighting	392,000	-	392,000
Recreation	2,277,207	-	2,277,207
Police Programs	116,663	-	116,663
Fire Operating	190,903	-	190,903
Waterline Repairs	53,637	-	53,637
Cable TV	1,185,259	-	1,185,259
Other Purposes	94,684	-	94,684
Unrestricted (Deficit)	(23,987,646)	6,701,881	(17,285,765)
Total Net Position	\$ 6,366,491	\$ 18,470,061	\$ 24,836,552

The notes to the financial statements are an integral part of this statement.

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental activities:				
Security of Persons and Property	\$ 8,853,807	\$ 569,566	\$ 5,005	\$ 133,164
Public Health Services	1,450	-	-	-
Leisure Time Activities	3,836,177	1,375,531	362,643	-
Community Environment	434,806	212,414	353,541	-
Basic Utility Services	952,905	738,416	-	-
Transportation	2,568,015	310,956	795,121	146,769
General Government	3,472,851	75,893	8,443	-
Interest and Fiscal Charges	736,725	-	-	-
Total Governmental activities	20,856,736	3,282,776	1,524,753	279,933
Business-type activities:				
Sanitary Sewer	2,569,191	2,211,646	-	152,524
Total Business-type activities	2,569,191	2,211,646	-	152,524
Total Primary Government	\$ 23,425,927	\$ 5,494,422	\$ 1,524,753	\$ 432,457

General Revenues:

Property Taxes levied for:

General Purposes

Permanent Improvements

Recreation

Police and Fire Pension

Fire Operations

Municipal Income Taxes levied for:

General Purposes

Capital Improvements

Recreation

Franchise Taxes

Grants and Entitlements not Restricted to Specific Programs

Investment Income

Gain on Sale of Capital Assets

All Other Revenues

Total General Revenues

Change in Net Position

Net Position - Beginning of Year, Restated

Net Position - End of Year

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (8,146,072)	\$ -	\$ (8,146,072)
(1,450)	-	(1,450)
(2,098,003)	-	(2,098,003)
131,149	-	131,149
(214,489)	-	(214,489)
(1,315,169)	-	(1,315,169)
(3,388,515)	-	(3,388,515)
<u>(736,725)</u>	<u>-</u>	<u>(736,725)</u>
<u>(15,769,274)</u>	<u>-</u>	<u>(15,769,274)</u>
-	(205,021)	(205,021)
<u>-</u>	<u>(205,021)</u>	<u>(205,021)</u>
<u>(15,769,274)</u>	<u>(205,021)</u>	<u>(15,974,295)</u>
2,858,395	-	2,858,395
298,533	-	298,533
343,148	-	343,148
205,870	-	205,870
278,069	-	278,069
6,285,267	-	6,285,267
1,254,182	-	1,254,182
2,507,736	-	2,507,736
288,482	-	288,482
960,404	-	960,404
163,163	-	163,163
7,028	-	7,028
<u>355,341</u>	<u>2,762</u>	<u>358,103</u>
<u>15,805,618</u>	<u>2,762</u>	<u>15,808,380</u>
36,344	(202,259)	(165,915)
<u>6,330,147</u>	<u>18,672,320</u>	<u>25,002,467</u>
<u>\$ 6,366,491</u>	<u>\$ 18,470,061</u>	<u>\$ 24,836,552</u>

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	<u>General Fund</u>	<u>Recreation Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 2,399,608	\$ 1,181,285	\$ 3,955,071	\$ 7,535,964
Materials and Supplies Inventory	3,481	-	26,136	29,617
Accounts Receivable	16,667	12,025	206,458	235,150
Due from Agency Fund	452	-	-	452
Interfund Receivable	80,000	-	-	80,000
Intergovernmental Receivable	404,332	238,106	596,547	1,238,985
Prepaid Items	265,041	27,067	22,021	314,129
Municipal Income Taxes Receivable	2,503,111	1,001,032	500,834	4,004,977
Property Taxes Receivable	3,298,201	395,939	864,337	4,558,477
Special Assessments Receivable	1,728	-	336,529	338,257
Assets Held for Resale	-	-	306,757	306,757
Total Assets	<u>\$ 8,972,621</u>	<u>\$ 2,855,454</u>	<u>\$ 6,814,690</u>	<u>\$ 18,642,765</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 69,830	\$ 25,385	\$ 134,143	\$ 229,358
Accrued Wages and Benefits	153,070	25,844	24,464	203,378
Contracts Payable	-	11,454	95,953	107,407
Intergovernmental Payable	55,933	15,791	78,766	150,490
Retainage Payable	-	7,636	32,567	40,203
Interfund Payable	-	-	80,000	80,000
Unearned Revenue	-	-	300,000	300,000
Total Liabilities	<u>278,833</u>	<u>86,110</u>	<u>745,893</u>	<u>1,110,836</u>
Deferred Inflows of Resources:				
Property Taxes	3,223,348	386,953	844,670	4,454,971
Unavailable Revenue - Delinquent Property Taxes	74,853	8,986	19,667	103,506
Unavailable Revenue - Income Taxes	1,499,532	599,813	299,907	2,399,252
Unavailable Revenue - Other	321,176	81,357	839,605	1,242,138
Total Deferred Inflows of Resources	<u>5,118,909</u>	<u>1,077,109</u>	<u>2,003,849</u>	<u>8,199,867</u>
Fund Balances:				
Nonspendable	268,522	27,067	48,157	343,746
Restricted	-	-	3,914,906	3,914,906
Committed	-	1,665,168	211,171	1,876,339
Assigned	78,659	-	-	78,659
Unassigned	3,227,698	-	(109,286)	3,118,412
Total Fund Balances	<u>3,574,879</u>	<u>1,692,235</u>	<u>4,064,948</u>	<u>9,332,062</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,972,621</u>	<u>\$ 2,855,454</u>	<u>\$ 6,814,690</u>	<u>\$ 18,642,765</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
 NET POSITION OF GOVERNMENTAL ACTIVITIES
 DECEMBER 31, 2018**

Total Governmental Fund Balances \$ 9,332,062

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds 41,888,889

Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds:

Delinquent property taxes	\$	103,506	
Municipal income taxes		2,399,252	
Special assessments		338,257	
Intergovernmental		824,191	
Charges for services		79,690	
Total			3,744,896

Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds. (76,628)

In the Statement of Activities, interest is accrued on outstanding bonds and loans, whereas in Governmental funds, an interest expenditure is reported when due. (64,748)

An Internal Service fund is used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the Internal Service fund is included in Governmental Activities in the Statement of Net Position. 211,165

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

Deferred Outflows - Pension		2,761,902	
Deferred Inflows - Pension		(1,995,838)	
Net Pension Liability		(16,158,016)	
Deferred Outflows - OPEB		1,371,672	
Deferred Inflows - OPEB		(359,552)	
Net OPEB Liability		(13,918,336)	
Total			(28,298,168)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

General obligation bonds		(18,265,000)	
Unamortized bond premium		(588,834)	
OPWC Loan		(538,134)	
Deferral of loss on refunding		1,352,965	
Capital leases		(827,397)	
Compensated absences		(1,504,577)	
Total			(20,370,977)

Net Position of Governmental Activities **\$ 6,366,491**

The notes to the financial statements are an integral part of this statement.

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES – GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	General Fund	Recreation Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 2,865,509	\$ 344,002	\$ 785,198	\$ 3,994,709
Municipal Income Taxes	6,084,178	2,427,300	1,213,964	9,725,442
Franchise Taxes	-	-	288,482	288,482
Intergovernmental	798,907	344,560	1,446,216	2,589,683
Interest	158,079	-	5,084	163,163
Fees, Licenses, and Permits	415,265	-	83,760	499,025
Rentals	27,647	181,877	15,750	225,274
Charges for Services	24,264	1,051,457	421,565	1,497,286
Contributions and Donations	150	14,144	8,206	22,500
Special Assessments	-	-	1,041,918	1,041,918
All Other Revenues	269,335	28,178	61,995	359,508
Total Revenues	10,643,334	4,391,518	5,372,138	20,406,990
EXPENDITURES				
Current:				
Security of Persons and Property	5,299,023	-	2,060,441	7,359,464
Public Health Services	1,450	-	-	1,450
Leisure Time Activities	250,622	2,989,704	3,760	3,244,086
Community Environment	364,318	-	-	364,318
Basic Utility Services	188,690	-	764,215	952,905
Transportation	610,446	-	704,481	1,314,927
General Government	2,626,754	-	14,148	2,640,902
Capital Outlay	-	7,636	2,540,447	2,548,083
Debt Service:				
Principal Retirement	-	775,000	342,243	1,117,243
Interest and Fiscal Charges	-	628,113	29,654	657,767
Total Expenditures	9,341,303	4,400,453	6,459,389	20,201,145
Excess of Revenues Over (Under) Expenditures	1,302,031	(8,935)	(1,087,251)	205,845
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	1,069	-	7,300	8,369
Inception of Capital Lease	-	-	718,531	718,531
Transfers In	-	-	1,083,600	1,083,600
Transfers Out	(848,600)	-	(235,000)	(1,083,600)
Total Other Financing Sources (Uses)	(847,531)	-	1,574,431	726,900
Net Change in Fund Balances	454,500	(8,935)	487,180	932,745
Fund Balances - Beginning of Year	3,120,379	1,701,170	3,577,768	8,399,317
Fund Balances - End of Year	\$ 3,574,879	\$ 1,692,235	\$ 4,064,948	\$ 9,332,062

The notes to the financial statements are an integral part of this statement.

**CITY OF FAIRVIEW PARK
 CUYAHOGA 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, 2018**

Net Change in Fund Balances-Total Governmental Funds \$ 932,745

Amounts reported for Governmental Activities in the Statement of Activities are different because:

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

Capital Outlay	\$ 2,618,859	
Depreciation	(2,452,284)	
Total		166,575

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (1,341)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent property taxes	(10,694)	
Municipal income taxes	321,743	
Special assessments	199	
Intergovernmental	148,739	
Charges for services	19,075	
Total		479,062

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

Pension		1,423,699
OPEB		28,109

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

Pension		(2,162,924)
OPEB		(1,102,893)

Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Assets. These sources were attributed to the inception of a capital lease. (718,531)

Repayment of principal on bonds, loans and capital leases are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 1,117,243

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental funds.

Compensated absences	(46,216)	
Vacation Benefits Payable	(9,595)	
Accrued interest on bonds	(6,036)	
Amortization of bond premiums	50,075	
Amortization of loss on refunding	(122,997)	
Total		(134,769)

An Internal Service fund is used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of an Internal Service fund is reported in the Governmental Activities. 9,369

Change in Net Position of Governmental Activities \$ 36,344

The notes to the financial statements are an integral part of this statement.

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 2,561,926	\$ 2,865,509	\$ 2,865,509	\$ -
Municipal Income Taxes	5,450,534	6,096,411	6,096,411	-
Intergovernmental	712,367	796,781	796,781	-
Interest	141,332	158,079	158,079	-
Fines, Licenses and Permits	372,594	416,746	416,746	-
Rentals	25,380	28,387	28,387	-
Charges for Services	11,253	12,587	12,587	-
Contributions and Donations	134	150	150	-
All Other Revenues	225,401	252,111	252,111	-
Total Revenues	9,500,921	10,626,761	10,626,761	-
Expenditures:				
Current:				
Security of Persons and Property	5,354,007	5,346,466	5,289,767	56,699
Public Health Services	1,375	1,475	1,450	25
Leisure Time Activities	381,505	265,925	250,550	15,375
Community Environment	369,068	371,467	362,979	8,488
Basic Utility Services	202,312	202,312	188,690	13,622
Transportation	640,699	664,899	645,453	19,446
General Government	2,513,617	2,869,815	2,800,505	69,310
Total Expenditures	9,462,583	9,722,359	9,539,394	182,965
Excess of Revenues Over (Under)				
Expenditures	38,338	904,402	1,087,367	182,965
Other Financing (Uses):				
Advances Out	(91,000)	(91,000)	(80,452)	10,548
Transfers Out	(850,000)	(850,000)	(848,600)	1,400
Total Other Financing (Uses)	(941,000)	(941,000)	(929,052)	11,948
Net Change in Fund Balance	(902,662)	(36,598)	158,315	194,913
Fund Balance - Beginning of Year	2,053,877	2,053,877	2,053,877	-
Prior Year Encumbrances Appropriated	99,144	99,144	99,144	-
Fund Balance - End of Year	\$ 1,250,359	\$ 2,116,423	\$ 2,311,336	\$ 194,913

The notes to the financial statements are an integral part of this statement.

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 RECREATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 328,337	\$ 344,002	\$ 344,002	\$ -
Income Taxes	2,321,642	2,432,406	2,432,406	-
Intergovernmental	192,703	201,897	201,897	-
Rentals	173,876	182,172	182,172	-
Charges for Services	1,010,708	1,058,928	1,058,928	-
Contributions and Donations	13,500	14,144	14,144	-
All Other Revenues	26,521	27,786	27,786	-
Total Revenues	<u>4,067,287</u>	<u>4,261,335</u>	<u>4,261,335</u>	<u>-</u>
Expenditures:				
Current:				
Leisure Time Activities	3,075,982	3,143,595	3,065,360	78,235
Debt Service:				
Principal	812,346	775,000	775,000	-
Interest & Fiscal Charges	658,381	628,113	628,113	-
Total Debt Service	<u>1,470,727</u>	<u>1,403,113</u>	<u>1,403,113</u>	<u>-</u>
Total Expenditures	<u>4,546,709</u>	<u>4,546,708</u>	<u>4,468,473</u>	<u>78,235</u>
Net Change in Fund Balance	(479,422)	(285,373)	(207,138)	78,235
Fund Balance - Beginning of Year	1,213,211	1,213,211	1,213,211	-
Prior Year Encumbrances Appropriated	129,558	129,558	129,558	-
Fund Balance - End of Year	<u>\$ 863,347</u>	<u>\$ 1,057,396</u>	<u>\$ 1,135,631</u>	<u>\$ 78,235</u>

See accompanying notes to the basic financial statements.

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018**

	Business-Type Activities	Governmental Activities
	Sewer Fund	Internal Service Fund
ASSETS		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 3,409,748	\$ 211,165
Intergovernmental Receivable	672,721	-
Prepaid Items	4,929	-
<i>Total Current Assets</i>	<u>4,087,398</u>	<u>211,165</u>
Noncurrent Assets:		
Investment in Joint Venture	3,077,432	-
Construction in Progress	149,335	-
Depreciable Capital Assets, Net of Depreciation	14,071,517	-
<i>Total Noncurrent Assets</i>	<u>17,298,284</u>	<u>-</u>
Total Assets	<u>21,385,682</u>	<u>211,165</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	163,663	-
OPEB	15,907	-
Total Deferred Outflows of Resources	<u>179,570</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	4,609	-
Accrued Wages and Benefits	5,576	-
Intergovernmental Payable	4,235	-
Intergovernmental Loan	117,318	-
Compensated Absences Payable	2,594	-
Vacation Benefits Payable	2,188	-
<i>Total Current Liabilities</i>	<u>136,520</u>	<u>-</u>
Noncurrent Liabilities:		
Compensated Absences Payable	12,666	-
Intergovernmental Loan	2,335,354	-
Net Pension Liability	310,280	-
Net OPEB Liability	209,944	-
<i>Total Noncurrent Liabilities</i>	<u>2,868,244</u>	<u>-</u>
Total Liabilities	<u>3,004,764</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Pension	72,833	-
OPEB	17,594	-
Total Deferred Inflows of Resources	<u>90,427</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	11,768,180	-
Unrestricted	6,701,881	211,165
Total Net Position	<u>\$ 18,470,061</u>	<u>\$ 211,165</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Business-Type Activities	Governmental Activities
	Sewer Fund	Internal Service Fund
OPERATING REVENUES		
Charges for Services	\$ 2,211,646	\$ 1,359,598
Other Services	2,762	-
Total Operating Revenues	2,214,408	1,359,598
OPERATING EXPENSES		
Salaries	277,777	-
Fringe Benefits	170,479	-
Materials and Supplies	30,756	-
Contractual Services	1,375,075	1,265,239
Depreciation	519,474	-
Claims	-	84,990
Total Operating Expense	2,373,561	1,350,229
Operating Income (Loss)	(159,153)	9,369
NONOPERATING EXPENSES		
Interest and Fiscal Charges	(124,302)	-
Loss on Investment in Joint Venture	(71,328)	-
Total Nonoperating Expenses	(195,630)	-
Capital Contributions from Grants	152,524	-
Change in Net Position	(202,259)	9,369
Net Position - Beginning of Year, Restated	18,672,320	201,796
Net Position - End of Year	\$ 18,470,061	\$ 211,165

The notes to the financial statements are an integral part of this statement.

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Business-Type Activities	Governmental Activities
	Sanitary Sewer Fund	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Charges for Services	\$ 2,191,521	\$ 1,359,598
Cash Payments to Employees for Services	(279,084)	-
Cash Payments for Employee Benefits	(98,455)	-
Cash Payments for Goods and Services	(1,656,971)	(1,265,239)
Cash Payments for Claims	-	(84,990)
Net Cash Provided by Operating Activities	157,011	9,369
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal Paid on Debt	(201,721)	-
Interest Paid on Debt	(124,302)	-
Payments for Capital Acquisitions	(232,947)	-
Net Cash Used in Capital and Related Financing Activities	(558,970)	-
Net Increase (Decrease) in Cash and Cash Equivalents	(401,959)	9,369
Cash and Cash Equivalents - Beginning of Year	3,811,707	201,796
Cash and Cash Equivalents - End of Year	\$ 3,409,748	\$ 211,165
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (159,153)	\$ 9,369
Adjustments:		
Depreciation	519,474	-
(Increase) in Assets:		
Intergovernmental Receivable	(107,395)	-
Prepaid Items	(4,929)	-
(Increase) in Deferred Outflows of Resources:		
Pension	(64,732)	-
OPEB	(12,806)	-
Increase (Decrease) in Liabilities:		
Accounts Payable	3,368	-
Accrued Wages	(637)	-
Intergovernmental Payable	(169,188)	-
Compensated Absences Payable	(670)	-
Net Pension Liability	53,794	-
Net OPEB Liability	11,724	-
Increase in Deferred Inflows of Resources:		
Pension	70,567	-
OPEB	17,594	-
Net Cash Provided by Operating Activities	\$ 157,011	\$ 9,369

The notes to the financial statements are an integral part of this statement.

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2018**

	Agency Funds
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 532,062</u>
Liabilities	
Accounts Payable	\$ 14,667
Intergovernmental Payable	77,056
Deposits Held and Due to Others	439,887
Due to General Fund	<u>452</u>
Total Liabilities	<u>\$ 532,062</u>

The notes to the financial statements are an integral part of this statement.

Notes to the Basic Financial Statements

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1: REPORTING ENTITY

The City of Fairview Park (the City) is a home rule municipal corporation established under the laws of the state of Ohio which operates under its own Charter. The current Charter, which provides for a Council/Mayor form of government, was adopted on November 4, 1958.

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

The City's primary government consists of all funds, departments, boards and commissions that are not legally separate from the City. They include public safety (police and fire), highway and streets, parks and recreation, public improvements, community development (planning and zoning), sewers, sanitation, and general administrative and legislative services.

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; or (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes, and there is the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The reporting entity of the City does not include any component units.

The Rocky River Wastewater Treatment Plant is a joint venture, owned and operated by the cities of Fairview Park, Westlake, Rocky River, and Bay Village. The mayors of each city serve during their term in office as members of the Management Committee of the Rocky River Wastewater Treatment Plant. Each City is responsible for a percentage of the operating expenses of the plant based on volume of flow into the plant (See Note 18).

The City is associated with four jointly governed organizations: the West Shore Council of Governments, Tri-City Park, S.A.F.E. Council of Governments, and West Shore Area Rescue Association. These organizations are presented in Note 19 to the basic financial statements.

The City's management believes these financial statements present all activities for which the City is financially accountable.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

Basis of Presentation

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

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

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

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

Fund Accounting

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

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

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

The following are the City's major governmental funds:

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

Recreation Fund The Recreation Fund accounts for and reports the portion of income tax collections of the City committed for recreation and community center, revenues from recreation programs, recreation millage, and recreation expenditures.

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

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

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

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

Internal Service Funds Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's only internal service fund is a self-insurance fund that accounts for dental and vision claims of City employees.

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 program. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for performance bonds which are deposits made by citizens, contractors, or vendors to ensure compliance with City ordinances, donations to the Senior Life Program from residents to be used in whatever way the seniors determine, collection of fees that are remitted to the State for commercial and industrial building, monies from employees for their medical expenses, and monies from City of Cleveland held for waterline improvements.

Measurement Focus

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

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

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

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

Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, 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 the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide Statement of Net Position for a deferred charge on refunding, for pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 13 and 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, special assessments, intergovernmental grants, and charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 21. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position (See Notes 13 and 14).

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services and other operating revenue for the Sewer Fund. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

Budgetary Data

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original and final budgeted amounts on the budgetary statements reflect the amount on the amended certificate of estimated resources in effect at the time the original and final appropriations were enacted by Council. Prior to December 31, Council requested and received an amended certificate in which estimated revenue closely reflects actual revenue for the fiscal year.

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

Cash and Cash Equivalents

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

During 2018, the City invested in STAR Ohio and a Money Market Mutual Fund. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2018, 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 \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2018 was \$158,079, which includes \$106,125 assigned from other City funds.

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2018 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported the year in which services are consumed.

Inventory

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

Assets Held for Resale

Assets held for resale represents land purchased by the City which will be sold for development purposes.

Capital Assets

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

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

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

Depreciation is computed using a straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings	10-50 years	50 years
Land Improvements	20-50 years	20 years
Equipment and Furniture	5-20 years	10-15 years
Vehicles	8-20 years	8 years
Infrastructure	10-75 years	50-75 years
Waste Water Treatment Plant Rights	n/a	50 years

The City’s infrastructure consists of roads and sidewalks, sanitary and storm sewers, fire hydrants, traffic signals, and pedestrian bridges.

Interfund Balances

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time when earned for all full-time employees with more than one year of service. Since the City’s policy limits the accrual of vacation time to one year from the employee’s anniversary date, the outstanding liability is recorded as “vacation benefits payable” on the Statement of Net Position rather than as a long-term liability.

Sick leave benefits are accrued as a liability using the vesting method. An accrual for earned sick leave is made to the extent that 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. The amount is based on accumulated sick leave and employees’ wage rates at year-end, taking into consideration any limits specified in the City’s vesting policy. The City records a liability for accumulated unused sick leave for employees after ten years of current service with the City.

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

Accrued Liabilities and Long-term Obligations

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

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

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, compensated absences and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, long-term notes, long-term loans, and capital leases are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes property acquired for resale, unless the use of the proceeds from the sale of those properties is restricted, committed, or assigned.

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

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

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

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance or by State statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for sidewalks and Bain Park restoration.

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

Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for 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 FAIRVIEW PARK
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Bond Premium

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On the governmental fund statements, bond premiums are received in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Deferred Charge on Refunding

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

Estimates

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

NOTE 3: CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

During the year, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 86, *Certain Debt Extinguishment Issues*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the City's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. These changes were incorporated in the City's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 75 established standards for measuring and recognizing postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2017:

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	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Net Position December 31, 2017	\$ 18,161,579	\$ 18,987,818
Adjustments:		
Net OPEB liability	(11,893,446)	(198,220)
Deferred Outflow - Payments Subsequent to Measurement Date	62,014	3,101
Investment in Joint Venture - GASB 75	<u>-</u>	<u>(120,379)</u>
Restated Net Position December 31, 2017	<u>\$ 6,330,147</u>	<u>\$ 18,672,320</u>

The Enterprise Fund/Sewer Fund was restated for the same amounts above with a beginning net position at December 31, 2017 from \$18,987,818 to \$18,672,320.

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

NOTE 4: BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of revenues, expenditures, and changes in fund balance – budget (non-GAAP basis) and actual presented for the General Fund and the Recreation Major Special Revenue Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are as follows:

- (1) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP basis).
- (2) Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP basis).
- (3) Unrecorded cash represents amounts received but not reported by the City on the operating statements (budget), but which is reported on the GAAP basis operating statements.
- (4) Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP basis).

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

	<u>General</u>	<u>Recreation</u>
GAAP Basis	\$ 454,500	\$ (8,935)
Net Adjustment for Revenue Accruals	(17,642)	(130,183)
Net Adjustment for Expenditure Accruals	(189,268)	(22,366)
Encumbrances	<u>(89,275)</u>	<u>(45,654)</u>
Budget Basis	<u>\$ 158,315</u>	<u>\$ (207,138)</u>

**CITY OF FAIRVIEW PARK
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NOTE 5: DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);

**CITY OF FAIRVIEW PARK
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7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided 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 the term of the agreement must not exceed thirty days.

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

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

The City may also invest monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this state, as to which there is no default of principal, interest, or coupons; and
3. Obligations of the City.

Deposits

Custodial Credit Risk: Custodial credit risk for deposits 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. Protection of the City's cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC), as well as qualified securities pledged by the institution holding the assets. Ohio law requires that deposits either be insured or protected by:

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The City's financial institution had enrolled in OPCS as of December 31, 2018.

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At year end, \$5,388,594 of the City’s bank balance of \$8,746,078 was uninsured and collateralized. Although the securities were held by the pledging institution’s trust department and all statutory requirements for the deposit of the money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments

STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. Fair value is determined by quoted market prices and acceptable other pricing methodologies. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The following identify the City’s recurring fair value measurement as of December 31, 2018. As previously discussed Star Ohio is reported at its net asset value. All other investments of the City are valued using quoted market prices (Level 1 inputs).

At December 31, 2018, the City had the following investments:

<u>Investment Type</u>	<u>Measurement Value</u>
STAR Ohio	\$ 2,635,659
Money Market Mutual Fund	617,453
Total Investments	<u>\$ 3,253,112</u>

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City’s investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. At December 31, 2018, the average days to maturity for STAR Ohio was 44.9 days.

Credit Risk STAR Ohio carries a credit rating of AAAM by Standard & Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Money Market Mutual Fund is unrated. The City has no investment policy that addresses credit risk.

NOTE 6: INTERFUND TRANSACTIONS

Interfund Transfers

During 2018, the General Fund transferred \$748,600 to the Police and Fire Pension Fund and \$100,000 to the Permanent Improvement Fund to provide additional resources for current operations. The Cable TV Fund transferred \$235,000 to the Permanent Improvement Fund to provide additional resources for the Senior Center Roof Renovation Project.

Interfund Receivables and Payables

Interfund receivables and payables are due to the timing of the receipt of grant monies by the major and nonmajor funds and short-term advances from the General Fund.

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 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 7: RECEIVABLES

Receivables at December 31, 2018, consisted primarily of municipal income taxes, property taxes, accounts (billings for user charged services, franchise fees, and miscellaneous), intergovernmental receivables arising from grants, entitlements and shared revenues, and special assessments. No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes. All receivables except for property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenues received in 2018 for real and public utility property represent the collection of 2017 taxes.

2018 real property taxes are levied after October 1, 2018 on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes which became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2018, was \$11.80 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2018 property tax receipts were based are as follows on the next page:

Real Property	\$ 319,447,210
Other Real Estate	68,419,740
Public Utility Personal Property	<u>5,805,310</u>
Total	<u>\$ 393,672,260</u>

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2018, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2018 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

**CITY OF FAIRVIEW PARK
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 (CONTINUED)**

Income Taxes

The City levies an income tax of 2 percent on all income earned within the City as well as income of residents earned outside the City. In the latter case, the City allows a credit of 75 percent of the tax on the income earned outside the City and paid to another municipality to a maximum of the total amount assessed with a limit to the credit of 1.25 percent.

Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Regional Income tax Agency (RITA) at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a final return annually. Taxes collected by RITA in one month are remitted to the City on the first and tenth business days of the following month. One and one-quarter percent is levied for general purposes, one half percent is committed to recreation programs, and one-quarter percent is restricted for capital improvements.

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Governmental Activities	Business-Type Activities
Homestead and Rollback	\$ 288,790	\$ -
City of Cleveland	-	435,609
City of North Olmsted	-	84,508
Fairview Park CSD - Fuel reimbursement	15,388	
Motor Vehicle Registration	48,064	-
Local Government	171,633	-
Gasoline Tax	267,490	-
Permissive License Tax	9,130	-
Community Grants	261,143	-
Assistance to Firefighters Grant	5,658	-
Justice Assistance Grant	8,421	-
Ohio Public Works Commission Grant	-	152,524
EMS Grant	5,005	-
Cuyahoga County	150,000	-
Other	8,263	80
Total Intergovernmental Receivables	<u>\$ 1,238,985</u>	<u>\$ 672,721</u>

Unearned Revenue

In 2011, the City entered an agreement with the Fairview Park City School District to purchase property located at 20770 Lorain Road. In exchange for payment of the property, the City will forego the annual rental of the recreation center charged to the School District of \$60,000 for 12 years for a total of \$720,000. The balance of unearned revenue at December 31, 2018 is \$300,000. The City sold this property for \$715,128 in 2013.

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FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 8: TAX ABATEMENTS

As of December 31, 2018, the City provides tax abatements through two programs: The Community Reinvestment Area (CRA) Tax Abatements and an Economic Incentive Grant.

Community Reinvestment Area (CRA)

Pursuant to Ohio Revised Code Chapter 5709, the City established five Community Reinvestment Areas to provide property tax abatements to encourage revitalization of existing buildings and the construction of new structures. One Community Reinvestment Area has been terminated by the property owner. Abatements are obtained through application by the property owner, including proof that the improvements have been made, and equal 100 percent of the additional property tax resulting from the increase in assessed value for seven years as a result of the improvement. The amount of the abatement, which was \$178,416 in 2018 (tax year 2017), is deducted from the recipient's tax bill. There are recapture provisions if there is failure to maintain the structure or property.

Economic Incentive Grant

Pursuant to Article XVIII, Section 3 of the Ohio Constitution and Article II of the Fairview Park Charter, the City established an Economic Incentive Grant to provide income tax abatements to encourage job creation in the City. The abatement is obtained through application by the employer, including proof that the minimum total annual payroll thresholds are met, and equal up to 30 percent of the income tax based on actual annual payroll that is reported. The amount of the abatement is rebated to the employer. The abatements term began in 2017, with the first payment made in early 2018 in the amount of \$19,085.

NOTE 9: CLEVELAND WATERLINE PROJECTS

During 2013, the City transferred ownership and replacement responsibilities of its waterlines to the City of Cleveland. The City also entered into an agreement with the Cleveland Division of Water under which the City of Fairview Park would manage and design the projects of which the Cleveland Division of Water would pay for. The expenditures for waterline improvements will not be capitalized. An agency fund has been created to account for funds received by the Cleveland Division of Water to be expensed for the design and construction of such projects.

NOTE 10: COMPENSATED ABSENCES

Vacation leave is earned at rates which vary depending upon length of service and standard work week. An employee becomes eligible for vacation leave on his/her anniversary date and vacation leave is required to be taken by the employee within 12 months thereafter. City employees are paid for earned, unused vacation leave at the time of termination of employment.

Sick leave is earned at the rate of four-and-sixth-tenths hours for every 80 hours worked. Each employee with ten or more years of service with the City is paid for one-half of the employee's earned but unused sick leave upon retirement from the City. The maximum number of hours to be paid shall not exceed 1,307 sick hours.

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
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FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 11: CAPITAL ASSETS

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
<u>Governmental Activities</u>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 1,050,943	\$ -	\$ -	\$ 1,050,943
Construction in Progress	1,112,026	1,705,608	(1,042,755)	1,774,879
<i>Total Capital Assets Not Being Depreciated</i>	<u>2,162,969</u>	<u>1,705,608</u>	<u>(1,042,755)</u>	<u>2,825,822</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	21,332,527	-	-	21,332,527
Land Improvements	2,659,744	248,409	-	2,908,153
Equipment & Furniture	2,461,632	169,139	-	2,630,771
Vehicles	4,749,489	744,112	(648,111)	4,845,490
Infrastructure:				
Roads, Sidewalks & Bridges	50,178,552	794,346	-	50,972,898
Fire Hydrants	1,543,167	-	-	1,543,167
Traffic Signals	3,365,405	-	-	3,365,405
<i>Total Capital Assets Being Depreciated</i>	<u>86,290,516</u>	<u>1,956,006</u>	<u>(648,111)</u>	<u>87,598,411</u>
<i>Total Capital Assets at Cost</i>	<u>88,453,485</u>	<u>3,661,614</u>	<u>(1,690,866)</u>	<u>90,424,233</u>
Less Accumulated Depreciation:				
Buildings	(5,591,724)	(402,728)	-	(5,994,452)
Land Improvements	(1,413,528)	(82,464)	-	(1,495,992)
Equipment & Furniture	(1,657,179)	(118,708)	-	(1,775,887)
Vehicles	(3,940,485)	(184,461)	646,770	(3,478,176)
Infrastructure:				
Roads, Sidewalks & Bridges	(30,609,031)	(1,509,160)	-	(32,118,191)
Fire Hydrants	(977,167)	(24,775)	-	(1,001,942)
Traffic Signals	(2,540,716)	(129,988)	-	(2,670,704)
<i>Total Accumulated Depreciation</i>	<u>(46,729,830)</u>	<u>(2,452,284) *</u>	<u>646,770</u>	<u>(48,535,344)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>39,560,686</u>	<u>(496,278)</u>	<u>(1,341)</u>	<u>39,063,067</u>
Total Governmental Activities Capital Asset, Net	<u>\$ 41,723,655</u>	<u>\$ 1,209,330</u>	<u>\$ (1,044,096)</u>	<u>\$ 41,888,889</u>

*Depreciation expense was charged to governmental functions as follows:

General Government	\$ 661,373
Security of Persons and Property	160,458
Transportation	1,149,264
Community Environment	30,724
Leisure Time Activities	450,465
<u>Total Depreciation Expense</u>	<u>\$ 2,452,284</u>

**CITY OF FAIRVIEW PARK
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 (CONTINUED)**

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
Business-Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Construction in Progress	\$ -	\$ 195,067	\$ (45,732)	\$ 149,335
<i>Total Capital Assets Not Being Depreciated</i>	<u>-</u>	<u>195,067</u>	<u>(45,732)</u>	<u>149,335</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	252,877	-	-	252,877
Land Improvements	6,741	45,732	-	52,473
Equipment & Furniture	454,486	37,880	-	492,366
Vehicles	209,329	-	-	209,329
Waste Water Treatment Plant Rights	2,768,394	-	-	2,768,394
Infrastructure:				
Sanitary Sewer	15,842,349	-	-	15,842,349
Storm Sewer	8,749,946	-	-	8,749,946
<i>Total Capital Assets Being Depreciated</i>	<u>28,284,122</u>	<u>83,612</u>	<u>-</u>	<u>28,367,734</u>
<i>Total Capital Assets at Cost</i>	<u>28,284,122</u>	<u>278,679</u>	<u>(45,732)</u>	<u>28,517,069</u>
Less Accumulated Depreciation:				
Buildings	(115,042)	(5,058)	-	(120,100)
Land Improvements	(6,741)	(1,143)	-	(7,884)
Equipment & Furniture	(256,860)	(28,661)	-	(285,521)
Vehicles	(13,083)	(26,166)	-	(39,249)
Waste Water Treatment Plant Rights	(83,052)	(55,368)	-	(138,420)
Infrastructure:				
Sanitary Sewer	(8,045,165)	(262,408)	-	(8,307,573)
Storm Sewer	(5,256,800)	(140,670)	-	(5,397,470)
Total Accumulated Depreciation	<u>(13,776,743)</u>	<u>(519,474)</u>	<u>-</u>	<u>(14,296,217)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>14,507,379</u>	<u>(435,862)</u>	<u>-</u>	<u>14,071,517</u>
Total Business-Type Activities				
Capital Asset, Net	<u>\$ 14,507,379</u>	<u>\$ (240,795)</u>	<u>\$ (45,732)</u>	<u>\$ 14,220,852</u>

NOTE 12: ASSETS HELD FOR RESALE

Assets held for resale represent 1.4 acres of land for acquisition and improvements of properties located at 20520 Lorain Road purchased by the City which will be sold for development purposes.

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**CITY OF FAIRVIEW PARK
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

NOTE 13: DEFINED BENEFIT PENSION PLANS

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

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

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

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

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

Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

	State and Local
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2018 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-Employment Health Care Benefits **	0.0
Total Employer	14.0 %
 Employee	 10.0 %

* Member contributions within combined plan are not used to fund the defined benefit retirement allowance

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$522,247 for 2018. Of this amount, \$42,521 is reported as an intergovernmental payable.

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 may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

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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 OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

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

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

	Police	Firefighters
2018 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2018 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
 Employee	 12.25 %	 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$938,627 for 2018. Of this amount \$67,222 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability Prior Measurement Date	0.028237%	0.196067%	
Proportion of the Net Pension Liability Current Measurement Date	<u>0.027785%</u>	<u>0.197303%</u>	
Change in Proportionate Share	<u>-0.000452%</u>	<u>0.001236%</u>	
Proportionate Share of the Net Pension Liability	\$ 4,358,928	\$ 12,109,368	\$ 16,468,296
Pension Expense	\$ 902,630	\$ 1,357,098	\$ 2,259,728

At December 31, 2018, 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	\$ 4,451	\$ 183,769	\$ 188,220
Changes of assumptions	520,919	527,670	1,048,589
Changes in proportion and differences between City contributions and proportionate share of contributions	96,688	131,194	227,882
City contributions subsequent to the measurement date	<u>522,247</u>	<u>938,627</u>	<u>1,460,874</u>
Total Deferred Outflows of Resources	<u>\$ 1,144,305</u>	<u>\$ 1,781,260</u>	<u>\$ 2,925,565</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$ 935,805	\$ 418,892	\$ 1,354,697
Differences between expected and actual experience	\$85,899	\$21,904	\$107,803
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>139,606</u>	<u>466,565</u>	<u>606,171</u>
Total Deferred Inflows of Resources	<u>\$ 1,161,310</u>	<u>\$ 907,361</u>	<u>\$ 2,068,671</u>

\$1,460,874 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019.

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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 June 30:	OPERS	OP&F	Total
2019	\$ 370,432	\$ 217,687	\$ 588,119
2020	(113,070)	107,556	(5,514)
2021	(412,079)	(326,316)	(738,395)
2022	(384,535)	(236,650)	(621,185)
2023	-	137,799	137,799
Thereafter	-	35,196	35,196
Total	<u>\$ (539,252)</u>	<u>\$ (64,728)</u>	<u>\$ (603,980)</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 in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 10.75 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 3 percent, simple through 2018, then 2.15 percent simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

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

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

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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 three investment portfolios: the Defined Benefits portfolio, the Health Care 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. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 16.82 percent for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 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 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	100.00 %	5.66 %

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

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

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	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$ 7,740,345	\$ 4,358,928	\$ 1,539,845

Changes Between Measurement Date and Report Date

In October 2018, the OPERS Board adopted certain assumption changes which will impact their valuation prepared as of January 1, 2018. The most significant change is a reduction in the assumed actuarial rate of return from 7.50 percent to 7.20 percent. Although the exact amount of these changes is not known, it has the potential to impact the City's net pension liability.

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, 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, 2017, are presented below:

Valuation Date	January 1, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Increases	3.25 percent
Inflation Assumptions	2.75 percent
Cost of Living Adjustments	2.20 percent and 3.00 percent Simple

Mortality rates for active members were based on the RP-2014 Total employee and Healthy Annuitant Mortality Tables rolled back to 2006, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent. For disabled retirees, the mortality rates were based on the RP-2014 Disabled Mortality Tables rolled back to 2006, and projected with the Conduent Modified 2016 Improvement Scale.

The most recent experience study was completed January 1, 2017.

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

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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 OP&F's target asset allocation as of December 31, 2017 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 year Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %	0.00
Domestic Equity	16.00	5.21 %
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Real Assets	5.00	6.87
Master Limited Partnerships	<u>8.00</u>	7.36
 Total	 <u><u>120.00 %</u></u>	

Note: Assumptions are geometric
 * levered 2x

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

Discount Rate The total pension liability was calculated using the discount rate of 8.00 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 8.00 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 8.00 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 (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

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	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 16,786,759	\$ 12,109,368	\$ 8,294,527

NOTE 14: DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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

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

The City's contractually required contribution was \$6,422 for 2018.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent 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. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$22,144 for 2018. Of this amount, \$1,590 is reported as an intergovernmental payable.

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OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017.

The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Prior Measurement Date	0.027570%	0.196067%	
Proportion of the Net OPEB Liability			
Current Measurement Date	<u>0.027160%</u>	<u>0.197303%</u>	
Change in Proportionate Share	<u>-0.000410%</u>	<u>0.001236%</u>	
Proportionate Share of the Net OPEB			
Liability	\$ 2,949,376	\$ 11,178,904	\$ 14,128,280
OPEB Expense	\$ 238,410	\$ 881,452	\$ 1,119,862

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 2,298	\$ -	\$ 2,298
Changes of assumptions	214,746	1,090,823	1,305,569
Changes in proportion and differences between City contributions and proportionate share of contributions	-	51,146	51,146
City contributions subsequent to the measurement date	<u>6,422</u>	<u>22,144</u>	<u>28,566</u>
Total Deferred Outflows of Resources	<u>\$ 223,466</u>	<u>\$ 1,164,113</u>	<u>\$ 1,387,579</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 56,382	\$ 56,382
Net difference between projected and actual earnings on OPEB plan investments	219,709	73,585	293,294
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>27,470</u>	<u>-</u>	<u>27,470</u>
Total Deferred Inflows of Resources	<u>\$ 247,179</u>	<u>\$ 129,967</u>	<u>\$ 377,146</u>

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The \$28,566 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2019	\$ 35,707	\$ 140,315	\$ 176,022
2020	35,707	140,315	176,022
2021	(46,621)	140,315	93,694
2022	(54,928)	140,314	85,386
2023	-	158,711	158,711
Thereafter	-	292,032	292,032
Total	<u>\$ (30,135)</u>	<u>\$ 1,012,002</u>	<u>\$ 981,867</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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial
	3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006.

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The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006.

The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	<u>100.00 %</u>	<u>4.98 %</u>

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Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$3,918,373	\$ 2,949,376	\$2,165,467

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

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	<u>1% Decrease</u>	<u>Current Health Care Cost Trend Rate Assumption</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 2,821,924	\$ 2,949,376	\$ 3,081,030

Changes Between Measurement Date and Report Date

In October 2018, the OPERS Board adopted certain assumption changes which will impact their valuation prepared as of January 1, 2018. The most significant change is a reduction in the assumed actuarial rate of return from 6.50 percent to 6.00 percent. Although the exact amount of these changes is not known, it has the potential to impact the City's net OPEB liability.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, 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.

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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

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Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB 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.

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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 OP&F's target asset allocation as of December 31, 2017, are summarized below:

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

Note: Assumptions are geometric.

* levered 2x

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

Discount Rate The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

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	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$ 13,973,764	\$ 11,178,904	\$ 9,028,381

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
Year					
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability	\$ 8,683,973	\$ 11,178,904	\$ 14,541,225

Changes between Measurement Date and Report Date

In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City's NOL is not known.

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NOTE 15: RISK MANAGEMENT

Property and Liability

The City is exposed to various risks of loss related to torts; theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year the City contracted with Argonaut Insurance Company for all their commercial insurance. The types of coverage and deductibles are as follows:

Type of Coverage	Coverage	Deductible
Blanket Property and Contents, Replacement	\$ 32,648,442	\$ 2,500
General Liability	1,000,000/2,000,000	0
Automobile Liability	1,000,000	0
Public Officials Liability	1,000,000/2,000,000	5,000
Police Professional Liability	1,000,000/2,000,000	5,000
Employment Practice Liability	1,000,000/2,000,000	5,000
Excess Liability	5,000,000	0
Accounts Receivable	100,000	2,500
Building Ordinance	100,000	2,500
Communication Equipment	50,000	250
Detached Signs	5,000	2,500
Extra Expense and Business Income	500,000	1,000
Fine Arts	90,000	1,000
Property in Transit	50,000	250
Personal Effect and Property of Others	50,000	2,500
Valuable Papers	100,000	2,500
Miscellaneous Equipment	511,956	250
Hired, Leased, Borrowed Equipment	50,000	250
Public Employee Dishonesty	1,000,000	1,000
Money and Securities	25,000	500

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

Employee Health Benefits

The City has elected to provide employee dental and vision insurance benefits through Anthem. Medical and prescription benefits are provided through Medical Mutual. The City offers both a health savings account or a traditional plan.

The employee contribution of the monthly premium is through a payroll deduction. The monthly premiums for the various employees and the City are as follows:

Type of Coverage	City		Police and Fire		Administration and Service	
	Health		Health		Health	
	Traditional	Savings	Traditional	Savings	Traditional	Savings
Single	\$ 528.55	\$ 409.81	\$ 84.78	\$ 66.97	\$ 79.50	\$ 62.87
Family	\$ 1,585.67	\$ 1,229.45	\$ 248.85	\$ 195.42	\$ 232.99	\$ 183.12

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NOTE 16: LONG-TERM OBLIGATIONS

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

	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
General Obligation Bonds				
Refunding of 1999 Bonds	2005	2019	4.125 - 5.0 %	\$ 2,380,000
Various Purpose Refunding Bonds	2012	2030	2.75 -4.0	20,590,000
Loans				
OPWC Loan	2009	2040	N/A	750,887
Business-Type Activities				
Intergovernmental Loan	2016	2035	5.82	2,768,394

Changes in long-term obligations during the year ended December 31, 2018, consisted of the following:

	<u>Restated Balance 12/31/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2018</u>	<u>Amounts Due in One Year</u>
Governmental Activities:					
<u>General Obligation Bonds</u>					
Refunding of 1999 Bonds	\$ 535,000	\$ -	\$ 265,000	\$ 270,000	\$ 270,000
Various Purpose Refunding Bonds	18,770,000	-	775,000	17,995,000	870,000
Unamortized Premium	638,909	-	50,075	588,834	-
Total Various Purpose Refunding Bonds	<u>19,408,909</u>	<u>-</u>	<u>825,075</u>	<u>18,583,834</u>	<u>870,000</u>
Total General Obligation Bonds	<u>19,943,909</u>	<u>-</u>	<u>1,090,075</u>	<u>18,853,834</u>	<u>1,140,000</u>
<u>Other Long-Term Obligations</u>					
OPWC Loan	563,164	-	25,030	538,134	25,030
Capital Leases	161,079	718,531	52,213	827,397	61,696
Compensated Absences Payable	1,458,361	83,335	37,119	1,504,577	25,931
Total Other Long-Term Obligations	<u>2,182,604</u>	<u>801,866</u>	<u>114,362</u>	<u>2,870,108</u>	<u>112,657</u>
<u>Net Pension Liability</u>					
OPERS	6,155,657	-	2,107,009	4,048,648	-
OP&F	12,418,658	-	309,290	12,109,368	-
Total Net Pension Liability	<u>18,574,315</u>	<u>-</u>	<u>2,416,299</u>	<u>16,158,016</u>	<u>-</u>
<u>Net OPEB Liability</u>					
OPERS	2,586,444	152,988	-	2,739,432	-
OP&F	9,307,002	1,871,902	-	11,178,904	-
Total Net Pension Liability	<u>11,893,446</u>	<u>2,024,890</u>	<u>-</u>	<u>13,918,336</u>	<u>-</u>
Total Governmental Activities Long-Term Obligations	<u>\$ 52,594,274</u>	<u>\$ 2,826,756</u>	<u>\$ 3,620,736</u>	<u>\$ 51,800,294</u>	<u>\$ 1,252,657</u>

(continued)

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	Restated Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018	Amounts Due in One Year
Business-Type Activities:					
Intergovernmental Loan	\$ 2,654,393	\$ -	\$ 201,721	\$ 2,452,672	\$ 117,318
Compensated Absences Payable	13,932	4,072	2,744	15,260	2,594
Net Pension Liability - OPERS	256,486	53,794	-	310,280	-
Net OPEB Liability - OPERS	198,220	11,724	-	209,944	-
Total Business-Type Activities					
Long-Term Obligations	<u>\$ 3,123,031</u>	<u>\$ 69,590</u>	<u>\$ 204,465</u>	<u>\$ 2,988,156</u>	<u>\$ 119,912</u>

The general obligation bonds and capital leases were paid from the Recreation, Permanent Improvement, and Capital Improvements funds, respectively.

In 2012, the City issued general obligation bonds, in the amount of \$20,590,000, to partially refund bonds previously issued in 2005 for various purposes in the amount of \$18,300,000. The remaining \$2,290,000 will be used to pay the remaining interest and fiscal charges of the unrefunded bonds. The bonds were issued with original interest rates varying from 2 percent to 4 percent. The bonds were issued for a 19 year period with final maturity during fiscal year 2030. The bonds will be retired through the recreation special revenue fund.

During 2016, the City entered into a contractual agreement with the City of North Olmsted for the construction and future maintenance of a wastewater treatment plant that is in North Olmsted and that Fairview Park residents will be able to tap into. All proceeds were received by the City of North Olmsted and the City of North Olmsted is responsible for the debt retirement and maintenance. The plant is a capital asset of the City of North Olmsted. The total amount owed to the City of North Olmsted as of December 31, 2018 is \$2,452,672. This amount has been recorded on the City of Fairview Park's books as a long-term liability in the Sewer Enterprise Fund. The annual interest rate of the obligation is 5.82 percent with a final maturity of July 1, 2035. A corresponding amount was recorded as an intangible asset in the Sewer Enterprise Fund. The amount will be amortized over the life of the WWTP.

On December 29, 2009, the City issued a loan with the Ohio Public Works Commission (OPWC) for sewer and various street projects around the City. The OPWC loan is paid from the Capital Improvements Capital Projects Fund.

Other Long-Term Obligations Compensated absences will be paid from the General Fund, Recreation Fund, and Street Maintenance and Repair Special Revenue Fund, and the Sewer Enterprise Fund. Capital leases will be paid from the Permanent Improvement Fund. There is no repayment schedule for the net pension liability and net OPEB liability. However, employer pension contributions are made from the same fund as compensated absences. For additional information related to the net pension liability and net OPEB liability see Notes 13 and 14.

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

The City's overall legal debt margin was \$41,065,763 at December 31, 2018. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2018, are as follows:

Year	Governmental Activities			Business Type - Activities			
	General Obligation			OPWC Loan	Intergovernmental Loan		
	Serial Bonds		Interest		Principal	Principal	Interest
	Principal	Interest					
2019	\$ 1,140,000	\$ 616,000	\$ 25,030	\$ 117,318	\$ 58,790		
2020	975,000	570,063	25,030	120,198	55,910		
2021	1,075,000	531,063	25,030	123,149	52,959		
2022	1,300,000	488,063	25,030	126,172	49,936		
2023	1,395,000	436,063	25,030	129,269	46,839		
2024-2028	8,375,000	1,383,150	125,150	695,535	185,005		
2029-2033	4,005,000	181,200	125,150	785,203	95,337		
2034-2038	-	-	125,150	355,828	10,486		
2039-2040	-	-	37,534	-	-		
	<u>\$ 18,265,000</u>	<u>\$ 4,205,602</u>	<u>\$ 538,134</u>	<u>\$ 2,452,672</u>	<u>\$ 555,262</u>		

NOTE 17: CAPITAL LEASES

In 2018, the City entered into a lease agreement for the purchase of a fire truck. In prior years, the City entered into lease agreements for an ambulance and a fire engine pumper. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis. Amortization of capital leases are included in depreciation expense. The leases are secured by the related property.

Capital assets acquired by lease have been capitalized and depreciated as follows as of December 31, 2018.

	Governmental Activities
Assets being Depreciated	
Vehicles	\$ 1,038,531
Less Accumulated Depreciation	
Vehicles	(343,951)
Current Book Value	<u>\$ 694,580</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2018:

Year Ending December 31:	Governmental Activities
2019	\$ 94,404
2020	94,404
2021	94,404
2022	94,404
2023	63,655
2024-2028	318,275
2029-2033	318,275
Total	1,077,821
Less: Amount Representing Interest	(250,424)
Present Value of Net Minimum Lease Payments	\$ 827,397

NOTE 18: JOINT VENTURE – ROCKY RIVER WASTEWATER TREATMENT PLANT

The Rocky River Wastewater Treatment Plant (the “Plant”) is a joint venture among the cities of Fairview Park, Bay Village, Rocky River, and Westlake. The plant is governed by a Management Committee consisting of the elected mayors of the four member cities and a fifth person nominated and elected by the mayors. The Management Committee has authority over all aspects of the Plant’s operation; however, all employees are employees of the City of Rocky River. The Plant supplies all participating residents of the member cities with sewer services. Each city owns the sewage lines located in its city and bills its residents for usage. Continued existence of the Plant is dependent on the City’s continued participation, and the City as an equity interest in the Plant. The City’s equity interest is \$3,077,432 which represents 16.32 percent of the total equity in the Plant. The Plant is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116.

NOTE 19: JOINTLY GOVERNED ORGANIZATIONS

West Shore Council of Governments

The West Shore Council of Governments (Council) helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board is comprised of one member from each of the six participating entities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the Board. Each City’s degree of control is limited to its representation on the Board. In 2018, the City contributed \$37,970 to this organization. Complete financial information statements can be obtained from the City of Rocky River, P.O. Box 16088, Rocky River, Ohio 44116-0088.

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

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

Tri-City Park

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

Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. The City of Fairview Park contributed \$15,000 to Tri-City Park in 2018. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116.

S.A.F.E. Council of Governments

The S.A.F.E. Council of Governments (S.A.F.E.) was formed by the cities of Fairview Park, Bay Village, Rocky River, and Westlake by a Board consisting of the elected mayors, which exercises total control over the operation of the COG's including budgeting, appropriating, contracting, and designating management.

Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. The City of Fairview Park did not make any contributions to S.A.F.E. in 2018.

West Shore Area Rescue Association

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

Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. The City of Fairview Park made a \$300 contribution to WESHARE in 2018.

NOTE 20: SIGNIFICANT COMMITMENTS

Encumbrances

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

Governmental Funds:		
General	\$	78,659
Recreation		34,200
Other Governmental Funds		722,127
Proprietary Fund:		
Sewer Fund		3,404,847
Total Encumbrances	\$	<u>4,239,833</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

Contractual Commitments

At December 31, 2018, the City's significant commitments consisted of:

	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
Grannis Park Improvements	\$ 180,392	\$ 180,065	\$ 327
IT Phase I Upgrades	30,440	27,906	2,534
Senior Center Roof	467,444	149,899	317,545
2018 Street Program	814,180	787,171	27,009
	<u>\$ 1,492,456</u>	<u>\$ 1,145,041</u>	<u>\$ 347,415</u>

Remaining commitments were encumbered at year-end.

NOTE 21: ACCOUNTABILITY

As of December 31, 2018, the Police and Fire Pension and Solid Waste Special Revenue funds had deficits of \$28,428 and \$80,858, respectively. This was due to the recording of accruals. The General Fund is liable for any deficits in these funds and provides transfers when cash is required, rather than when accruals occur.

NOTE 22: SUBSEQUENT EVENTS

On February 21, 2019, the City issued building improvement notes in the amount of \$1,250,000 with an interest rate of 3%, maturing on February 20, 2020. The notes are issued to help fund the Gemini roof replacement project.

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 23: FUND BALANCES

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

Fund Balances	General	Recreation	Other Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>				
Prepaid Items	\$ 265,041	\$ 27,067	\$ 22,021	\$ 314,129
Inventories	3,481	-	26,136	29,617
<i>Total Nonspendable</i>	<u>268,522</u>	<u>27,067</u>	<u>48,157</u>	<u>343,746</u>
<i>Restricted for</i>				
Road Improvements	-	-	202,857	202,857
Law Enforcement	-	-	116,665	116,665
Construction and Improvement of City Facilities	-	-	1,562,402	1,562,402
Fire Operations	-	-	106,254	106,254
Street Lighting	-	-	82,331	82,331
Waterline repairs	-	-	53,637	53,637
Lorain Road Revitalization	-	-	603,243	603,243
Cable Television Services	-	-	1,185,259	1,185,259
Senior Center Construction	-	-	2,082	2,082
Debt Service Payments	-	-	176	176
<i>Total Restricted</i>	<u>-</u>	<u>-</u>	<u>3,914,906</u>	<u>3,914,906</u>
<i>Committed to</i>				
Recreation Programs	-	1,665,168	-	1,665,168
Emergency Medical Services	-	-	116,665	116,665
Bain Park Restoration	-	-	89,582	89,582
Sidewalk Improvements	-	-	4,924	4,924
<i>Total Committed</i>	<u>-</u>	<u>1,665,168</u>	<u>211,171</u>	<u>1,876,339</u>
<i>Assigned to</i>				
Purchases on Order:				
City Administration	27,641	-	-	27,641
Police and Fire Department	12,644	-	-	12,644
Road Improvements	36,817	-	-	36,817
Building Department	458	-	-	458
Bain Park	1,099	-	-	1,099
<i>Total Assigned</i>	<u>78,659</u>	<u>-</u>	<u>-</u>	<u>78,659</u>
<i>Unassigned (Deficit)</i>	3,227,698	-	(109,286)	3,118,412
Total Fund Balances	<u><u>\$ 3,574,879</u></u>	<u><u>\$ 1,692,235</u></u>	<u><u>\$ 4,064,948</u></u>	<u><u>\$ 9,332,062</u></u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM – TRADITIONAL PLAN
 LAST FIVE YEARS (1)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability	0.027785%	0.028237%	0.028058%	0.028490%	0.028490%
City's Proportionate Share of the Net Pension Liability	\$ 4,358,928	\$ 6,412,143	\$ 4,859,999	\$ 3,436,213	\$ 3,358,600
City's Covered Payroll	\$ 3,672,431	\$ 3,650,158	\$ 3,492,108	\$ 3,492,908	\$ 3,413,354
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	118.69%	175.67%	139.17%	98.38%	98.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 OHIO POLICE AND FIRE PENSION FUND
 LAST FIVE YEARS (1)**

	<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>
City's Proportion of the Net Pension Liability	0.197303%		0.196067%		0.206141%		0.207288%		0.207288%
City's Proportionate Share of the Net Pension Liability	\$ 12,109,368	\$	12,418,658	\$	13,261,195	\$	10,738,398	\$	10,095,590
City's Covered Payroll	\$ 4,310,347	\$	4,203,443	\$	4,165,581	\$	4,184,145	\$	4,025,131
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	280.94%		295.44%		318.35%		256.64%		250.81%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%		68.36%		66.77%		71.71%		73.00%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CITY CONTRIBUTIONS - PENSION
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM – TRADITIONAL PLAN
 LAST SIX YEARS (1)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contributions	\$ 522,247	\$ 477,416	\$ 438,019	\$ 419,053	\$ 419,149	\$ 443,736
Contributions in Relation to the Contractually Required Contribution	<u>\$ (522,247)</u>	<u>\$ (477,416)</u>	<u>\$ (438,019)</u>	<u>\$ (419,053)</u>	<u>\$ (419,149)</u>	<u>\$ (443,736)</u>
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 3,730,336	\$ 3,672,431	\$ 3,650,158	\$ 3,492,108	\$ 3,492,908	\$ 3,413,354
Pension Contributions as a Percentage of Covered Payroll	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CITY CONTRIBUTIONS – PENSION
 OHIO POLICE AND FIRE PENSION FUND
 LAST TEN YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contributions	\$ 938,627	\$ 912,757	\$ 892,331	\$ 883,088
Contributions in Relation to the Contractually Required Contribution	<u>\$ (938,627)</u>	<u>\$ (912,757)</u>	<u>\$ (892,331)</u>	<u>\$ (883,088)</u>
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 4,428,875	\$ 4,310,347	\$ 4,203,443	\$ 4,165,581
Contributions as a Percentage of Covered-Employee Payroll	21.19%	21.18%	21.23%	21.20%

See accompanying notes to the required supplementary information

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 867,487	\$ 727,663	\$ 628,072	\$ 610,940	\$ 661,196	\$ 619,230
<u>\$ (867,487)</u>	<u>\$ (727,663)</u>	<u>\$ (628,072)</u>	<u>\$ (610,940)</u>	<u>\$ (661,196)</u>	<u>\$ (619,230)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,184,145	\$ 4,025,131	\$ 4,205,701	\$ 4,065,045	\$ 4,395,555	\$ 4,132,082
21.24%	18.08%	14.93%	15.03%	15.04%	14.99%

CITY OF
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**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST TWO YEARS (1)**

	2018	2017
City's Proportion of the Net OPEB Liability	0.027160%	0.027570%
City's Proportionate Share of the Net OPEB Liability	\$ 2,949,376	\$ 2,784,664
City's Covered Payroll	\$ 3,847,733	\$ 3,810,666
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	76.65%	73.08%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.04%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 OHIO POLICE AND FIRE PENSION FUND
 LAST TWO YEARS (1)**

	2018	2017
City's Proportion of the Net OPEB Liability	0.197303%	0.196067%
City's Proportionate Share of the Net OPEB Liability	\$ 11,178,904	\$ 9,307,002
City's Covered Payroll	\$ 4,310,347	\$ 4,203,443
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	259.35%	221.41%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.13%	15.96%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CITY CONTRIBUTIONS - OPEB
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST FOUR YEARS (1)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 6,422	\$ 43,563	\$ 79,192	\$ 71,970
Contributions in Relation to the Contractually Required Contribution	<u>(6,422)</u>	<u>(43,563)</u>	<u>(79,192)</u>	<u>(71,970)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 3,897,579	\$ 3,847,733	\$ 3,810,666	\$ 3,789,838
Contributions as a Percentage of Covered Payroll	0.16%	1.13%	2.08%	1.90%

(1) Information prior to 2015 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

See accompanying notes to the required supplementary information

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CITY CONTRIBUTIONS – OPEB
 OHIO POLICE AND FIRE PENSION FUND
 LAST TEN YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 22,114	\$ 21,552	\$ 21,018	\$ 20,828
Contributions in Relation to the Contractually Required Contribution	<u>(22,114)</u>	<u>(21,552)</u>	<u>(21,018)</u>	<u>(20,828)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 4,428,875	\$ 4,310,347	\$ 4,203,443	\$ 4,165,581
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%

See accompanying notes to the required supplementary information

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 20,419	\$ 141,652	\$ 283,885	\$ 274,390	\$ 296,700	\$ 278,915
<u>(20,419)</u>	<u>(141,652)</u>	<u>(283,885)</u>	<u>(274,390)</u>	<u>(296,700)</u>	<u>(278,915)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,184,145	\$ 4,025,131	\$ 4,205,701	\$ 4,065,045	\$ 4,395,555	\$ 4,132,082
0.50%	3.62%	6.75%	6.75%	6.75%	6.75%

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018.

Changes in assumptions: For 2018, the single discount rate changed from 4.23 percent to 3.85 percent

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the investment rate of return was reduced from 8.25 percent to 8.00 percent (b) the projected salary increases was reduced from 4.25% to 3.75% (c) the payroll increases was reduced from 3.75% to 3.25% (d) the inflation assumptions was reduced from 3.25% to 2.75% (e) the cost of living adjustments was reduced from 2.60% to 2.20% (f) rates of withdrawal, disability and service retirement were updated to reflect recent experience (g) mortality rates were updated to the RP-2014 Total Employee and Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2016 (h) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2016.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018.

Changes in assumptions: For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

CITY OF
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Combining Statements and Individual Fund Schedules

Fund Descriptions - Nonmajor Governmental and Enterprise Funds

Nonmajor Special Revenue Funds

To account for and report the proceeds of specific revenue sources that are restricted, committed or nonspendable to expenditures for specific purposes other than debt services or capital projects.

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

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

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

Street Lighting Fund - To account for and report the revenues of restricted special assessment monies levied for the providing of street lighting of City roads.

Solid Waste Fund - To account for and report the revenues of restricted special assessment monies levied for waste management.

Fire Operating Levy Fund - To account for and report the property taxes collected restricted to pay salaries and fringe benefits of the fire department.

Safe Routes to School Fund - To account for and report revenues restricted for the improvement of sidewalk and vehicular traffic conditions around the City's school sites in order to promote walking and biking for students living in proximity to the schools. This fund did not have any budgetary activity in 2018, therefore, budgetary information is not provided.

Federal Grants Fund - To account for and report restricted revenues and expenditures of grant funds received from the various Federal Sources in accordance with the covenants and restrictions of the grant agreements.

Waterline Repair Fund - To account for and report costs and subsequent reimbursements restricted for street repairs made by the City as a result of waterline repairs made by the City of Cleveland.

Fairview Park Sidewalk Fund - To account for and report the transfer of general fund monies committed to be used in the improvement of City sidewalks. This fund did not have any budgetary activity in 2018, therefore, budgetary information is not provided.

Bain Park Restoration Fund - To account for and report rental income and donations committed to be used in Bain Cabin.

Law Enforcement Trust Fund - To account for and report funds seized in the commitment of a felony and awarded to the City of Fairview Park restricted for purchases of capital equipment for use in the Police Department.

(continued)

Fund Descriptions - Nonmajor Governmental and Enterprise Funds (continued)

Nonmajor Special Revenue Funds (continued)

D.U.I. Education Fund - To account for and report grants received from Federal Government, State of Ohio, or Cuyahoga County, and restricted for Driving Under Influence (D.U.I.) education and equipment used in D.U.I. enforcement.

Police on Patrol Arresting Speeders Fund - To account for and report monies received from traffic violations issued by Auxiliary Police and impound fees from motor vehicles. These funds are restricted for the purchases of police equipment and other police related expenditures.

Cable TV Franchise Fee Fund - To account for and report franchise fees received from the cable franchises restricted for expenditures allowed by City Council, and debt proceeds for expenditures for principal and interest.

Juvenile Diversion Fund - To account for and report monies received and expenditures restricted for a community-based program to sanction and assist certain juvenile misdemeanor and unruly offenders.

D.A.R.E. Fund - To account for and report donations and Federal Grants received and expenditures restricted for drug education. This fund did not have any budgetary activity in 2018, therefore, budgetary information is not provided.

Emergency Medical System Fund - To account for and report ambulance service fees committed for Fire Department equipment.

Nonmajor Debt Service Fund

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

General Obligation Bond Retirement Fund - To account for and report property taxes restricted for the payment of principal and interest and fiscal charges on general obligation debt. This fund did not have any budgetary activity in 2018, therefore, budgetary information is not provided.

(continued)

Fund Descriptions - Nonmajor Governmental and Enterprise Funds (continued)

Nonmajor Capital Projects Funds

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

Recreation Construction Fund - To account for and report revenues from recreation programs restricted for constructing and furnishing the new recreation center and facility.

Permanent Improvement Fund - To account for and report the receipt of property taxes and borrowing restricted for capital equipment.

Lorain Road Revitalization Fund - To account for and report loan proceeds restricted for the purchase of property in the revitalization project.

Senior Center Construction Fund - To account for bond proceeds restricted for the construction of a new senior center. This fund did not have any budgetary activity in 2018, therefore, budgetary information is not provided.

Capital Improvements Fund - To account for and report a portion of the income tax collection, restricted for street construction projects within the City and repayment on related bonded debt.

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 1,858,811	\$ 176	\$ 2,096,084	\$ 3,955,071
Materials and Supplies Inventory	26,136	-	-	26,136
Accounts Receivable	206,458	-	-	206,458
Intergovernmental Receivable	410,739	-	185,808	596,547
Prepaid Items	22,021	-	-	22,021
Income Taxes Receivable	-	-	500,834	500,834
Property Taxes Receivable	519,867	-	344,470	864,337
Special Assessments Receivable	336,529	-	-	336,529
Assets Held for Resale	-	-	306,757	306,757
Total Assets	\$ 3,380,561	\$ 176	\$ 3,433,953	\$ 6,814,690
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 118,201	\$ -	\$ 15,942	\$ 134,143
Accrued Wages and Benefits	24,464	-	-	24,464
Contracts Payable	-	-	95,953	95,953
Intergovernmental Payable	78,766	-	-	78,766
Retainage Payable	-	-	32,567	32,567
Interfund Payable	80,000	-	-	80,000
Unearned Revenue	-	-	300,000	300,000
Total Liabilities	301,431	-	444,462	745,893
Deferred Inflows of Resources:				
Property Taxes	508,018	-	336,652	844,670
Unavailable Revenue - Delinquent Property Taxes	11,849	-	7,818	19,667
Unavailable Revenue - Income Taxes	-	-	299,907	299,907
Unavailable Revenue - Other	662,218	-	177,387	839,605
Total Deferred Inflows of Resources	1,182,085	-	821,764	2,003,849
Fund Balances:				
Nonspendable	48,157	-	-	48,157
Restricted	1,747,003	176	2,167,727	3,914,906
Committed	211,171	-	-	211,171
Unassigned	(109,286)	-	-	(109,286)
Total Fund Balances	1,897,045	176	2,167,727	4,064,948
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,380,561	\$ 176	\$ 3,433,953	\$ 6,814,690

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Property Taxes	\$ 485,922	\$ -	\$ 299,276	\$ 785,198
Income Taxes	-	-	1,213,964	1,213,964
Franchise Taxes	288,482	-	-	288,482
Intergovernmental	863,266	-	582,950	1,446,216
Interest	5,084	-	-	5,084
Fees, Licenses, and Permits	83,760	-	-	83,760
Rentals	15,750	-	-	15,750
Charges for Services	361,565	-	60,000	421,565
Contributions and Donations	-	-	8,206	8,206
Special Assessments	1,041,918	-	-	1,041,918
All Other Revenues	46,591	-	15,404	61,995
Total Revenues	3,192,338	-	2,179,800	5,372,138
EXPENDITURES				
Current:				
Security of Persons and Property	2,060,441	-	-	2,060,441
Leisure Time Activities	3,760	-	-	3,760
Basic Utility Services	764,215	-	-	764,215
Transportation	704,481	-	-	704,481
General Government	7,307	-	6,841	14,148
Capital Outlay	-	-	2,540,447	2,540,447
Debt Service:				
Principal Retirement	-	-	342,243	342,243
Interest and Fiscal Charges	-	-	29,654	29,654
Total Expenditures	3,540,204	-	2,919,185	6,459,389
Excess of Revenues Over (Under) Expenditures	(347,866)	-	(739,385)	(1,087,251)
OTHER FINANCING SOURCES				
Sale of Capital Assets	-	-	7,300	7,300
Inception of Capital Lease	-	-	718,531	718,531
Transfers In	748,600	-	335,000	1,083,600
Transfers Out	(235,000)	-	-	(235,000)
Total Other Financing Sources	513,600	-	1,060,831	1,574,431
Net Change in Fund Balances	165,734	-	321,446	487,180
Fund Balances - Beginning of Year	1,731,311	176	1,846,281	3,577,768
Fund Balances - End of Year	\$ 1,897,045	\$ 176	\$ 2,167,727	\$ 4,064,948

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2018**

	<u>Street Construction, Maintenance and Repair</u>	<u>State Highway</u>	<u>Police and Fire Pension</u>
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 79,277	\$ 27,231	\$ 40,312
Materials and Supplies Inventory	-	26,136	-
Accounts Receivable	-	-	-
Intergovernmental Receivable	300,552	24,352	14,984
Prepaid Items	10,910	-	-
Property Taxes Receivable	-	-	237,568
Special Assessments Receivable	-	-	-
Total Assets	<u>\$ 390,739</u>	<u>\$ 77,719</u>	<u>\$ 292,864</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Wages and Benefits	10,076	-	-
Intergovernmental Payable	6,518	-	68,740
Interfund Payable	-	-	-
Total Liabilities	<u>16,594</u>	<u>-</u>	<u>68,740</u>
Deferred Inflows of Resources:			
Property Taxes	-	-	232,176
Unavailable Revenue - Delinquent Property Taxes	-	-	5,392
Unavailable Revenue - Other	196,064	15,897	14,984
Total Deferred Inflows of Resources	<u>196,064</u>	<u>15,897</u>	<u>252,552</u>
Fund Balances:			
Nonspendable	10,910	26,136	-
Restricted	167,171	35,686	-
Committed	-	-	-
Unassigned	-	-	(28,428)
Total Fund Balances (Deficits)	<u>178,081</u>	<u>61,822</u>	<u>(28,428)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 390,739</u>	<u>\$ 77,719</u>	<u>\$ 292,864</u>

<u>Street Lighting</u>	<u>Solid Waste</u>	<u>Fire Operating Levy</u>	<u>Safe Routes to School</u>	<u>Federal Grants</u>	<u>Waterline Repair</u>	<u>Fairview Park Sidewalk</u>
\$ 103,944	\$ 930	\$ 113,274	\$ 1	\$ 45,201	\$ 53,637	\$ 4,924
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	21,141	-	49,600	-	-
-	-	5,600	-	-	-	-
-	-	282,299	-	-	-	-
309,669	26,860	-	-	-	-	-
<u>\$ 413,613</u>	<u>\$ 27,790</u>	<u>\$ 422,314</u>	<u>\$ 1</u>	<u>\$ 94,801</u>	<u>\$ 53,637</u>	<u>\$ 4,924</u>
\$ 21,613	\$ 81,788	\$ -	\$ -	\$ 14,800	\$ -	\$ -
-	-	7,286	-	-	-	-
-	-	1,820	-	-	-	-
-	-	-	-	80,000	-	-
<u>21,613</u>	<u>81,788</u>	<u>9,106</u>	<u>-</u>	<u>94,800</u>	<u>-</u>	<u>-</u>
-	-	275,842	-	-	-	-
-	-	6,457	-	-	-	-
309,669	26,860	19,055	-	-	-	-
<u>309,669</u>	<u>26,860</u>	<u>301,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	5,600	-	-	-	-
82,331	-	106,254	1	1	53,637	-
-	-	-	-	-	-	4,924
-	(80,858)	-	-	-	-	-
<u>82,331</u>	<u>(80,858)</u>	<u>111,854</u>	<u>1</u>	<u>1</u>	<u>53,637</u>	<u>4,924</u>
<u>\$ 413,613</u>	<u>\$ 27,790</u>	<u>\$ 422,314</u>	<u>\$ 1</u>	<u>\$ 94,801</u>	<u>\$ 53,637</u>	<u>\$ 4,924</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2018
 (CONTINUED)**

	Bain Park Restoration	Law Enforcement Trust	D.U.I. Education	Police on Patrol Arresting Speeders
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 89,582	\$ 36,816	\$ 12,889	\$ 51,214
Materials and Supplies Inventory	-	-	-	-
Accounts Receivable	-	-	-	2,280
Intergovernmental Receivable	-	-	-	-
Prepaid Items	-	-	-	-
Property Taxes Receivable	-	-	-	-
Special Assessments Receivable	-	-	-	-
Total Assets	\$ 89,582	\$ 36,816	\$ 12,889	\$ 53,494
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	-	756
Intergovernmental Payable	-	-	-	147
Interfund Payable	-	-	-	-
Total Liabilities	-	-	-	903
Deferred Inflows of Resources:				
Property Taxes	-	-	-	-
Unavailable Revenue - Delinquent Property Taxes	-	-	-	-
Unavailable Revenue - Other	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	36,816	12,889	52,591
Committed	89,582	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	89,582	36,816	12,889	52,591
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 89,582	\$ 36,816	\$ 12,889	\$ 53,494

Cable TV Franchise Fee	Juvenile Diversion	D.A.R.E	Emergency Medical System	Total Nonmajor Special Revenue Funds
\$ 1,114,516	\$ 13,553	\$ 814	\$ 70,696	\$ 1,858,811
-	-	-	-	26,136
70,743	-	-	133,435	206,458
-	-	-	110	410,739
-	-	-	5,511	22,021
-	-	-	-	519,867
-	-	-	-	336,529
<u>\$ 1,185,259</u>	<u>\$ 13,553</u>	<u>\$ 814</u>	<u>\$ 209,752</u>	<u>\$ 3,380,561</u>
\$ -	\$ -	\$ -	\$ -	\$ 118,201
-	-	-	6,346	24,464
-	-	-	1,541	78,766
-	-	-	-	80,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,887</u>	<u>301,431</u>
-	-	-	-	508,018
-	-	-	-	11,849
-	-	-	79,689	662,218
<u>-</u>	<u>-</u>	<u>-</u>	<u>79,689</u>	<u>1,182,085</u>
-	-	-	5,511	48,157
1,185,259	13,553	814	-	1,747,003
-	-	-	116,665	211,171
-	-	-	-	(109,286)
<u>1,185,259</u>	<u>13,553</u>	<u>814</u>	<u>122,176</u>	<u>1,897,045</u>
<u>\$ 1,185,259</u>	<u>\$ 13,553</u>	<u>\$ 814</u>	<u>\$ 209,752</u>	<u>\$ 3,380,561</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Street Construction, Maintenance and Repair	State Highway	Police and Fire Pension
REVENUES			
Property Taxes	\$ -	\$ -	\$ 206,382
Franchise Taxes	-	-	-
Intergovernmental	689,669	55,920	29,968
Interest	4,116	968	-
Fees, Licenses, and Permits	-	-	-
Rentals	-	-	-
Charges for Services	-	-	-
Special Assessments	-	-	-
All Other Revenues	7,873	-	-
Total Revenues	701,658	56,888	236,350
EXPENDITURES			
Current:			
Security of Persons and Property	-	-	956,766
Leisure Time Activities	-	-	-
Basic Utility Services	-	-	-
Transportation	656,086	48,395	-
General Government	-	-	-
Total Expenditures	656,086	48,395	956,766
Excess of Revenues Over (Under) Expenditures	45,572	8,493	(720,416)
OTHER FINANCING SOURCES (USES)			
Transfer In	-	-	748,600
Transfer Out	-	-	-
Total Other Financing Sources (Uses)	-	-	748,600
Net Change in Fund Balances	45,572	8,493	28,184
Fund Balances (Deficits) - Beginning of Year	132,509	53,329	(56,612)
Fund Balances (Deficits)- End of Year	\$ 178,081	\$ 61,822	\$ (28,428)

<u>Street Lighting</u>	<u>Solid Waste</u>	<u>Fire Operating Levy</u>	<u>Safe Routes to School</u>	<u>Federal Grants</u>	<u>Waterline Repair</u>	<u>Fairview Park Sidewalk</u>
\$ -	\$ -	\$ 279,540	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	38,109	-	49,600	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
304,366	737,552	-	-	-	-	-
-	-	5,430	-	-	20,952	-
<u>304,366</u>	<u>737,552</u>	<u>323,079</u>	<u>-</u>	<u>49,600</u>	<u>20,952</u>	<u>-</u>
268,363	-	322,146	-	49,600	-	-
-	-	-	-	-	-	-
-	764,215	-	-	-	-	-
-	-	-	-	-	-	-
-	7,307	-	-	-	-	-
<u>268,363</u>	<u>771,522</u>	<u>322,146</u>	<u>-</u>	<u>49,600</u>	<u>-</u>	<u>-</u>
<u>36,003</u>	<u>(33,970)</u>	<u>933</u>	<u>-</u>	<u>-</u>	<u>20,952</u>	<u>-</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>36,003</u>	<u>(33,970)</u>	<u>933</u>	<u>-</u>	<u>-</u>	<u>20,952</u>	<u>-</u>
46,328	(46,888)	110,921	1	1	32,685	4,924
<u>\$ 82,331</u>	<u>\$ (80,858)</u>	<u>\$ 111,854</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 53,637</u>	<u>\$ 4,924</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

	Bain Park Restoration	Law Enforcement Trust	D.U.I. Education	Police on Patrol Arresting Speeders
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Franchise Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Interest	-	-	-	-
Fees, Licenses, and Permits	-	10,840	2,138	70,782
Rentals	15,750	-	-	-
Charges for Services	-	-	-	-
Special Assessments	-	-	-	-
All Other Revenues	-	-	-	-
Total Revenues	<u>15,750</u>	<u>10,840</u>	<u>2,138</u>	<u>70,782</u>
EXPENDITURES				
Current:				
Security of Persons and Property	-	5,677	2,954	80,489
Leisure Time Activities	3,760	-	-	-
Basic Utility Services	-	-	-	-
Transportation	-	-	-	-
General Government	-	-	-	-
Total Expenditures	<u>3,760</u>	<u>5,677</u>	<u>2,954</u>	<u>80,489</u>
Excess of Revenues Over (Under) Expenditures	<u>11,990</u>	<u>5,163</u>	<u>(816)</u>	<u>(9,707)</u>
OTHER FINANCING SOURCES (USES)				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	11,990	5,163	(816)	(9,707)
Fund Balances (Deficits) - Beginning of Year	77,592	31,653	13,705	62,298
Fund Balances (Deficits)- End of Year	<u>\$ 89,582</u>	<u>\$ 36,816</u>	<u>\$ 12,889</u>	<u>\$ 52,591</u>

Cable TV Franchise Fee	Juvenile Diversion	D.A.R.E	Emergency Medical System	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 485,922
288,482	-	-	-	288,482
-	-	-	-	863,266
-	-	-	-	5,084
-	-	-	-	83,760
-	-	-	-	15,750
-	-	-	361,565	361,565
-	-	-	-	1,041,918
-	8,400	-	3,936	46,591
<u>288,482</u>	<u>8,400</u>	<u>-</u>	<u>365,501</u>	<u>3,192,338</u>
-	628	-	373,818	2,060,441
-	-	-	-	3,760
-	-	-	-	764,215
-	-	-	-	704,481
-	-	-	-	7,307
<u>-</u>	<u>628</u>	<u>-</u>	<u>373,818</u>	<u>3,540,204</u>
<u>288,482</u>	<u>7,772</u>	<u>-</u>	<u>(8,317)</u>	<u>(347,866)</u>
-	-	-	-	748,600
(235,000)	-	-	-	(235,000)
(235,000)	-	-	-	513,600
53,482	7,772	-	(8,317)	165,734
<u>1,131,777</u>	<u>5,781</u>	<u>814</u>	<u>130,493</u>	<u>1,731,311</u>
<u>\$ 1,185,259</u>	<u>\$ 13,553</u>	<u>\$ 814</u>	<u>\$ 122,176</u>	<u>\$ 1,897,045</u>

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2018**

	Recreation Construction	Permanent Improvement	Lorain Road Revitalization	Senior Center Construction	Capital Improvements	Total Nonmajor Capital Projects Funds
ASSETS						
Equity in Pooled Cash and Cash Equivalents	\$ 495,186	\$ 520,685	\$ 296,486	\$ 2,082	\$ 781,645	\$ 2,096,084
Intergovernmental Receivable	-	185,808	-	-	-	185,808
Income Taxes Receivable	-	-	-	-	500,834	500,834
Property Taxes Receivable	-	344,470	-	-	-	344,470
Assets Held for Resale	-	-	306,757	-	-	306,757
Total Assets	\$ 495,186	\$ 1,050,963	\$ 603,243	\$ 2,082	\$ 1,282,479	\$ 3,433,953
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ -	\$ 12,805	\$ -	\$ -	\$ 3,137	\$ 15,942
Contracts Payable	-	-	-	-	95,953	95,953
Retainage Payable	-	-	-	-	32,567	32,567
Unearned Revenue	300,000	-	-	-	-	300,000
Total Liabilities	300,000	12,805	-	-	131,657	444,462
Deferred Inflows of Resources:						
Property Taxes	-	336,652	-	-	-	336,652
Unavailable Revenue - Delinquent Property Taxes	-	7,818	-	-	-	7,818
Unavailable Revenue - Income Taxes	-	-	-	-	299,907	299,907
Unavailable Revenue - Other	-	177,387	-	-	-	177,387
Total Deferred Inflows of Resources	-	521,857	-	-	299,907	821,764
Fund Balances:						
Restricted	195,186	516,301	603,243	2,082	850,915	2,167,727
Total Fund Balances	195,186	516,301	603,243	2,082	850,915	2,167,727
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 495,186	\$ 1,050,963	\$ 603,243	\$ 2,082	\$ 1,282,479	\$ 3,433,953

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Recreation Construction</u>	<u>Permanent Improvement</u>	<u>Lorain Road Revitalization</u>	<u>Senior Center Construction</u>	<u>Capital Improvements</u>	<u>Total Nonmajor Capital Projects Funds</u>
REVENUES						
Property Taxes	\$ -	\$ 299,276	\$ -	\$ -	\$ -	\$ 299,276
Income Taxes	-	-	-	-	1,213,964	1,213,964
Intergovernmental	-	176,836	190,000	-	216,114	582,950
Charges for Services	60,000	-	-	-	-	60,000
Contributions and Donations	-	8,206	-	-	-	8,206
All Other Revenues	-	-	5,000	-	10,404	15,404
Total Revenues	<u>60,000</u>	<u>484,318</u>	<u>195,000</u>	<u>-</u>	<u>1,440,482</u>	<u>2,179,800</u>
EXPENDITURES						
Current:						
General Government	-	6,841	-	-	-	6,841
Capital Outlay	220,502	1,130,828	115,000	-	1,074,117	2,540,447
Debt Service:						
Principal Retirement	-	52,213	-	-	290,030	342,243
Interest and Fiscal Charges	-	7,585	-	-	22,069	29,654
Total Expenditures	<u>220,502</u>	<u>1,197,467</u>	<u>115,000</u>	<u>-</u>	<u>1,386,216</u>	<u>2,919,185</u>
Excess of Revenues (Under) Expenditures	<u>(160,502)</u>	<u>(713,149)</u>	<u>80,000</u>	<u>-</u>	<u>54,266</u>	<u>(739,385)</u>
OTHER FINANCING SOURCES						
Sale of Capital Assets	-	7,300	-	-	-	7,300
Inception of Capital Lease	-	718,531	-	-	-	718,531
Transfer In	-	335,000	-	-	-	335,000
Total Other Financing Sources	<u>-</u>	<u>1,060,831</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,060,831</u>
Net Change in Fund Balances	<u>(160,502)</u>	<u>347,682</u>	<u>80,000</u>	<u>-</u>	<u>54,266</u>	<u>321,446</u>
Fund Balances - Beginning of Year	<u>355,688</u>	<u>168,619</u>	<u>523,243</u>	<u>2,082</u>	<u>796,649</u>	<u>1,846,281</u>
Fund Balances - End of Year	<u>\$ 195,186</u>	<u>\$ 516,301</u>	<u>\$ 603,243</u>	<u>\$ 2,082</u>	<u>\$ 850,915</u>	<u>\$ 2,167,727</u>

Fund Descriptions - Fiduciary Funds

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

Agency Funds

Required Deposits Fund - This fund accounts for deposits made by citizens, contractors or vendors held by the City to ensure compliance with various City ordinances.

Senior Life Donations Fund - This fund accounts for donations to Senior Life Program from residents who utilize the senior center.

Building Assessment Fees Fund - This fund was established in accordance with Senate Bill 359 that states that all political subdivisions that collect fees for acceptance and approval of plans for commercial and industrial building must collect and remit monthly 3 percent of building permit fees collected each month to the State on behalf of the Ohio Board of Building Standards.

Special Hold Account Fund - This fund accounts for monies from Senior Life center, building department that is held by the City for specific purpose and to ensure compliance with City ordinances.

Employee Section M 125 Fund - This fund reflects resources that belong to the City employees to be used for medical expenses.

Survey/Sanitary and Storm Sewer Fund - This fund accounts for construction deposits associated with sanitary and storm sewer.

Cleveland Waterline Projects Fund - This fund accounts for monies from the City of Cleveland to be used for the design and construction of waterlines within the City.

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
<i>Required Deposits</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 17,953	\$ 35,528	\$ 27,925	\$ 25,556
Liabilities				
Deposits Held and Due to Others	\$ 17,953	\$ 35,528	\$ 27,925	\$ 25,556
<i>Senior Life Donations</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 20,054	\$ 2,523	\$ 7,910	\$ 14,667
Liabilities				
Accounts Payable	\$ 20,054	\$ 2,523	\$ 7,910	\$ 14,667
<i>Building Assessment Fees</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,878	\$ 4,028	\$ 4,012	\$ 1,894
Liabilities				
Intergovernmental Payable	\$ 1,878	\$ 4,028	\$ 4,012	\$ 1,894
<i>Special Hold Account</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 417,557	\$ 115,537	\$ 127,581	\$ 405,513
Liabilities				
Deposits Held and Due to Others	\$ 417,557	\$ 115,537	\$ 127,581	\$ 405,513

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
Employee Section M 125				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 2,638	\$ 8,592	\$ 7,311	\$ 3,919
Liabilities				
Deposits Held and Due to Others	\$ 2,638	\$ 8,592	\$ 7,311	\$ 3,919
Survey/Sanitary and Storm Sewer				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 4,899	\$ -	\$ -	\$ 4,899
Liabilities				
Deposits Held and Due to Others	\$ 4,899	\$ -	\$ -	\$ 4,899
Cleveland Waterline Projects				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 64,345	\$ 505,107	\$ 493,838	\$ 75,614
Liabilities				
Intergovernmental Payable	\$ 64,345	\$ 504,655	\$ 493,838	\$ 75,162
Due to General Fund	-	452	-	452
Total Liabilities	\$ 64,345	\$ 505,107	\$ 493,838	\$ 75,614
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 529,324	\$ 671,315	\$ 668,577	\$ 532,062
Liabilities				
Accounts Payable	\$ 20,054	\$ 2,523	\$ 7,910	\$ 14,667
Intergovernmental Payable	66,223	508,683	497,850	77,056
Deposits Held and Due to Others	443,047	159,657	162,817	439,887
Due to General Fund	-	452	-	452
Total Liabilities	\$ 529,324	\$ 671,315	\$ 668,577	\$ 532,062

***Individual Fund Schedules of
Revenues, Expenses/Expenditures, and
Changes in Fund Balance/Fund Equity
Budget (Non-GAAP Basis) and Actual***

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**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET (NON-GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 2,561,926	\$ 2,865,509	\$ 2,865,509	\$ -
Income Taxes	5,450,534	6,096,411	6,096,411	-
Intergovernmental	712,367	796,781	796,781	-
Interest	141,332	158,079	158,079	-
Licenses and Permits	372,594	416,746	416,746	-
Rentals	25,380	28,387	28,387	-
Charges for Services	11,253	12,587	12,587	-
Contributions and Donations	134	150	150	-
All Other Revenues	225,401	252,111	252,111	-
Total Revenues	9,500,921	10,626,761	10,626,761	-
Expenditures:				
Current:				
Security of Persons and Property				
Police				
Personal Services	2,894,865	2,884,865	2,878,303	6,562
Other	166,225	166,225	160,014	6,211
Total Police	3,061,090	3,051,090	3,038,317	12,773
Fire				
Personal Services	2,114,008	2,114,008	2,079,486	34,522
Other	49,409	49,846	40,442	9,404
Total Fire	2,163,417	2,163,854	2,119,928	43,926
Corrections				
Other	129,500	131,522	131,522	-
Total Corrections	129,500	131,522	131,522	-
Total Security of Persons and Property	5,354,007	5,346,466	5,289,767	56,699
Public Health				
Health				
Other	1,375	1,475	1,450	25
Total Public Health	1,375	1,475	1,450	25
Leisure Time Activities				
Parks and Recreation				
Other Expenses	17,185	20,275	17,774	2,501
Total Parks and Recreation	17,185	20,275	17,774	2,501
Home Day Celebration				
Personal Services	329,376	206,116	195,171	10,945
Other Expenses	34,777	39,367	37,605	1,762
Total Home Day Celebration	364,153	245,483	232,776	12,707
Leisure Time Activities				
Other	167	167	-	167
Total Leisure Time Activities	167	167	-	167
Total Leisure Time Activities	381,505	265,925	250,550	15,375

(continued)

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Final Budget Positive (Negative)
	Original	Final		
Community Environment				
Planning and Design Commission				
Other	3,213	3,562	3,137	425
Total Planning Commission	<u>3,213</u>	<u>3,562</u>	<u>3,137</u>	<u>425</u>
Building Standards				
Personal Services	351,285	354,335	348,903	5,432
Other	14,570	13,570	10,939	2,631
Total Building Standards	<u>365,855</u>	<u>367,905</u>	<u>359,842</u>	<u>8,063</u>
Total Community Environment	<u>369,068</u>	<u>371,467</u>	<u>362,979</u>	<u>8,488</u>
Basic Utility Services				
Recycling and Solid Waste Disposal				
Other Expenses	202,312	202,312	188,690	13,622
Total Recycling and Solid Waste Disposal	<u>202,312</u>	<u>202,312</u>	<u>188,690</u>	<u>13,622</u>
Total Basic Utility Services	<u>202,312</u>	<u>202,312</u>	<u>188,690</u>	<u>13,622</u>
Transportation				
Motor Vehicle Maintenance				
Personal Services	177,340	177,340	176,000	1,340
Other Expenses	222,879	248,079	240,708	7,371
Total Street Cleaning	<u>400,219</u>	<u>425,419</u>	<u>416,708</u>	<u>8,711</u>
Traffic Control				
Personal Services	178,689	178,689	177,019	1,670
Other Expenses	61,791	60,791	51,726	9,065
Total Traffic Control	<u>240,480</u>	<u>239,480</u>	<u>228,745</u>	<u>10,735</u>
Total Transportation	<u>640,699</u>	<u>664,899</u>	<u>645,453</u>	<u>19,446</u>
General Government				
Board of Appeals				
Other	1,060	1,260	1,060	200
Total Board of Appeals	<u>1,060</u>	<u>1,260</u>	<u>1,060</u>	<u>200</u>
Mayor's Office				
Personal Services	186,351	187,051	186,407	644
Other Expenses	13,289	14,739	12,788	1,951
Total Mayor's Office	<u>199,640</u>	<u>201,790</u>	<u>199,195</u>	<u>2,595</u>
Service Director				
Personal Services	398,679	398,679	395,621	3,058
Other Expenses	35,895	29,895	29,316	579
Total Service Director	<u>434,574</u>	<u>428,574</u>	<u>424,937</u>	<u>3,637</u>
Finance Department				
Personal Services	240,340	234,340	229,706	4,634
Other	223,680	253,680	233,211	20,469
Total Finance Department	<u>464,020</u>	<u>488,020</u>	<u>462,917</u>	<u>25,103</u>

(continued)

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET (NON-GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Legal Department				
Personal Services	145,419	146,619	145,912	707
Other	6,925	6,925	504	6,421
Total Legal Department	<u>152,344</u>	<u>153,544</u>	<u>146,416</u>	<u>7,128</u>
Engineering				
Other	39,059	39,059	38,738	321
Total Engineering	<u>39,059</u>	<u>39,059</u>	<u>38,738</u>	<u>321</u>
Municipal Lands and Building				
Personal Services	252,114	252,114	252,106	8
Other	229,093	233,693	228,014	5,679
Total Municipal Lands and Building	<u>481,207</u>	<u>485,807</u>	<u>480,120</u>	<u>5,687</u>
Civil Service				
Personal Services	1,420	1,420	1,343	77
Other	2,200	2,200	1,950	250
Total Civil Service	<u>3,620</u>	<u>3,620</u>	<u>3,293</u>	<u>327</u>
County and State Fees				
Personal Services	155,954	291,902	291,902	-
Other	174,323	174,973	174,971	2
Total County and State Fees	<u>330,277</u>	<u>466,875</u>	<u>466,873</u>	<u>2</u>
Legislative				
Personal Services	183,513	183,513	181,486	2,027
Other	16,485	16,485	9,480	7,005
Total Legislative	<u>199,998</u>	<u>199,998</u>	<u>190,966</u>	<u>9,032</u>
Other Administrative				
Other Expenses	207,818	401,268	385,990	15,278
Total Other General Government	<u>207,818</u>	<u>401,268</u>	<u>385,990</u>	<u>15,278</u>
Total General Government	<u>2,513,617</u>	<u>2,869,815</u>	<u>2,800,505</u>	<u>69,310</u>
Total Expenditures	<u>9,462,583</u>	<u>9,722,359</u>	<u>9,539,394</u>	<u>182,965</u>
Excess of Revenues Over (Under) Expenditures	38,338	904,402	1,087,367	182,965
Other Financing (Uses)				
Advances Out	(91,000)	(91,000)	(80,452)	10,548
Transfers Out	(850,000)	(850,000)	(848,600)	1,400
Total Other Financing (Uses)	<u>(941,000)</u>	<u>(941,000)</u>	<u>(929,052)</u>	<u>11,948</u>
Net Change in Fund Balance	(902,662)	(36,598)	158,315	194,913
Fund Balance - Beginning of Year	2,053,877	2,053,877	2,053,877	-
Prior Year Encumbrances Appropriated	99,144	99,144	99,144	-
Fund Balance - End of Year	<u>\$ 1,250,359</u>	<u>\$ 2,116,423</u>	<u>\$ 2,311,336</u>	<u>\$ 194,913</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 RECREATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 328,337	\$ 344,002	\$ 344,002	\$ -
Income Taxes	2,321,642	2,432,406	2,432,406	-
Intergovernmental	192,703	201,897	201,897	-
Rentals	173,876	182,172	182,172	-
Charges for Services	1,010,708	1,058,928	1,058,928	-
Contributions and Donations	13,500	14,144	14,144	-
All Other Revenues	26,521	27,786	27,786	-
Total Revenues	<u>4,067,287</u>	<u>4,261,335</u>	<u>4,261,335</u>	<u>-</u>
Expenditures:				
Current:				
Leisure Time Activities				
Personal Services	1,501,822	1,528,889	1,518,429	10,460
Other	1,574,160	1,614,706	1,546,931	67,775
Total Leisure Time Activities	<u>3,075,982</u>	<u>3,143,595</u>	<u>3,065,360</u>	<u>78,235</u>
Debt Service:				
Principal	812,346	775,000	775,000	-
Interest & Fiscal Charges	658,381	628,113	628,113	-
Total Debt Service	<u>1,470,727</u>	<u>1,403,113</u>	<u>1,403,113</u>	<u>-</u>
Total Expenditures	<u>4,546,709</u>	<u>4,546,708</u>	<u>4,468,473</u>	<u>78,235</u>
Net Change in Fund Balance	(479,422)	(285,373)	(207,138)	78,235
Fund Balance - Beginning of Year	1,213,211	1,213,211	1,213,211	-
Prior Year Encumbrances Appropriated	129,558	129,558	129,558	-
Fund Balance - End of Year	<u>\$ 863,347</u>	<u>\$ 1,057,396</u>	<u>\$ 1,135,631</u>	<u>\$ 78,235</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 SEWER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Charges for Services	\$ 3,387,193	\$ 2,188,725	\$ (1,198,468)
Tap-in Fees	4,327	2,796	(1,531)
Total Revenues	<u>3,391,520</u>	<u>2,191,521</u>	<u>(1,199,999)</u>
Expenses			
Current:			
Personal Services	381,041	377,539	3,502
Contractual Services	1,956,859	1,947,413	9,446
Materials and Supplies	51,555	42,700	8,855
Capital Outlay	4,038,928	3,307,992	730,936
Debt Service:			
Principal Retirement	207,259	207,256	3
Interest and Fiscal Charges	118,774	118,767	7
Total Expenses	<u>6,754,416</u>	<u>6,001,667</u>	<u>752,749</u>
Net Change in Fund Equity	(3,362,896)	(3,810,146)	(447,250)
Fund Equity - Beginning of Year	3,201,351	3,201,351	-
Prior Year Encumbrances Appropriated	610,356	610,356	-
Fund Equity - End of Year	<u>\$ 448,811</u>	<u>\$ 1,561</u>	<u>\$ (447,250)</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 STREET CONSTRUCTION, MAINTENANCE, AND REPAIR FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Variance with Final Budget Positive – Negative
	Final	Actual	
Revenues:			
Intergovernmental	\$ 689,471	\$ 689,471	\$ -
Interest	4,116	4,116	-
All Other Revenues	7,721	7,721	-
Total Revenues	<u>701,308</u>	<u>701,308</u>	<u>-</u>
Expenditures:			
Current:			
Transportation			
Personal Services	686,660	660,440	26,220
Other	20,000	10,000	10,000
Total Expenditures	<u>706,660</u>	<u>670,440</u>	<u>36,220</u>
Net Change in Fund Balance	(5,352)	30,868	36,220
Fund Balance - Beginning of Year	48,409	48,409	-
Fund Balance - End of Year	<u>\$ 43,057</u>	<u>\$ 79,277</u>	<u>\$ 36,220</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 STATE HIGHWAY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 55,903	\$ 55,903	\$ -
Interest	968	968	-
Total Revenues	<u>56,871</u>	<u>56,871</u>	<u>-</u>
Expenditures:			
Current:			
Transportation			
Other	70,999	67,496	3,503
Total Expenditures	<u>70,999</u>	<u>67,496</u>	<u>3,503</u>
Net Change in Fund Balance	(14,128)	(10,625)	3,503
Fund Balance - Beginning of Year	26,858	26,858	-
Prior Year Encumbrances Appropriated	10,998	10,998	-
Fund Balance - End of Year	<u>\$ 23,728</u>	<u>\$ 27,231</u>	<u>\$ 3,503</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 POLICE AND FIRE PENSION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 206,382	\$ 206,382	\$ -
Intergovernmental	29,968	29,968	-
Total Revenues	<u>236,350</u>	<u>236,350</u>	<u>-</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police and Others			
Personal Services	987,000	951,403	35,597
Other	3,600	3,596	4
Total Expenditures	<u>990,600</u>	<u>954,999</u>	<u>35,601</u>
Excess of Revenues Over (Under) Expenditures	(754,250)	(718,649)	35,601
Other Financing Sources			
Transfers In	748,600	748,600	-
Total Other Financing Sources	<u>748,600</u>	<u>748,600</u>	<u>-</u>
Net Change in Fund Balance	(5,650)	29,951	35,601
Fund Balance - Beginning of Year	10,361	10,361	-
Fund Balance - End of Year	<u>\$ 4,711</u>	<u>\$ 40,312</u>	<u>\$ 35,601</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 STREET LIGHTING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Special Assessments	\$ 304,366	\$ 304,366	\$ -
Total Revenues	<u>304,366</u>	<u>304,366</u>	<u>-</u>
Expenditures:			
Current:			
General Government			
Other	278,000	267,655	10,345
Total Expenditures	<u>278,000</u>	<u>267,655</u>	<u>10,345</u>
Net Change in Fund Balance	26,366	36,711	10,345
Fund Balance - Beginning of Year	67,233	67,233	-
Fund Balance - End of Year	<u>\$ 93,599</u>	<u>\$ 103,944</u>	<u>\$ 10,345</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 SOLID WASTE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Charges for Services	\$ 737,552	\$ 737,552	\$ -
Total Revenues	<u>737,552</u>	<u>737,552</u>	<u>-</u>
Expenditures:			
Current:			
General Government			
Other	7,310	7,307	3
Total General Government	<u>7,310</u>	<u>7,307</u>	<u>3</u>
Basic Utility Services			
Other	754,190	754,190	-
Total Basic Utility Services	<u>754,190</u>	<u>754,190</u>	<u>-</u>
Total Expenditures	<u>761,500</u>	<u>761,497</u>	<u>3</u>
Net Change in Fund Balance	(23,948)	(23,945)	3
Fund Balance - Beginning of Year	24,875	24,875	-
Fund Balance - End of Year	<u>\$ 927</u>	<u>\$ 930</u>	<u>\$ 3</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 FIRE OPERATING LEVY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 279,540	\$ 279,540	\$ -
Intergovernmental	38,109	38,109	-
All Other Revenues	5,325	5,325	-
Total Revenues	<u>322,974</u>	<u>322,974</u>	<u>-</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police and Others			
Personal Services	297,331	290,276	7,055
Other	46,613	40,530	6,083
Total Expenditures	<u>343,944</u>	<u>330,806</u>	<u>13,138</u>
Net Change in Fund Balance	(20,970)	(7,832)	13,138
Fund Balance - Beginning of Year	120,724	120,724	-
Prior Year Encumbrances Appropriated	312	312	-
Fund Balance - End of Year	<u>\$ 100,066</u>	<u>\$ 113,204</u>	<u>\$ 13,138</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 FEDERAL GRANTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Security of Persons and Property			
Police and Others			
Other	80,000	80,000	-
Total Expenditures	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Other Financing Sources			
Advances In	80,000	80,000	-
Total Other Financing Sources	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	1	1	-
Fund Balance - End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 WATERLINE REPAIR FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 20,952	\$ 20,952	\$ -
Total Revenues	<u>20,952</u>	<u>20,952</u>	<u>-</u>
Expenditures:			
Current:			
General Government			
Other	30,000	-	30,000
Total Expenditures	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Net Change in Fund Balance	(9,048)	20,952	30,000
Fund Balance - Beginning of Year	32,685	32,685	-
Fund Balance - End of Year	<u>\$ 23,637</u>	<u>\$ 53,637</u>	<u>\$ 30,000</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 BAIN PARK RESTORATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 59,045	\$ 59,045	\$ -
Rentals	15,900	15,900	-
Total Revenues	<u>74,945</u>	<u>74,945</u>	<u>-</u>
Expenditures:			
Current:			
Leisure Time Activities			
Other	19,460	3,760	15,700
Total Expenditures	<u>19,460</u>	<u>3,760</u>	<u>15,700</u>
Net Change in Fund Balance	55,485	71,185	15,700
Fund Balance - Beginning of Year	9,937	9,937	-
Prior Year Encumbrances Appropriated	8,460	8,460	-
Fund Balance - End of Year	<u>\$ 73,882</u>	<u>\$ 89,582</u>	<u>\$ 15,700</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 LAW ENFORCEMENT TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Variance with Final Budget Positive – (Negative)
	Final	Actual	
Revenues:			
Licenses and Permits	\$ 10,840	\$ 10,840	\$ -
Total Revenues	<u>10,840</u>	<u>10,840</u>	<u>-</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police and Others			
Other	11,450	5,677	5,773
Total Expenditures	<u>11,450</u>	<u>5,677</u>	<u>5,773</u>
Net Change in Fund Balance	(610)	5,163	5,773
Fund Balance - Beginning of Year	28,203	28,203	-
Prior Year Encumbrances Appropriated	3,450	3,450	-
Fund Balance - End of Year	<u>\$ 31,043</u>	<u>\$ 36,816</u>	<u>\$ 5,773</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 D.U.I. EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Licenses and Permits	\$ 2,338	\$ 2,338	\$ -
Total Revenues	<u>2,338</u>	<u>2,338</u>	<u>-</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police and Others			
Other	6,000	2,954	3,046
Total Expenditures	<u>6,000</u>	<u>2,954</u>	<u>3,046</u>
Net Change in Fund Balance	(3,662)	(616)	3,046
Fund Balance - Beginning of Year	13,505	13,505	-
Fund Balance - End of Year	<u>\$ 9,843</u>	<u>\$ 12,889</u>	<u>\$ 3,046</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 POLICE ON PATROL ARRESTING SPEEDERS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Fines	\$ 70,827	\$ 70,827	\$ -
Total Revenues	<u>70,827</u>	<u>70,827</u>	<u>-</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	77,817	48,868	28,949
Other	32,800	32,248	552
Total Expenditures	<u>110,617</u>	<u>81,116</u>	<u>29,501</u>
Net Change in Fund Balance	(39,790)	(10,289)	29,501
Fund Balance - Beginning of Year	61,344	61,344	-
Fund Balance - End of Year	<u>\$ 21,554</u>	<u>\$ 51,055</u>	<u>\$ 29,501</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 CABLE TV FRANCHISE FEE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other Taxes	\$ 292,473	\$ 292,473	\$ -
Total Revenues	<u>292,473</u>	<u>292,473</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>292,473</u>	<u>292,473</u>	<u>-</u>
Other Financing (Uses)			
Transfers Out	(235,000)	(235,000)	-
Total Other Financing (Uses)	<u>(235,000)</u>	<u>(235,000)</u>	<u>-</u>
Net Change in Fund Balance	57,473	57,473	-
Fund Balance - Beginning of Year	1,057,043	1,057,043	-
Fund Balance - End of Year	<u>\$ 1,114,516</u>	<u>\$ 1,114,516</u>	<u>\$ -</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 JUVENILE DIVERSION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 8,400	\$ 8,400	\$ -
Total Revenues	<u>8,400</u>	<u>8,400</u>	<u>-</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police and Others			
Personal Services	1,732	628	1,104
Other	200	-	200
Total Expenditures	<u>1,932</u>	<u>628</u>	<u>1,304</u>
Net Change in Fund Balance	6,468	7,772	1,304
Fund Balance - Beginning of Year	5,781	5,781	-
Fund Balance - End of Year	<u>\$ 12,249</u>	<u>\$ 13,553</u>	<u>\$ 1,304</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 EMERGENCY MEDICAL SYSTEM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Charges for Services	\$ 362,787	\$ 362,787	\$ -
All Other Revenues	3,860	3,860	-
Total Revenues	<u>366,647</u>	<u>366,647</u>	<u>-</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police and Others			
Personal Services	328,135	317,594	10,541
Other	87,700	65,859	21,841
Total Expenditures	<u>415,835</u>	<u>383,453</u>	<u>32,382</u>
Net Change in Fund Balance	(49,188)	(16,806)	32,382
Fund Balance - Beginning of Year	79,687	79,687	-
Prior Year Encumbrances Appropriated	2,700	2,700	-
Fund Balance - End of Year	<u>\$ 33,199</u>	<u>\$ 65,581</u>	<u>\$ 32,382</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 RECREATION CONSTRUCTION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Capital Outlay			
Other	<u>280,334</u>	<u>280,333</u>	<u>1</u>
Net Change in Fund Balance	(280,334)	(280,333)	1
Fund Balance - Beginning of Year	715,689	715,689	-
Prior Year Encumbrances Appropriated	<u>8,129</u>	<u>8,129</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 443,484</u></u>	<u><u>\$ 443,485</u></u>	<u><u>\$ 1</u></u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 PERMANENT IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 299,276	\$ 299,276	\$ -
Intergovernmental	168,415	168,415	-
Contributions and Donations	8,206	8,206	-
Total Revenues	475,897	475,897	-
Expenditures:			
Current:			
General Government			
Other	14,195	6,841	7,354
Total General Government	14,195	6,841	7,354
Capital Outlay			
Other	859,464	804,257	55,207
Total Capital Outlay	859,464	804,257	55,207
Debt Service:			
Principal	124,084	59,798	64,286
Total Debt Service	124,084	59,798	64,286
Total Expenditures	997,743	870,896	126,847
Excess of Revenues Over (Under) Expenditures	(521,846)	(394,999)	126,847
Other Financing Sources			
Sale of Capital Assets	7,300	7,300	-
Transfers In	335,000	335,000	-
Total Other Financing Sources	342,300	342,300	-
Net Change in Fund Balance	(179,546)	(52,699)	126,847
Fund Balance - Beginning of Year	152,914	152,914	-
Prior Year Encumbrances Appropriated	30,403	30,403	-
Fund Balance - End of Year	\$ 3,771	\$ 130,618	\$ 126,847

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 LORAIN ROAD REVITALIZATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Variance with Final Budget Positive – (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 190,000	\$ 190,000	\$ -
All Other Revenues	5,000	5,000	-
Total Revenues	<u>195,000</u>	<u>195,000</u>	<u>-</u>
Expenditures:			
Capital Outlay			
Other	200,000	165,000	35,000
Total Expenditures	<u>200,000</u>	<u>165,000</u>	<u>35,000</u>
Net Change in Fund Balance	(5,000)	30,000	35,000
Fund Balance - Beginning of Year	216,486	216,486	-
Fund Balance - End of Year	<u>\$ 211,486</u>	<u>\$ 246,486</u>	<u>\$ 35,000</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 CAPITAL IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Income Taxes	\$ 1,216,199	\$ 1,216,199	\$ -
Intergovernmental	266,114	266,114	-
All Other Revenues	10,404	10,404	-
Total Revenues	<u>1,492,717</u>	<u>1,492,717</u>	<u>-</u>
Expenditures:			
Capital Outlay			
Other	1,504,188	1,426,897	77,291
Total Capital Outlay	<u>1,504,188</u>	<u>1,426,897</u>	<u>77,291</u>
Debt Service:			
Principal	290,030	290,030	-
Interest & Fiscal Charges	22,069	22,069	-
Total Debt Service	<u>312,099</u>	<u>312,099</u>	<u>-</u>
Total Expenditures	<u>1,816,287</u>	<u>1,738,996</u>	<u>77,291</u>
Net Change in Fund Balance	(323,570)	(246,279)	77,291
Fund Balance - Beginning of Year	291,515	291,515	-
Prior Year Encumbrances Appropriated	430,303	430,303	-
Fund Balance - End of Year	<u>\$ 398,248</u>	<u>\$ 475,539</u>	<u>\$ 77,291</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY –
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 HEALTH INSURANCE RESERVE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Charges for Services	\$ 1,359,598	\$ 1,359,598	\$ -
Total Revenues	<u>1,359,598</u>	<u>1,359,598</u>	<u>-</u>
Expenses:			
Current:			
Contractual Services	1,270,936	1,265,239	5,697
Claims	85,373	84,990	383
Total Expenses	<u>1,356,309</u>	<u>1,350,229</u>	<u>6,080</u>
Net Change in Fund Equity	3,289	9,369	6,080
Fund Equity - Beginning of Year	201,796	201,796	-
Fund Equity - End of Year	<u>\$ 205,085</u>	<u>\$ 211,165</u>	<u>\$ 6,080</u>

CITY OF
FAIRVIEW PARK

A Great Place to Grow

Statistical Section

Statistical Section

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

Contents	Pages(s)
<i>Financial Trends</i>	S2 – S11
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	S12 – S19
These schedules contain information to help the reader assess the City’s most significant local revenues, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	S20 - S25
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	S26 – S29
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.	
<i>Operating Information</i>	S30 - S37
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

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

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
NET POSITION BY COMPONENT
LAST TEN YEARS
(Accrual Basis of Accounting)**

	2018	2017 (2)	2016	2015 (1)
Governmental Activities				
Net Investment in Capital Assets	\$23,022,489	\$22,531,465	\$22,031,755	\$22,367,626
Restricted:				
Capital Projects	2,638,496	2,199,938	2,269,234	1,588,795
Debt Service	0	0	0	0
Street Construction, Maintenance and Repair	305,080	263,331	351,529	339,189
State Highway	77,719	69,242	78,700	94,344
Street Lighting	392,000	355,673	265,018	167,062
Recreation	2,277,207	2,156,296	0	0
Police Programs	116,663	113,597	133,991	101,378
Fire Operating	190,903	192,681	214,416	194,347
Police and Fire Pensions	0	0	48,107	37,289
Solid Waste	0	0	0	409,335
Waterline Repairs	53,637	32,685	25,807	21,144
Cable TV	1,185,259	1,131,777	828,481	691,095
Unclaimed Monies	0	0	0	0
Other Purposes	94,684	82,694	2,689	2,707
Unrestricted	(23,987,646)	(22,799,232)	(7,976,275)	(6,750,355)
Total Governmental Activities Net Position	\$6,366,491	\$6,330,147	\$18,273,452	\$19,263,956
Business Type - Activities				
Net Investment in Capital Assets	\$11,768,180	\$11,852,986	\$11,587,605	\$12,040,360
Restricted:				
For Capital Assets	0	0	0	0
Unrestricted	6,701,881	6,819,334	6,536,098	5,567,833
Total Business-Type Activities Net Position	\$18,470,061	\$18,672,320	\$18,123,703	\$17,608,193
Primary Government				
Net Investment in Capital Assets	\$34,790,669	\$34,384,451	\$33,619,360	\$34,407,986
Restricted	7,331,648	6,597,914	4,217,972	3,646,685
Unrestricted	(17,285,765)	(15,979,898)	(1,440,177)	(1,182,522)
Total Primary Government Net Position	\$24,836,552	\$25,002,467	\$36,397,155	\$36,872,149

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

(2) The City reported the impact of GASB Statement No.75 beginning in 2017

2014	2013	2012	2011	2010	2009
\$21,750,920	\$22,115,990	\$22,797,010	\$24,708,718	\$26,270,731	\$27,891,765
1,740,765	1,743,868	1,644,615	1,600,172	1,829,248	1,823,311
176	176	176	0	0	0
326,805	334,592	347,530	334,582	518,659	617,968
75,007	60,905	116,483	117,282	132,053	214,680
207,685	227,856	230,719	70,350	115,606	367,274
0	0	0	0	0	0
54,526	125,684	74,861	76,332	321,606	289,899
154,998	0	0	0	0	0
98,489	0	0	0	0	0
495,834	0	0	0	0	0
47,776	0	0	0	0	0
599,080	0	0	0	0	0
0	0	0	0	320,000	250,000
2,707	752,825	107,061	503,529	489,387	300,213
(5,378,255)	7,820,356	5,847,938	3,630,657	1,962,807	1,602,047
<u>\$20,176,513</u>	<u>\$33,182,252</u>	<u>\$31,166,393</u>	<u>\$31,041,622</u>	<u>\$31,960,097</u>	<u>\$33,357,157</u>
\$12,262,495	\$11,937,085	\$12,142,014	\$12,167,063	\$12,409,791	\$12,674,769
0	0	0	0	54,517	157,004
5,097,438	5,324,288	4,672,529	4,521,136	4,290,646	4,075,831
<u>\$17,359,933</u>	<u>\$17,261,373</u>	<u>\$16,814,543</u>	<u>\$16,688,199</u>	<u>\$16,754,954</u>	<u>\$16,907,604</u>
\$34,013,415	\$34,053,075	\$34,939,024	\$36,875,781	\$38,680,522	\$40,566,534
3,803,848	3,245,906	2,521,445	2,702,247	3,781,076	4,020,349
(280,817)	13,144,644	10,520,467	8,151,793	6,253,453	5,677,878
<u>\$37,536,446</u>	<u>\$50,443,625</u>	<u>\$47,980,936</u>	<u>\$47,729,821</u>	<u>\$48,715,051</u>	<u>\$50,264,761</u>

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
CHANGES IN NET POSITION
LAST TEN YEARS
(Accrual Basis of Accounting)**

	2018	2017	2016	2015
Program Revenues				
Governmental Activities:				
Charges for Services and Operating Assessments:				
General Government	\$75,893	\$82,673	\$130,240	\$132,931
Security of Persons and Property	569,566	810,241	1,087,814	945,815
Transportation	310,956	311,199	232,214	15,454
Community Environment	212,414	213,853	15,509	16,653
Basic Utility Services	738,416	736,254	343,113	737,038
Leisure Time Activities	1,375,531	1,351,732	1,279,145	1,335,012
Public Health Services	0	0	61	30
Subtotal - Charges for Services	<u>3,282,776</u>	<u>3,505,952</u>	<u>3,088,096</u>	<u>3,182,933</u>
Operating Grants and Contributions:				
General Government	8,443	2,297	0	0
Security of Persons and Property	5,005	10,972	312,404	122,908
Transportation	795,121	764,177	537,852	747,294
Community Environment	353,541	538	0	0
Basic Utility Services	0	0	0	0
Leisure Time Activities	362,643	125,968	244,951	74,590
Subtotal - Operating Grants and Contributions	<u>1,524,753</u>	<u>903,952</u>	<u>1,095,207</u>	<u>944,792</u>
Capital Grants and Contributions:				
General Government	0	0	44,991	42,572
Security of Persons and Property	133,164	0	0	0
Transportation	146,769	372,500	252,611	397,032
Community Environment	0	50,000	0	0
Subtotal - Capital Grants and Contributions	<u>279,933</u>	<u>422,500</u>	<u>297,602</u>	<u>439,604</u>
<i>Total Governmental Activities Program Revenues</i>	<u>5,087,462</u>	<u>4,832,404</u>	<u>4,480,905</u>	<u>4,567,329</u>
Business-Type Activities:				
Charges for Services	2,211,646	2,592,552	2,260,448	2,145,416
Capital Grants and Contributions	152,524	314,731	0	4,189
<i>Total Business-Type Activities Program Revenues</i>	<u>2,364,170</u>	<u>2,907,283</u>	<u>2,260,448</u>	<u>2,149,605</u>
<i>Total Primary Government Program Revenues</i>	<u>\$7,451,632</u>	<u>\$7,739,687</u>	<u>\$6,741,353</u>	<u>\$6,716,934</u>

2014	2013	2012	2011	2010	2009
\$5,149	\$268,836	\$307,861	\$606,539	\$179,232	\$57,064
685,210	1,402,208	1,571,539	904,038	1,232,136	768,714
561	56,280	58,115	39,215	10,288	22,419
672	47,918	46,643	34,313	25,319	8,941
1,171,695	155,829	178,946	126,646	93,974	31,515
1,319,874	1,483,370	1,344,253	1,305,112	1,237,710	1,165,775
0	172	236	149	0	0
<u>3,183,161</u>	<u>3,414,613</u>	<u>3,507,593</u>	<u>3,016,012</u>	<u>2,778,659</u>	<u>2,054,428</u>
0	34,989	0	0	0	663
76,452	108,687	74,568	0	116,288	92,460
737,346	751,994	743,516	709,728	747,139	726,985
0	0	0	0	0	104
0	0	0	0	4,799	366
185,083	65,451	50,550	0	87,275	62,491
<u>998,881</u>	<u>961,121</u>	<u>868,634</u>	<u>709,728</u>	<u>955,501</u>	<u>883,069</u>
68,083	122,826	56,837	0	0	0
0	0	0	0	0	0
0	0	0	53,081	169,922	56,203
0	0	0	0	0	0
<u>68,083</u>	<u>122,826</u>	<u>56,837</u>	<u>53,081</u>	<u>169,922</u>	<u>56,203</u>
<u>4,250,125</u>	<u>4,498,560</u>	<u>4,433,064</u>	<u>3,778,821</u>	<u>3,904,082</u>	<u>2,993,700</u>
2,189,245	2,198,234	2,258,224	1,998,193	1,795,677	1,562,718
0	0	0	0	0	0
<u>2,189,245</u>	<u>2,198,234</u>	<u>2,258,224</u>	<u>1,998,193</u>	<u>1,795,677</u>	<u>1,562,718</u>
<u>\$6,439,370</u>	<u>\$6,696,794</u>	<u>\$6,691,288</u>	<u>\$5,777,014</u>	<u>\$5,699,759</u>	<u>\$4,556,418</u>

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
CHANGES IN NET POSITION
LAST TEN YEARS
(Accrual Basis of Accounting)
(CONTINUED)**

	2018	2017	2016	2015
Expenses				
Governmental Activities:				
General Government	\$3,472,851	\$3,422,805	\$3,744,943	\$3,770,801
Security of Persons and Property:	8,853,807	7,901,743	8,228,263	7,360,859
Transportation	2,568,015	2,743,853	2,339,841	2,259,606
Community Environment	434,806	415,725	320,418	423,279
Basic Utility Services	952,905	860,716	833,601	842,067
Leisure Time Activities	3,836,177	3,683,442	3,492,833	3,303,474
Public Health Services	1,450	1,145	1,393	667
Interest and Fiscal Charges	736,725	767,358	789,502	832,401
<i>Total Governmental Activities Expenses</i>	<u>20,856,736</u>	<u>19,796,787</u>	<u>19,750,794</u>	<u>18,793,154</u>
Business-Type Activities				
Sewer	2,569,191	2,058,420	1,892,378	1,901,616
Gilles-Sweet	0	356	0	0
<i>Total Business-Type Activities Expenses</i>	<u>2,569,191</u>	<u>2,058,776</u>	<u>1,892,378</u>	<u>1,901,616</u>
<i>Total Primary Government Program Expenses</i>	<u>23,425,927</u>	<u>21,855,563</u>	<u>21,643,172</u>	<u>20,694,770</u>
Net (Expense)/Revenue				
Governmental Activities	(15,769,274)	(14,964,383)	(15,269,889)	(14,225,825)
Business-Type Activities	(205,021)	848,507	368,070	247,989
<i>Total Primary Government Net Expense</i>	<u>(\$15,974,295)</u>	<u>(\$14,115,876)</u>	<u>(\$14,901,819)</u>	<u>(\$13,977,836)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$2,858,395	\$2,845,586	\$2,860,341	\$2,622,747
Permanent Improvements	298,533	297,204	293,252	273,929
Recreation	343,148	341,604	337,058	314,863
Police and Fire Pension	205,870	204,959	202,250	188,899
Fire Operations	278,069	277,015	272,925	264,401
Municipal Income Taxes Levied For:				
General Purposes	6,285,267	5,719,790	5,544,081	5,239,613
Capital Improvements	1,254,182	1,143,650	1,113,099	1,034,957
Recreation	2,507,736	2,287,300	2,226,200	2,069,914
Franchise Taxes	288,482	303,296	322,287	324,113
Grants and Entitlements not Restricted to				
Specific Programs	960,404	1,009,971	722,560	851,661
Unrestricted Contribution and Donations	0	0	150	1,366
Investment Income	163,163	77,605	37,289	11,751
Gain (Loss) on Sale of Capital Assets	7,028	8,549	64,515	0
Other	355,341	335,981	283,378	115,054
Transfers	0	0	0	0
<i>Total Governmental Activities</i>	<u>15,805,618</u>	<u>14,852,510</u>	<u>14,279,385</u>	<u>13,313,268</u>
Business-Type Activities				
Gain on Investment in Joint Venture	0	0	147,318	0
Miscellaneous	2,762	15,608	122	271
Transfers	0	0	0	0
<i>Total Business-Type Activities Expenses</i>	<u>2,762</u>	<u>15,608</u>	<u>147,440</u>	<u>271</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>15,808,380</u>	<u>14,868,118</u>	<u>14,426,825</u>	<u>13,313,539</u>
Change in Net Assets				
Governmental Activities	36,344	(111,873)	(990,504)	(912,557)
Business-Type Activities	(202,259)	864,115	515,510	248,260
<i>Total Primary Government Change in Net Position</i>	<u>(\$165,915)</u>	<u>\$752,242</u>	<u>(\$474,994)</u>	<u>(\$664,297)</u>

2014	2013	2012	2011	2010
\$3,614,569	\$2,682,977	\$2,692,957	\$2,776,358	\$2,782,550
6,723,713	7,078,086	6,658,780	7,267,524	7,854,479
2,239,324	2,458,167	2,376,608	2,586,528	2,221,067
409,230	382,877	331,394	359,121	328,999
882,300	1,203,374	1,137,831	1,129,614	1,013,896
3,422,491	3,626,538	3,660,823	3,555,596	3,303,008
695	1,256	1,501	1,335	1,795
862,807	890,625	1,263,516	1,070,312	1,101,108
<u>18,155,129</u>	<u>18,323,900</u>	<u>18,123,410</u>	<u>18,746,388</u>	<u>18,606,902</u>
1,809,393	1,840,375	2,109,903	2,115,212	2,063,857
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>53</u>
<u>1,809,393</u>	<u>1,840,375</u>	<u>2,109,903</u>	<u>2,115,212</u>	<u>2,063,910</u>
<u>19,964,522</u>	<u>20,164,275</u>	<u>20,233,313</u>	<u>20,861,600</u>	<u>20,670,812</u>
(13,905,004)	(13,825,340)	(13,690,346)	(14,967,567)	(14,702,820)
<u>379,852</u>	<u>357,859</u>	<u>148,321</u>	<u>(117,019)</u>	<u>(268,233)</u>
<u>(\$13,525,152)</u>	<u>(\$13,467,481)</u>	<u>(\$13,542,025)</u>	<u>(\$15,084,586)</u>	<u>(\$14,971,053)</u>
\$2,566,235	\$2,647,422	\$2,569,710	\$2,587,238	\$2,721,242
268,047	276,545	268,385	273,454	278,883
308,132	317,815	308,489	314,313	290,671
186,019	190,877	187,029	204,675	156,744
257,474	265,334	249,763	255,230	294,014
5,078,058	5,122,164	5,198,639	4,905,042	4,601,899
1,002,859	1,009,760	1,024,375	972,520	917,466
2,005,717	2,019,519	2,045,643	1,945,166	1,834,786
300,312	275,387	273,415	289,816	211,439
863,390	3,459,471	1,242,284	1,878,667	1,818,333
300	0	0	0	98,176
10,715	5,627	4,588	2,640	4,553
0	0	0	21,857	5,400
81,436	335,990	419,278	217,178	185,800
<u>20,546</u>	<u>(84,712)</u>	<u>23,519</u>	<u>(56,823)</u>	<u>(113,646)</u>
<u>12,949,240</u>	<u>15,841,199</u>	<u>13,815,117</u>	<u>13,810,973</u>	<u>13,305,760</u>
0	0	0	0	0
0	4,259	1,542	0	1,937
<u>(20,546)</u>	<u>84,712</u>	<u>(23,519)</u>	<u>56,823</u>	<u>113,646</u>
<u>(20,546)</u>	<u>88,971</u>	<u>(21,977)</u>	<u>56,823</u>	<u>115,583</u>
<u>12,928,694</u>	<u>15,930,170</u>	<u>13,793,140</u>	<u>13,867,796</u>	<u>13,421,343</u>
(955,764)	2,015,859	124,771	(1,156,594)	(1,397,060)
<u>359,306</u>	<u>446,830</u>	<u>126,344</u>	<u>(60,196)</u>	<u>(152,650)</u>
<u>(\$596,458)</u>	<u>\$2,462,689</u>	<u>\$251,115</u>	<u>(\$1,216,790)</u>	<u>(\$1,549,710)</u>

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN YEARS
 (Modified Accrual Basis of Accounting)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund				
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Nonspendable	\$268,522	\$124,643	\$113,445	\$109,256
Assigned	78,659	888,967	604,441	996,202
Unassigned	<u>3,227,698</u>	<u>2,106,769</u>	<u>1,755,862</u>	<u>1,544,632</u>
Total General Fund	<u>3,574,879</u>	<u>3,120,379</u>	<u>2,473,748</u>	<u>2,650,090</u>
All Other Governmental Funds				
Reserved	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	N/A	N/A
Debt Service fund (Deficit)	N/A	N/A	N/A	N/A
Capital Projects funds	N/A	N/A	N/A	N/A
Nonspendable	75,224	17,354	23,616	21,856
Restricted	3,914,906	3,450,905	3,309,173	2,590,361
Committed	1,876,339	1,914,179	1,692,731	1,612,438
Unassigned (Deficit)	<u>(109,286)</u>	<u>(103,500)</u>	<u>(128,277)</u>	<u>(26,602)</u>
Total All Other Governmental Funds	<u>5,757,183</u>	<u>5,278,938</u>	<u>4,897,243</u>	<u>4,198,053</u>
Total Governmental Funds	<u>\$9,332,062</u>	<u>\$8,399,317</u>	<u>\$7,370,991</u>	<u>\$6,848,143</u>

Note: The City implemented GASB 54 during 2011
 N/A - Information not applicable

2014	2013	2012	2011	2010	2009
N/A	N/A	N/A	N/A	\$330,898	\$259,790
N/A	N/A	N/A	N/A	2,045,925	1,572,506
\$105,959	\$92,569	\$87,363	\$80,070	N/A	N/A
1,628,782	1,930,351	1,338,411	24,301	N/A	N/A
1,577,686	2,207,502	991,737	2,053,365	N/A	N/A
<u>3,312,427</u>	<u>4,230,422</u>	<u>2,417,511</u>	<u>2,157,736</u>	<u>2,376,823</u>	<u>1,832,296</u>
N/A	N/A	N/A	N/A	483,733	449,893
N/A	N/A	N/A	N/A	1,863,047	2,126,018
N/A	N/A	N/A	N/A	176	8
N/A	N/A	N/A	N/A	1,381,297	1,528,320
29,810	24,120	81,600	40,260	N/A	N/A
2,685,043	2,532,620	1,895,191	1,841,812	N/A	N/A
1,980,961	1,892,731	2,181,285	1,682,955	N/A	N/A
0	0	(218,493)	(235,817)	N/A	N/A
<u>4,695,814</u>	<u>4,449,471</u>	<u>3,939,583</u>	<u>3,329,210</u>	<u>3,728,253</u>	<u>4,104,239</u>
<u>\$8,008,241</u>	<u>\$8,679,893</u>	<u>\$6,357,094</u>	<u>\$5,486,946</u>	<u>\$6,105,076</u>	<u>\$5,936,535</u>

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)**

	2018	2017	2016	2015
Revenues				
Municipal Income Taxes	\$9,725,442	\$9,258,903	\$9,001,268	\$8,510,935
Property Taxes	3,994,709	3,955,908	3,962,829	3,667,099
Franchise Taxes	288,482	303,296	322,287	324,113
Charges for Services	1,497,286	1,525,160	1,465,025	1,639,630
Fees, Licenses and Permits	499,025	499,770	710,363	477,451
Intergovernmental	2,589,683	2,244,299	1,891,193	2,204,114
Special Assessments	1,041,918	1,039,884	945,312	955,352
Contributions and Donations	22,500	70,550	17,047	20,014
Interest	163,163	77,605	37,289	11,751
Rentals	225,274	245,610	213,166	109,974
Other	359,508	331,814	283,378	120,389
<i>Total Revenues</i>	<u>20,406,990</u>	<u>19,552,799</u>	<u>18,849,157</u>	<u>18,040,822</u>
Expenditures				
Current:				
General Government	2,640,902	2,418,319	2,972,991	3,030,710
Security of Persons and Property	7,359,464	7,461,073	7,417,988	7,080,468
Transportation	1,314,927	1,311,334	1,099,971	1,092,672
Community Environment	364,318	325,194	293,534	408,325
Basic Utility Services	952,905	884,584	836,054	839,660
Leisure Time Activities	3,244,086	3,011,658	3,033,921	3,382,046
Public Health Services	1,450	1,145	1,393	655
Capital Outlay	2,548,083	1,456,983	805,889	1,473,722
Debt Service:				
Principal Retirement	1,117,243	1,034,794	1,207,562	1,134,971
Interest and Fiscal Charges	657,767	697,733	721,521	757,691
Bond Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>20,201,145</u>	<u>18,602,817</u>	<u>18,390,824</u>	<u>19,200,920</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>205,845</u>	<u>949,982</u>	<u>458,333</u>	<u>(1,160,098)</u>
Other Financing Sources (Uses)				
Bond Premium (Discount)	0	0	0	0
Refunding Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Account	0	0	0	0
Economic Development Notes Issued	0	0	0	0
Current Refunding	0	0	0	0
Sale of Capital Assets	8,369	78,344	64,515	0
OPWC Loan	0	0	0	0
Commercial Redevelopment Loans Issued	0	0	0	0
Inception of Capital Lease	718,531	0	0	0
Transfers In	1,083,600	603,000	683,880	628,100
Transfers Out	(1,083,600)	(603,000)	(683,880)	(628,100)
<i>Total Other Financing Sources (Uses)</i>	<u>726,900</u>	<u>78,344</u>	<u>64,515</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>\$932,745</u>	<u>\$1,028,326</u>	<u>\$522,848</u>	<u>(\$1,160,098)</u>
Debt Service as a Percentage of Noncapital Expenditures	10.1%	10.3%	11.2%	11.0%

2014	2013	2012	2011	2010	2009
\$8,174,821	\$7,752,690	\$8,034,255	\$7,696,575	\$7,444,610	\$7,091,943
3,668,973	3,628,771	3,699,627	3,699,559	3,702,107	4,094,073
300,312	275,387	273,415	289,816	211,439	211,285
1,719,720	2,629,470	2,232,900	2,291,794	2,035,758	1,425,433
505,856	514,246	500,445	490,901	505,760	402,723
1,985,134	4,499,697	2,292,518	2,656,203	3,056,856	3,121,304
988,155	229,521	238,489	233,317	237,141	233,052
18,085	0	0	0	98,176	0
10,715	5,627	4,588	2,640	4,553	16,985
0	0	0	0	0	0
81,436	335,990	419,278	217,178	185,800	366,060
<u>17,453,207</u>	<u>19,871,399</u>	<u>17,695,515</u>	<u>17,577,983</u>	<u>17,482,200</u>	<u>16,962,858</u>
2,988,236	2,028,783	1,957,320	1,926,354	1,928,797	1,810,825
6,851,769	6,817,934	6,507,611	7,364,669	7,238,353	6,956,305
1,059,139	1,215,153	1,098,467	1,308,777	1,062,943	1,311,737
381,000	318,989	297,151	297,860	271,935	283,406
906,108	1,105,803	1,136,269	1,144,672	1,011,700	1,006,478
3,084,895	3,133,752	3,216,922	3,114,531	2,827,571	3,851,156
715	1,225	1,505	1,355	1,795	1,625
946,854	1,122,449	1,135,437	1,085,895	855,352	1,521,439
1,131,604	1,593,238	992,973	552,713	888,450	964,220
795,085	823,842	686,719	1,096,822	1,118,517	1,202,639
0	0	277,464	0	0	0
<u>18,145,405</u>	<u>18,161,168</u>	<u>17,307,838</u>	<u>17,893,648</u>	<u>17,205,413</u>	<u>18,909,830</u>
<u>(692,198)</u>	<u>1,710,231</u>	<u>387,677</u>	<u>(315,665)</u>	<u>276,787</u>	<u>(1,946,972)</u>
0	0	901,349	0	0	0
0	0	20,590,000	0	0	0
0	0	(21,209,265)	0	0	0
0	550,000	0	750,000	0	1,100,000
0	0	0	(1,100,000)	0	(1,100,000)
0	0	0	21,857	5,400	0
0	0	0	0	0	750,887
0	0	0	0	0	391,757
0	133,444	140,090	82,501	0	0
814,112	900,000	722,797	1,043,240	1,148,300	1,112,010
(793,566)	(970,876)	(662,500)	(1,100,063)	(1,261,946)	(1,550,510)
<u>20,546</u>	<u>612,568</u>	<u>482,471</u>	<u>(302,465)</u>	<u>(108,246)</u>	<u>704,144</u>
<u>(\$671,652)</u>	<u>\$2,322,799</u>	<u>\$870,148</u>	<u>(\$618,130)</u>	<u>\$168,541</u>	<u>(\$1,242,828)</u>
11.3%	14.1%	10.2%	9.6%	11.8%	12.2%

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
ASSESSED VALUATION AND ESTIMATED TRUE VALUES OF TAXABLE PROPERTY
LAST TEN YEARS**

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2018	\$319,447,210	\$68,419,740	\$1,108,191,286	\$5,805,310	\$6,596,943
2017	318,782,070	68,533,530	1,106,616,000	5,424,840	6,164,591
2016	317,677,550	69,005,770	1,104,809,486	5,119,790	5,817,943
2015	298,898,670	60,914,970	1,028,038,971	5,003,170	5,685,420
2014	299,039,400	63,502,020	1,035,832,629	4,779,910	5,431,716
2013	299,182,420	58,992,630	1,023,357,286	4,364,670	4,959,852
2012	311,446,240	60,258,740	1,062,014,229	4,036,050	4,586,420
2011	312,052,360	64,654,730	1,076,305,971	3,895,260	4,426,432
2010	342,011,590	66,153,650	1,166,186,400	3,565,490	4,051,693
2009	341,934,910	59,863,300	1,147,994,886	3,395,360	3,858,364

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage was 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

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

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

Tangible Personal Property

General Business		Total			Ratio	Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value			
\$0	\$0	\$393,672,260	\$1,114,788,229	35 %	\$11.80	
0	0	392,740,440	1,112,780,591	35	11.80	
0	0	391,803,110	1,110,627,429	35	11.80	
0	0	364,816,810	1,033,724,392	35	11.80	
0	0	367,321,330	1,041,264,344	35	11.80	
0	0	362,539,720	1,028,317,138	35	11.80	
0	0	375,741,030	1,066,600,649	35	11.80	
0	0	380,602,350	1,080,732,403	35	11.80	
2,634,000	42,288,000	414,364,730	1,212,526,093	34	11.80	
1,973,776	15,790,208	407,167,346	1,167,643,457	35	11.80	

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN YEARS**

	2018	2017	2016	2015
Inside Millage				
Operating	\$3.3300	\$3.3300	\$3.3300	\$3.3300
Fire Pension	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000
<i>Total Inside Millage</i>	<u>3.9300</u>	<u>3.9300</u>	<u>3.9300</u>	<u>3.9300</u>
Charter Millage				
1976 Charter/Current Expense	5.0000	5.0000	5.0000	5.0000
1994 Charter/Permanent Improvement	0.8700	0.8700	0.8700	0.8700
1996 Charter/Fire	1.0000	1.0000	1.0000	1.0000
1996 Charter/Recreational	1.0000	1.0000	1.0000	1.0000
<i>Total Charter Millage</i>	<u>7.8700</u>	<u>7.8700</u>	<u>7.8700</u>	<u>7.8700</u>
Total Charter Millage	<u>\$11.8000</u>	<u>\$11.8000</u>	<u>\$11.8000</u>	<u>\$11.8000</u>
Overlapping Rates by Taxing District				
Fairview Park City School District				
Residential/Agricultural Real	\$57.0090	\$56.9658	\$54.4973	\$57.0919
Commercial/Industrial and Public Utility Real	66.2745	66.0402	63.5433	62.0500
General Business and Public Utility Personal	98.7200	98.6200	96.1700	96.4700
Rocky River City School District				
Residential/Agricultural Real	47.2883	46.3521	46.2970	49.5457
Commercial/Industrial and Public Utility Real	68.4795	67.0791	67.2385	64.8023
General Business and Public Utility Personal	90.4700	89.5500	89.5500	89.5500
Berea City School District				
Residential/Agricultural Real	48.6823	48.6417	44.4553	44.7135
Commercial/Industrial and Public Utility Real	56.0458	56.8991	52.7196	51.8216
General Business and Public Utility Personal	82.2000	82.2000	78.0000	78.8000
Cuyahoga County Commissioners				
Residential/Agricultural Real	13.9140	13.8802	13.8698	14.0500
Commercial/Industrial and Public Utility Real	14.0060	14.0124	14.0500	14.0195
General Business and Public Utility Personal	14.0500	14.0500	14.0500	14.0500
Special Taxing Districts (1)				
Residential/Agricultural Real	17.5312	16.8478	11.5328	19.5385
Commercial/Industrial and Public Utility Real	18.4654	17.9194	11.6375	19.6933
General Business and Public Utility Personal	19.0700	18.5200	11.7800	20.6300

Source: Cuyahoga County Fiscal Officer

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assesd 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.

Overlapping rates are those of local and county governments that apply to property owners within the City. Real property tax rates are reduced so that inflationary increases in value do not generate additional revenue.

The City has 13 mills (including inside millage) of charter millage authorized; through 2011 only 11.8 mills has been levied. The 11.8 mills includes 3.93 mills of inside millage.

(1) Includes the Metro Parks, Cuyahoga County Library, Rocky River Library, and Polaris Joint Vocational School District, Port Authority, and Cuyahoga Community College.

2014	2013	2012	2011	2010	2009
\$3.3300	\$3.3300	\$3.3300	\$3.3300	\$3.3300	\$3.3300
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
3.9300	3.9300	3.9300	3.9300	3.9300	3.9300
5.0000	5.0000	5.0000	5.0000	5.0000	5.0000
0.8700	0.8700	0.8700	0.8700	0.8700	0.8700
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
7.8700	7.8700	7.8700	7.8700	7.8700	7.8700
\$11.8000	\$11.8000	\$11.8000	\$11.8000	\$11.8000	\$11.8000
\$57.0551	\$58.2264	\$56.8256	\$56.7442	\$56.5150	\$51.9219
61.1419	62.5649	61.5257	61.2140	60.9701	59.3262
96.4700	97.7000	97.6000	97.6000	97.4000	96.1000
49.5067	49.3321	44.1296	43.9489	42.3267	40.8213
64.6202	64.4748	58.5507	57.4008	55.1613	55.6700
89.5500	89.4500	84.3500	84.3000	82.7000	82.7000
44.7727	44.8302	38.7028	38.5574	38.6449	35.9563
51.5507	51.4777	45.3316	44.9615	45.1142	43.6675
78.8000	78.9000	75.0000	74.9000	75.0000	74.9000
14.0500	13.2200	13.1182	13.1866	13.1789	12.6607
13.9495	12.9968	12.7845	12.8413	12.8457	12.8153
14.0500	13.2200	13.2200	13.3200	13.3200	13.3200
15.8801	14.9634	14.7429	14.7006	14.2125	13.4074
15.9433	15.0066	14.7148	14.5296	14.0203	14.0723
16.9800	16.0800	16.0800	16.0800	15.7800	15.7800

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN YEARS**

Tax/ Collection Year	Current Tax Levy (2)	Current Tax Collections (2)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)
2018	\$4,567,007	\$4,489,953	98.31 %	\$82,331	\$4,572,284
2017	4,552,301	4,456,449	97.89	80,729	4,537,178
2016	4,510,435	4,421,973	98.04	74,487	4,496,460
2015	4,247,194	4,151,873	97.76	81,402	4,233,275
2014	4,243,283	4,135,110	97.45	94,700	4,229,810
2013	4,280,430	4,112,114	96.07	80,784	4,192,898
2012	4,329,671	4,193,808	96.86	125,216	4,319,024
2011	4,417,972	4,191,060	94.86	103,228	4,294,288
2010	4,399,219	4,175,733	94.92	108,449	4,284,182
2009	4,754,307	4,527,554	95.23	97,095	4,624,649

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

- (1) Information for Real and Personal Property only.
- (2) State reimbursement of rollback and homestead exemptions are included.
- (3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

Note: We are aware of the requirement to report delinquent tax collections by levy year rather than by collection year. However, the county is unable to provide delinquent collections by levy year. We are looking at options to improve the presentation.

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes (3)	Percentage of Delinquent Taxes to Current Tax Levy
100.12 %	\$103,506	2.27 %
99.67 %	114,200	2.51
99.69	103,740	2.30
99.67	100,743	2.37
99.68	103,003	2.43
97.96	186,068	4.35
99.75	116,847	2.70
97.20	233,098	5.28
97.39	315,560	7.17
97.27	246,225	5.18

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
PRINCIPAL REAL PROPERTY TAXPAYERS
2018 AND 2009**

Taxpayer	<i>2018</i>	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Westgate Mall, LLC	\$18,075,900	4.59 %
Z and Sons Limited Partnership	6,168,200	1.57
Target Corporation	3,778,250	0.96
Cleveland Electric Illuminating Company	3,502,820	0.89
Fairview Shopping Center Corporation	3,207,160	0.81
Lawn Village Incorporated	2,335,910	0.59
200 West Apartments	1,836,320	0.47
West Valley Medical	1,589,950	0.40
Fairvicew Office Land Holdings, LLC	1,308,620	0.33
American Transmission System	1,096,650	0.28
Total	\$42,899,780	10.88 %
Total Assessed Valuation	\$393,672,260	

Taxpayer	<i>2009</i>	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Westgate Mall, LLC	\$8,395,660	2.06 %
Z and Sons Limited Partnership	5,950,000	1.46
Board of Education of Fairview Village	5,836,010	1.43
Fairview Shopping Center Corporation	4,138,690	1.02
Cleveland Electric Illuminating Company	2,634,490	0.65
Lawn Village Incorporated	2,439,220	0.60
200 West Apartments	1,855,000	0.46
Target Corporation	1,605,940	0.39
Positive Education	1,018,820	0.25
Fairview Park Senior Apartments	866,530	0.21
Total	\$34,740,360	8.54 %
Total Assessed Valuation	\$407,167,346	

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

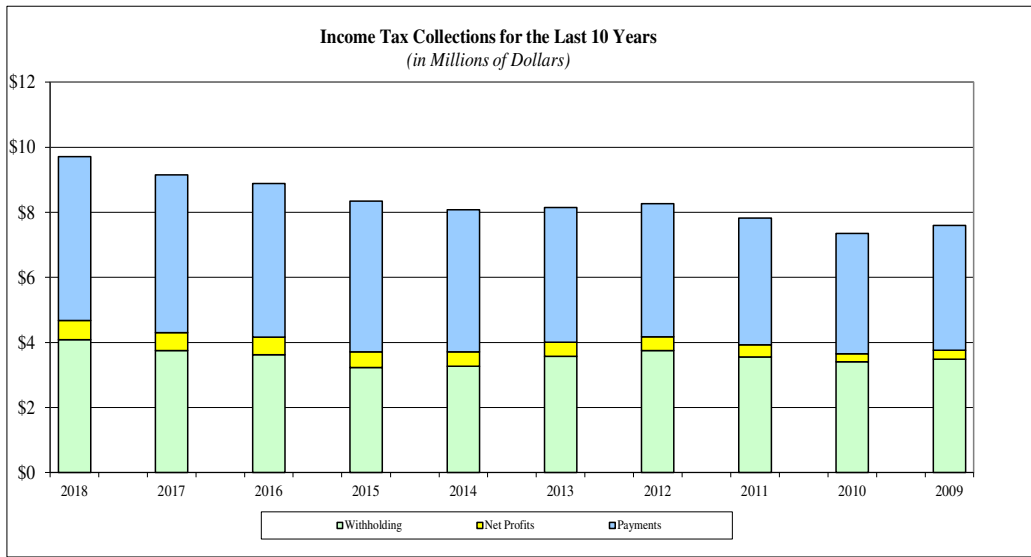
(1) The amounts presented represent the assessed values upon which 2018 and 2009 collections were based.

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS**

Tax Year(1)	Tax Rate	Total Tax Collected(1)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes (1) From Individuals Payments	Percentage of Taxes from Individuals
2018	2.00 %	\$ 9,712,865	\$ 4,083,269	42.04 %	\$ 594,917	6.13 %	\$ 5,034,679	51.84 %
2017	2.00	9,150,740	3,749,528	40.98	546,372	5.97	4,854,840	53.05
2016	2.00	8,883,380	3,625,307	40.81	536,556	6.04	4,721,516	53.15
2015	2.00	8,344,484	3,228,481	38.69	479,808	5.75	4,636,195	55.56
2014	2.00	8,086,634	3,268,240	40.43	442,531	5.47	4,375,863	54.11
2013	2.00	8,151,443	3,574,069	43.85	430,565	5.27	4,146,809	50.87
2012	2.00	8,268,657	3,744,967	45.29	426,256	5.15	4,097,434	49.55
2011	2.00	7,822,728	3,555,014	45.44	379,285	4.85	3,888,429	49.71
2010	2.00	7,354,151	3,404,124	46.29	251,612	3.42	3,698,415	50.28
2009	2.00	7,602,945	3,483,223	45.81	280,339	3.69	3,839,383	50.50

Source: Regional Income Tax Agency (RITA)

- (1) - On a Cash Basis
- (2) - The City is statutorily prohibited from presenting individual taxpayer information
- (3) - The City's basic income tax rate may only be increased by a majority vote of the City's residents



**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 RATIO OF OUTSTANDING DEBT TO TOTAL PERSONAL INCOME AND DEBT PER CAPITA
 LAST TEN YEARS**

Governmental Activities							
Year	General Obligation Bonds	Lorain Road Revitalization Loan	OPWC Loans	Intergovernmental Loan	Commercial Redevelopment Loans	Economic Development Note	Capital Leases
2018	\$18,853,834	\$0	\$538,134	\$0	\$0	\$0	\$827,397
2017	19,943,909	0	563,164	0	0	0	161,079
2016	20,938,984	0	588,194	0	14,536	0	211,307
2015	21,829,059	0	613,222	52,941	43,605	183,334	288,497
2014	22,611,391	42,665	638,252	103,326	72,677	366,667	362,983
2013	23,388,495	82,654	663,282	160,135	101,749	550,000	435,354
2012	24,060,599	120,134	688,312	216,944	130,821	750,000	376,757
2011	22,289,346	155,263	713,342	277,241	219,893	750,000	310,112
2010	22,678,198	188,188	738,372	334,025	263,965	1,100,000	271,513
2009	23,212,050	219,048	750,887	390,821	391,757	1,100,000	437,000

Note: Population and Personal Income data are presented on page S28.

Business-Type Activities

<u>OPWC Loan</u>	<u>Capital Leases</u>	<u>Contractual Debt</u>	<u>Total Debt</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$0	\$0	\$2,452,672	\$22,672,037	4.08 %	\$1,347
0	0	2,654,393	23,322,545	4.31	1,386
0	0	2,768,394	24,521,415	4.59	1,457
0	0	0	23,010,658	4.43	1,368
9,458	0	0	24,207,419	4.72	1,439
45,492	0	0	25,427,161	4.70	1,511
81,726	0	0	26,425,293	4.93	1,571
117,860	0	0	24,833,057	4.75	1,476
153,994	54,517	0	25,782,772	5.67	1,532
190,128	157,004	0	26,848,695	5.52	1,528

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
LEGAL DEBT MARGIN
LAST TEN YEARS**

	2018	2017	2016	2015
Total Assessed Property Value	\$393,672,260	\$392,740,440	\$391,803,110	\$364,816,810
General Bonded Debt Outstanding:				
General Obligation Bonds	\$18,265,000	\$19,305,000	\$20,250,000	\$21,090,000
Lorain Road Revitalization Loan	0	0	0	0
OPWC Loans	538,134	563,164	588,194	613,222
Intergovernmental Loan	0	0	0	52,941
Commercial Redevelopment Loans	0	0	14,536	43,605
Economic Development Note	0	0	0	183,334
Contractual Debt	2,452,672	2,654,393	2,768,394	0
Total Gross Indebtedness	21,255,806	22,522,557	23,621,124	21,983,102
Less:				
2005 Various Purpose Bonds	(17,995,000)	(18,770,000)	(19,455,000)	(20,040,000)
Lorain Road Revitalization Loan	0	0	0	0
OPWC Loans	(538,134)	(563,164)	(588,194)	(613,222)
Intergovernmental Loan	0	0	0	(52,941)
Commercial Redevelopment Loans	0	0	(14,536)	(43,605)
Economic Development Note	0	0	0	(183,334)
Contractual Debt	(2,452,672)	(2,654,393)	(2,768,394)	0
General Obligation Bond Retirement Fund Balance	(176)	(176)	(176)	(176)
Total Net Debt Applicable to Debt Limit	269,824	534,824	794,824	1,049,824
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	41,335,587	41,237,746	41,139,327	38,305,765
Legal Debt Margin Within 10 ½ % Limitations	\$41,065,763	\$40,702,922	\$40,344,503	\$37,255,941
Legal Debt Margin as a Percentage of the Debt Limit	99.35%	98.70%	98.07%	97.26%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	\$21,651,974	\$21,600,724	\$21,600,724	\$21,549,171
Total Gross Indebtedness	21,255,806	22,522,557	23,621,124	21,983,102
Less:				
2005 Various Purpose Bonds	(17,995,000)	(18,770,000)	(19,455,000)	(20,040,000)
Economic Development Loan	0	0	0	(183,334)
Lorain Road Revitalization Loan	0	0	0	0
Commercial Redevelopment Loans	0	0	(14,536)	(43,605)
Intergovernmental Loan	0	0	0	(52,941)
General Obligation Bond Retirement Fund Balance	(176)	(176)	(176)	(176)
Net Debt Within 5 ½ % Limitations	3,260,630	3,752,381	4,151,412	1,663,046
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$18,391,344	\$17,848,343	\$17,449,312	\$19,886,125
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	84.94%	82.63%	80.78%	92.28%

Source: City Financial Records

2014	2013	2012	2011	2010	2009	2008
<u>\$367,321,330</u>	<u>\$362,539,720</u>	<u>\$375,741,030</u>	<u>\$380,602,350</u>	<u>\$414,373,730</u>	<u>\$407,167,346</u>	<u>\$411,709,698</u>
\$21,820,000	\$22,545,000	\$23,165,000	\$21,585,000	\$21,935,000	\$22,430,000	\$22,965,000
42,665	82,654	120,134	155,263	188,188	219,048	247,972
638,252	663,282	688,312	831,202	892,366	941,015	226,262
103,326	160,135	216,944	277,241	334,025	390,821	447,637
72,677	101,749	130,821	219,893	263,965	391,757	0
366,667	550,000	750,000	750,000	1,100,000	1,100,000	1,200,000
0	0	0	0	0	0	0
<u>23,043,587</u>	<u>24,102,820</u>	<u>25,071,211</u>	<u>23,818,599</u>	<u>24,713,544</u>	<u>25,472,641</u>	<u>25,086,871</u>
(20,540,000)	(21,040,000)	(21,440,000)	(19,650,000)	(19,800,000)	(20,100,000)	(20,400,000)
(42,665)	(82,654)	(120,134)	(155,263)	(188,188)	(219,048)	(247,972)
(638,252)	(663,282)	(688,312)	(831,202)	(892,366)	(941,015)	(226,262)
(103,326)	(160,135)	(216,944)	(277,241)	(334,025)	(390,821)	(447,637)
(72,677)	(101,749)	(130,821)	(219,893)	(263,965)	(391,757)	0
(366,667)	(550,000)	(750,000)	(750,000)	(1,100,000)	(1,100,000)	(1,200,000)
0	0	0	0	0	0	0
<u>(176)</u>	<u>(176)</u>	<u>(176)</u>	<u>(176)</u>	<u>(176)</u>	<u>(8)</u>	<u>0</u>
<u>1,279,824</u>	<u>1,504,824</u>	<u>1,724,824</u>	<u>1,934,824</u>	<u>2,134,824</u>	<u>2,329,992</u>	<u>2,565,000</u>
<u>38,568,740</u>	<u>38,066,671</u>	<u>39,452,808</u>	<u>39,963,247</u>	<u>43,509,242</u>	<u>42,752,571</u>	<u>43,229,518</u>
<u>\$37,288,916</u>	<u>\$36,561,847</u>	<u>\$37,727,984</u>	<u>\$38,028,423</u>	<u>\$41,374,418</u>	<u>\$40,422,579</u>	<u>\$40,664,518</u>
96.68%	96.05%	95.63%	95.16%	95.09%	94.55%	94.07%
<u>\$20,202,673</u>	<u>\$19,939,685</u>	<u>\$20,665,757</u>	<u>\$20,933,129</u>	<u>\$22,790,555</u>	<u>\$22,394,204</u>	<u>\$22,644,033</u>
23,043,587	24,102,820	25,071,211	23,818,599	24,713,544	25,472,641	25,086,871
(20,540,000)	(21,040,000)	(21,440,000)	(19,650,000)	(19,800,000)	(20,100,000)	(20,400,000)
(366,667)	(550,000)	(750,000)	(750,000)	(1,100,000)	(1,100,000)	(1,200,000)
(42,665)	(82,654)	(120,134)	(155,263)	(188,188)	(219,048)	(247,972)
(72,677)	(101,749)	(130,821)	(219,893)	(263,965)	(391,757)	0
(103,326)	(160,135)	(216,944)	(277,241)	(334,025)	(390,821)	(447,637)
<u>(176)</u>	<u>(176)</u>	<u>(176)</u>	<u>(176)</u>	<u>(176)</u>	<u>(8)</u>	<u>0</u>
<u>1,918,076</u>	<u>2,168,106</u>	<u>2,413,136</u>	<u>2,766,026</u>	<u>3,027,190</u>	<u>3,271,007</u>	<u>2,791,262</u>
<u>\$18,284,597</u>	<u>\$17,771,579</u>	<u>\$18,252,621</u>	<u>\$18,167,103</u>	<u>\$19,763,365</u>	<u>\$19,123,197</u>	<u>\$19,852,771</u>
90.51%	89.13%	88.32%	86.79%	86.72%	85.39%	87.67%

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 DECEMBER 31, 2018**

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City</u>
Direct Debt			
City of Fairview Park			
General Obligation Bonds	\$18,853,834	100.00%	\$18,853,834
OPWC Loan	538,134	100.00%	538,134
Capital Leases	827,397	100.00%	827,397
<i>Total Direct Debt</i>	<u>20,219,365</u>		<u>20,219,365</u>
Overlapping			
Fairview Park City School District	29,888,157	100.00%	29,888,157
Rocky River City School District	38,305,000	3.93%	1,505,393
Berea City School District	109,890,000	0.03%	33,799
Cuyahoga County	188,010,000	1.61%	3,024,754
Cuyahoga County Community College	212,260,000	1.61%	3,414,894
<i>Total Overlapping Debt</i>	<u>578,353,157</u>		<u>37,866,997</u>
<i>Total Direct and Overlapping Debt</i>	<u><u>\$598,572,522</u></u>		<u><u>\$58,086,362</u></u>

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 RATIO OF GENERAL OBLIGATION BONDED DEBT TO
 ESTIMATED ACTUAL VALUE AND BONDED DEBT PER CAPITA
 LAST TEN YEARS**

Year	Population (1)	Estimated Actual Values of Taxable Property (2)	Bonded Debt	Ratio of Net General Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt Per Capita
2018	16,826	\$1,114,788,229	\$18,853,834	1.69 %	\$1,120.52
2017	16,826	1,112,780,591	19,943,909	1.79	1,185.30
2016	16,826	1,110,627,429	20,938,984	1.89	1,244.44
2015	16,826	1,033,724,392	21,829,059	2.11	1,297.34
2014	16,826	1,041,264,344	22,611,391	2.17	1,343.84
2013	16,826	1,028,317,138	23,388,495	2.27	1,390.02
2012	16,826	1,066,600,649	24,060,599	2.26	1,429.97
2011	16,826	1,080,732,403	22,289,346	2.06	1,324.70
2010	16,826	1,212,526,093	22,678,198	1.87	1,347.81
2009	17,572	1,167,643,457	23,212,050	1.99	1,320.97

Sources:

- (1) U. S. Bureau of Census, Census of Population.
- (2) Cuyahoga County Fiscal Officer

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
PRINCIPAL EMPLOYERS
2018 AND 2009**

2018

Employer	Employees	Percentage of Total City Employment
Fairview Park City School District	368	4.21%
Target Corporation	344	3.94%
Kohls Department Stores, Inc.	329	3.77%
Cleveland Metroparks	268	3.07%
City of Fairview Park	237	2.71%
Educational Service Center, Inc.	204	2.33%
Cuyahoga County Auditor Payroll	167	1.91%
Riser Foods Co.	134	1.53%
McGowan & Company Inc.	118	1.35%
Reserves Network, Inc.	70	0.80%
Total	2,239	25.63%
Total Employment within the City	8,737	

2009

Employer	Employees
Cleveland Metroparks	940
Fairview Park City School District	413
Target Corporation	323
US Department of Interior	232
Cuyahoga County Auditors	201
City of Fairview Park	138
McGowan & Company, Incorporated	92
Cleveland Clinic Foundation	61
West Side Cadiology	51
Total	2,451
Total Employment within the City	N/A

Source: Number of employees obtained from the W2's from RITA

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**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2018	16,826	\$556,183,430	\$33,055	\$54,534	42.6
2017	16,826	541,309,246	32,171	54,431	42.6
2016	16,826	534,023,588	31,738	54,134	42.6
2015	16,826	519,973,878	30,903	53,425	42.4
2014	16,826	513,243,478	30,503	52,844	42.1
2013	16,826	540,854,944	32,144	53,693	42.1
2012	16,826	536,547,488	31,888	54,011	42.3
2011	16,826	522,666,038	31,063	52,982	41.5
2010	16,826	454,991,866	27,041	51,425	42.3
2009	17,572	486,076,664	27,662	50,487	40.9

(1) **Source:** U. S. Census

(2) **Source:** Fairview Park City School District CAFR

(3) U.S. Department of Labor/Bureau of Labor Statistics.

(4) **Source:** Cuyahoga County Fiscal Officer

(5) Total Personal Income is computed by multiplying Personal Income per Capita
by Population

(6) Cuyahoga County Jobs and Family Services

<u>School Enrollment (2)</u>	<u>Cuyahoga County Unemployment Rate (6)</u>	<u>Average Sales Price of Residential Property (3)</u>	<u>Total Assessed Property Value (4)</u>
1,731	5.0%	\$176,000	\$393,672,260
1,807	5.9	172,737	392,740,440
1,845	5.4	152,000	391,803,110
1,782	4.0	142,800	364,816,810
1,795	5.0	144,600	367,321,330
1,800	7.2	148,000	362,539,720
1,736	8.3	139,972	375,741,030
1,760	8.0	153,200	380,602,350
1,763	8.6	128,979	414,364,730
1,605	9.0	137,899	407,167,346

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS**

Function/Program	2018	2017	2016	2015
General Government				
City Hall and Police Station (square footage occupied)	40,489	40,489	40,489	40,489
Senior Center(square feet)	9,600	9,600	9,600	9,600
City Service Garage - Front (square feet)	4,000	4,000	4,000	4,000
City Service Garage - Rear (square feet)	4,000	4,000	4,000	4,000
Nelson Russ Center (square feet)	864	864	2,400	2,400
Bain Cabin	3,880	3,880	3,880	3,880
Administrative Vehicles	4	4	4	4
Inspection Vehicles	3	3	2	2
Police				
Stations	1	1	1	1
Vehicles	12	12	12	13
Fire				
Stations	1	1	1	1
Number of fire hydrants	866	866	866	866
Vehicles	7	7	7	7
Recreation				
Number of Parks	5	5	5	5
Number of Pools	2	2	2	2
Number of Tennis Courts	6	6	6	6
Number of Baseball Diamonds	7	7	7	7
Number of Soccer Fields	4	4	4	4
Number of Stadiums	1	1	1	1
Square Footage of Recreation Center	93,000	93,000	93,000	93,000
Other Public Works				
Streets (Miles)	52.90	52.90	52.90	52.90
Number of Streetlights (per light bill)	1,265	1,265	1,262	1,262
Service Department Large Vehicles/Trucks	25	25	29	29
Wastewater				
Sanitary Sewers (miles)	53.05	53.05	52.90	52.90
Storm Sewers (Miles)	53.05	53.05	52.90	52.90
Vehicles	4.00	1.00	1.00	1.00

Source: City of Fairview Park Departments

n/a: Information not available

2014	2013	2012	2011	2010	2009
40,489	40,489	40,489	40,489	40,489	40,489
9,600	9,600	9,600	9,600	9,600	9,600
4,000	4,000	4,000	4,000	4,000	4,000
4,000	4,000	4,000	4,000	4,000	4,000
2,400	2,400	2,400	2,400	2,400	2,400
3,880	3,880	3,880	3,880	3,880	3,880
4	4	4	4	4	4
2	2	2	2	2	2
1	1	1	1	1	1
13	16	16	16	16	16
1	1	1	1	1	1
866	866	866	866	866	866
7	7	7	7	7	7
5	5	5	5	5	5
2	2	2	2	2	2
6	6	6	6	6	6
7	7	7	7	7	7
4	4	4	4	4	4
1	1	1	1	1	1
93,000	93,000	93,000	93,000	93,000	93,000
52.90	52.90	52.90	52.90	52.90	52.90
1,262	1,262	1,262	1,262	1,262	1,262
29	29	29	30	30	36
52.90	52.90	52.90	52.90	52.90	52.90
52.90	52.90	52.90	52.90	52.90	52.90
1.00	1.00	1.00	1.00	1.00	0.00

**CITY OF FAIRVIEW PARK
 CUYAHOGA COUNTY, OHIO
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN YEARS**

Function/Program	2018	2017	2016	2015
General Government				
Council	4.50	4.50	4.50	4.50
Finance	2.50	2.50	3.00	2.50
Administration	3.00	3.00	3.00	3.50
Planning Design	1.00	1.00	1.00	1.00
Payroll/Civil Service	1.50	1.50	1.50	1.50
Security of Persons and Property				
Police	26.00	27.00	27.00	26.00
Police - Auxiliary/Guards	14.00	14.50	15.00	14.00
Police - Dispatchers/Office/Other	2.00	1.00	2.00	2.00
Animal Wardens	0.50	0.50	0.50	0.00
Fire	25.00	25.00	25.00	25.00
Fire Secretary	1.00	1.00	1.00	1.00
Leisure Time Activities				
Recreation	9.00	9.00	9.00	9.00
Senior Life	6.50	6.50	6.00	7.00
Community Environment				
Building	3.50	3.50	3.00	2.00
Economic Development	2.00	2.00	2.00	2.00
Transportation				
Service	<u>23.00</u>	<u>22.00</u>	<u>23.00</u>	<u>25.00</u>
Totals:	<u>125.00</u>	<u>124.50</u>	<u>126.50</u>	<u>126.00</u>

Source: City of Fairview Park, Department of Finance

Method: Using 1.0 for each full-time employees and 0.50 for each part-time employee at December 31. Seasonal employees are not included.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
4.50	4.50	8.00	8.00	8.00	8.00
3.00	3.00	3.50	3.50	3.50	3.50
5.00	3.50	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
1.50	1.50	1.00	1.00	1.00	1.00
27.00	26.00	25.00	24.00	27.00	27.00
14.00	14.00	14.00	14.00	16.00	16.00
2.00	1.50	1.50	1.50	1.50	1.50
0.50	0.50	1.00	1.00	1.00	1.00
25.00	25.00	25.00	24.00	28.00	28.00
1.00	1.00	1.00	1.00	1.00	1.00
10.00	10.00	10.00	9.00	11.00	11.00
5.50	6.00	2.00	2.00	2.00	2.00
4.00	4.00	4.00	4.00	4.00	4.00
2.00	2.00	3.00	2.00	2.00	2.00
<u>23.00</u>	<u>24.00</u>	<u>23.00</u>	<u>24.00</u>	<u>27.00</u>	<u>27.00</u>
<u>129.00</u>	<u>127.50</u>	<u>127.00</u>	<u>124.00</u>	<u>138.00</u>	<u>138.00</u>

**CITY OF FAIRVIEW PARK
CUYAHOGA COUNTY, OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

Function/Program	2018	2017	2016	2015
General Government				
<i>Council and Clerk</i>				
Number of Ordinances Passed	61	59	48	53
Number of Resolutions Passed	19	13	31	34
Number of Planning Commission docket items	26	32	20	28
Zoning Board of Appeals docket items	26	15	16	10
<i>Finance Department</i>				
Number of payroll checks issued	923	1,068	1,135	1,483
Number of checks/vouchers issued	2,453	2,262	2,305	2,560
Amount of checks written	\$13,298,310	\$12,438,000	\$13,316,379	\$11,739,562
Interest earnings for fiscal year (cash basis)	\$163,164	\$78,118	\$36,776	\$11,750
Number of Receipts issued	1,740	1,751	1,710	1,761
Number of Budget Adjustments issued	3	2	2	3
Agency Ratings - Moody's Financial Services	Aa2	Aa2	Aa2	A-
Health Insurance Costs vs. General Fund Expenditures %	13.01%	14.01%	13.43%	12.32%
General Fund Receipts (cash basis)	\$10,626,761	\$10,255,537	\$9,752,874	\$9,247,696
General Fund Expenditures	\$10,379,171	\$9,654,229	\$10,004,317	\$10,318,215
General Fund Cash Balances	\$2,400,610	\$2,153,020	\$1,551,712	\$1,801,527
<i>Engineer Contacted Services</i>				
Dollar Amount of Construction overseen by engineer	\$1,263,657	\$1,629,762	\$4,897,167	\$426,414
<i>Civil Service</i>				
Number of police entry tests administered	0	0	0	1
Number of fire entry tests administered	0	1	0	0
Number of police promotional tests administered	0	0	0	1
Number of fire promotional tests administered	0	0	0	0
Number of Police Officers hired	0	1	2	4
Number of Fire/Medics hired	1	1	2	1
<i>Building Department Indicators</i>				
New Construction Permits Issued	11	15	330	350
Estimate Value of Construction	\$42,940,526	\$20,459,741	\$10,454,168	\$13,223,287
Number of electrical/plumbing/remodeling permits issued	1,349	1,397	1,439	1,376
Amount of Revenue generated from permits	\$234,299	\$192,534	\$176,038	\$168,386
Number of contract registrations issued	554	554	520	518
Number of rental inspections performed	48	83	62	99
Annual Apartment/Rooming House License Fees	20,568	19,702	\$14,762	\$16,924
Security of Persons & Property				
<i>Police</i>				
Total Calls for Services	11,638	13,152	13,479	12,859
Number of traffic citations issued	3,905	3,106	3,841	3,262
Number of parking citations issued	1,212	1,359	1,378	1,412
Number of criminal arrests	466	356	295	173
Number of accident reports completed	259	267	249	249
Part I Offenses (major offenses)	257	328	123	91
Animal Warden sercic calls responded to per annual report	369	383	385	363
Police Dep. Auxiliary hours worked	1,525	2,801	2,857	2,933
DUI arrests	50	59	68	50
Prisoners	590	759	739	635
Prisoner meal cost	4,788	4,890	7,397	4,981
Motor Vehicle Accidents	443	479	464	523
Fatalities from Motor Vehicle Accidents	0	0	0	0
Gasoline costs of fleet	43,108	39,442	39,779	36,792
Community Diversion Program Youths (1)	11	8	0	4
Community Diversion Program - community service hours	175	120	0	24
<i>Fire</i>				
EMS Calls	1,957	2,023	2,044	1,911
Ambulance Billing Collections (net)	\$362,761	\$409,665	\$372,209	\$384,419
Fire Calls	164	137	176	171
Fires with Loss	7	9	5	4
Fires with Losses exceeding \$10,000	3	6	2	2
Fire Losses \$	\$216,500	\$433,500	\$265,300	\$131,800
Fire Safety Inspections	703	630	599	565
Number of times Mutual Aid given to Fire and EMS	165	198	206	179
Number of times Mutual Aid received for Fire and EMS	53	54	126	145

2014	2013	2012	2011	2010	2009
61	55	51	68	47	85
24	30	23	27	24	17
48	20	16	18	21	49
13	19	11	2	13	11
1,756	1,592	1,667	1,817	1,898	2,223
2,469	2,465	2,421	2,349	1,765	3,090
\$12,105,865	\$9,339,571	\$8,685,570	\$8,648,137	\$7,314,408	\$10,283,501
\$10,715	\$4,873	\$4,695	\$2,597	\$4,489	\$16,985
1,840	1,875	1,857	1,920	1,673	2,230
3	3	2	1	1	3
A-	A-	A-	A-	A-	A-
12.70%	15.54%	12.74%	12.65%	15.10%	15.10%
\$9,250,630	\$12,481,613	\$10,363,066	\$10,297,802	\$10,746,175	\$10,746,175
\$10,421,991	\$10,488,377	\$9,982,702	\$10,637,753	\$9,785,443	\$9,785,443
\$2,741,896	\$3,895,005	\$1,854,319	\$1,453,491	\$1,781,327	\$1,781,327
\$1,189,512	\$410,996	\$1,068,732	\$776,992	\$83,083	\$1,633,623
0	1	0	1	0	0
1	0	0	0	1	0
0	3	0	0	0	0
3	0	0	2	2	0
2	3	1	0	0	0
1	0	1	2	1	1
339	358	296	310	267	278
\$12,782,725	\$20,467,573	\$6,520,419	\$5,679,573	\$4,512,702	\$6,770,889
1,410	1,462	1,490	1,403	1,772	1,494
\$173,998	\$189,539	\$101,551	\$97,189	\$95,425	\$101,187
568	516	473	523	534	422
98	102	139	112	468	1,783
\$20,106	\$20,536	\$20,536	\$20,396	\$10,482	\$10,482
13,652	12,239	11,893	12,149	12,149	12,000
3,152	3,690	4,859	5,716	5,716	4,561
1,963	1,263	1,621	1,460	1,460	1,373
174	191	172	136	136	115
236	224	244	222	222	217
79	42	73	51	51	62
353	381	376	392	392	433
2,433	2,718	3,486	1,672	1,672	1,981
71	45	55	48	48	52
638	684	517	498	498	491
7,995	7,099	4,369	3,770	3,770	4,133
497	392	339	418	418	404
1	0	0	0	0	1
56,740	50,973	55,086	42,098	42,098	31,140
0	0	0	0	0	0
0	0	0	0	0	0
1,668	1,590	1,458	1,469	1,465	1,253
\$361,475	\$359,309	\$325,256	\$345,936	\$273,070	\$262,020
152	126	334	207	197	148
3	6	9	6	10	11
3	4	5	2	8	6
\$79,000	\$263,010	\$242,800	\$221,050	\$394,000	\$482,400
484	509	697	362	663	578
145	144	121	76	87	100
174	52	54	31	50	63

Function/Program	2018	2017	2016	2015
Leisure Time Activities				
<i>Recreation</i>				
Recreation Swimming pool receipts	\$120,884	\$116,683	\$119,210	\$131,860
Recreation Mens & Womens Leagues receipts	12,250	14,625	16,750	16,800
Recreation programs	204,680	201,461	204,022	217,962
Youth Soccer League	20,935	19,775	19,025	19,394
Youth Basketball League	18,508	25,010	28,419	17,233
Facilities rentals	80,172	82,536	83,757	97,748
Recreation center memberships	451,238	453,953	449,675	459,350
Miscellaneous	121,699	149,544	140,838	146,966
Total Recreation Department receipts	<u>\$ 1,030,366</u>	<u>\$ 1,063,587</u>	<u>\$ 1,061,696</u>	<u>\$ 1,107,313</u>
Community Development				
Grant amounts received due to Economic Development Dept.	\$ 150,000	\$ 350,000	\$ 450,000	\$ 50,000
Basic Utility Services				
Refuse disposal per year (in tons) January through December	4,661	4,853	6,092	5,250
Refuse disposal costs per year January through December	\$ 950,187	\$ 888,996	\$ 841,568	\$ 823,930
Percentage of waste recycled	25.47%	25.57%	26.88%	45.09%
Annual recycle tonnage (excluding leaf and compst items)	1,573	1,667	1,637	1,597
Transportation				
Street Repair (Concrete, asphalt, crack sealing) (hours)	1,460	1,450	1,400	1,400
Mowing (hours)	1,950	1,950	1,950	1,950
Street Sweeper (hours)	320	320	320	320
Cold Patch (hours)	350	700	600	600
Snow & Ice Removal regular hours	1,500	1,600	1,200	1,200
Sewer and Sanitary calls for service	4,000	4,000	4,000	4,000
Fire hydrants (hours)	100	100	10	10
Catch basin (hours)	2,000	2,000	2,000	2,000
Leaf collection (hours)	2,500	2,500	2,500	2,500
Holiday lights setup (hours)	50	50	50	50
Burial Services (hours)	8	0	16	16
Equipment repair/body shop (hours)	4,160	4,160	5,000	5,000
Sign department (hours)	1,040	1,040	250	250
Paint striping (hours)	480	480	700	700
Building maintenance (hours)	9,500	9,500	9,011	9,011
Landscaping (hours)	2,080	2,080	2,280	2,280
Other (hours)	2,080	2,080	2,240	2,240
Tree Pruning and Care	1,500	1,500	1,500	1,500
Parks and main street garbage	2,000	2,000	2,000	2,000
Recycling crews	0	0	0	0
Traffic Department (hours)	1,040	1,040	2,080	2,080
Summerfest	272	272	272	272
Wastewater Department				
Waste Rates per 1st 1000 Cu ft of water used	\$39.00	\$39.00	\$39.00	\$39.00
Total flow of wastewater treatment plants (Billions of Gallons)	5.90	5.90	5.88	5.88
Average daily flow (Millions of gallons per day)	16.14	16.14	16.13	16.13
Tons of dry sludge removed	1,691.72	1,691.72	1,686.05	1,686.05

Source: City of Fairview Departments

(1) In 2009, this program was discontinued due to budget cuts

2014	2013	2012	2011	2010	2009
\$104,668	\$120,279	\$102,639	\$94,102	\$69,341	\$53,386
18,340	20,430	23,025	28,835	24,325	37,130
202,302	200,264	175,496	192,058	185,689	147,768
20,085	18,196	17,407	19,200	14,669	13,856
18,550	22,466	20,805	19,410	15,723	13,100
99,814	90,382	99,608	82,648	93,011	103,471
480,599	507,057	500,632	537,598	564,201	601,797
122,223	112,469	98,234	131,490	82,675	130,013
<u>\$ 1,066,581</u>	<u>\$ 1,091,543</u>	<u>\$ 1,037,846</u>	<u>\$ 1,105,341</u>	<u>\$ 1,049,634</u>	<u>\$ 1,100,521</u>
\$ 50,000	\$ 50,000	\$ 50,000	\$ 0	\$ 0	\$ 90,527
5,192	5,191	6,229	8,440	8,137	8,203
\$ 182,770	\$ 830,581	\$ 564,567	\$ 538,631	\$ 541,338	\$ 523,075
45.87%	30.00%	28.00%	26.00%	26.50%	26.40%
1,742	1,500	1,121	826	915	1,070
1,160	1,160	1,160	1,150	1,120	1,128
1,950	1,950	1,950	1,944	1,944	1,944
320	320	320	320	320	320
400	400	400	400	400	400
1,600	1,600	1,600	1,500	1,900	1,808
4,000	4,000	4,000	4,000	3,940	3,736
10	10	10	15	16	32
2,000	2,000	2,000	2,000	2,000	1,944
2,500	2,500	2,500	2,000	2,816	2,800
50	50	50	50	140	140
16	16	0	0	0	0
5,000	5,000	5,000	4,160	7,060	7,040
250	250	200	200	180	176
700	700	710	710	720	640
9,011	9,011	9,011	9,011	9,011	9,016
2,280	2,280	2,280	2,280	2,280	2,280
2,240	2,240	2,240	2,240	2,240	2,240
1,500	1,500	1,210	1,200	1,211	1,216
2,000	2,000	2,000	2,000	2,000	2,000
0	4,160	4,160	4,160	3,968	3,968
2,080	2,080	1,080	1,080	1,840	1,800
272	272	256	256	256	256
\$39.00	\$39.00	\$39.00	\$36.00	\$33.00	\$27.00
5.88	5.88	5.10	6.59	4.39	4.42
16.13	16.13	13.97	18.07	12.03	12.10
1,686.05	1,686.05	1,659.12	1,983.08	1,666.30	1,660.10

CITY OF
FAIRVIEW PARK

A Great Place to Grow

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

To the City Council
City of Fairview Park, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fairview Park, Ohio (the "City"), as of and for the year ended December 31, 2018, 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 26, 2019, wherein we noted that the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and as a result restated the December 31, 2017 net position of the governmental activities, business-type activities, and Sewer Fund as disclosed in Note 3.

Internal Control over Financial Reporting

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

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

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

To the City Council
City of Fairview Park, Ohio

Compliance and Other Matters

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

Purpose of this Report

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

Civini + Panzhi, Inc.

Cleveland, Ohio
June 26, 2019

OHIO AUDITOR OF STATE KEITH FABER



CITY OF FAIRVIEW PARK

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 27, 2019**