

VILLAGE OF OBETZ, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017





Dave Yost • Auditor of State

Village Council
Village of Obetz
4175 Alum Creek Drive
Obetz, Ohio 43207

We have reviewed the *Independent Auditor's Report* of the Village of Obetz, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2017 through December 31, 2017. 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 Village of Obetz is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 3, 2018

VILLAGE OF OBETZ, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

ISSUED BY:

DEPARTMENT OF FINANCE
M. MATTHEW CRAMBLIT, FINANCE DIRECTOR
MARK E. DAUBENMIER, ASSISTANT FINANCE DIRECTOR

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OBETZ, OHIO 43207

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VILLAGE OF OBETZ, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

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INTRODUCTORY SECTION



June 25, 2018

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To Members of the Obetz Village Council and the Citizens of Obetz, Ohio:

We are pleased to present our Comprehensive Annual Financial Report (CAFR) of the Village of Obetz finances (the “Village”) for the year ended December 31, 2017. This CAFR includes financial statements and other financial and statistical data conforming to generally accepted accounting principles (GAAP)—as applicable to government entities. We intend that this report will provide the Village’s stakeholders comprehensive financial data in a format that enables a true understanding of the Village’s financial affairs, while providing management information for making decisions.

Ohio law requires that every Village file its unaudited financial statements with the Auditor of State and publish their availability within five months of the close of each year. The Village met this requirement by filing its Basic Financial Statements for 2017 with the Auditor of State. The law does not require Ohio villages to create CAFRs; however, Obetz chooses to do this for its citizens and staff.

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

Julian and Grube, Inc. issued an unmodified (“clean”) opinion on the Village of Obetz’ financial statements for the year ended December 31, 2017. The Independent Auditor’s Report is located at the front of the Financial Section of this report.

Management’s Discussion and Analysis immediately follows the Independent Auditor’s Report. This discussion provides a narrative introduction, overview, and analysis to accompany the Basic Financial Statements. Management’s Discussion and Analysis complements this Letter of Transmittal and should be read in conjunction with it.

FORM OF GOVERNMENT AND REPORTING ENTITY

The Village operates under, and is governed by, its Charter. The Obetz voters adopted the Village’s original Charter in 2009. The Charter, by its own terms, is slated for review every 10 years; and, may be amended by the voters through the Charter review process. The Village’s Charter provides for a Mayor-Council form of government.

The Charter vests the legislative authority in a six-member Council with overlapping four-year terms. The citizens elect all members of council at-large in non-partisan races. The Village Council fixes compensation of Village officials and employees; enacts ordinances relating to Village services; levies taxes; appropriates and borrows money; licenses and regulates businesses and trades; and, attends to other municipal needs. The presiding officer of Council is the Mayor, who is a member of Village Council—only voting in the case of a tie—and is elected by the citizens of Obetz for a four-year term. The Mayor is the chief executive, administrative, and law enforcement officer of the Village and is charged with the ultimate responsibility for the administration of all municipal affairs as empowered by the Charter. The Village Administrator is responsible for the day-to-day operations of the Village and stands in the Mayor’s stead as chief executive, administrative, and law enforcement officer of the Village as authorized.



Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's Governing Board; and, (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; or (3) the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provides financial support to, the organization; or (4) the Village is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Village in that the Village approves the budget, the issuance of debt, or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the Village and the organization is such that exclusion by the Village would render the Village's financial statements incomplete or misleading. Based upon the application of these criteria, the Village has no component units.

Certain organizations, although sharing some degree of name similarity with the Village, are separate and distinct entities from each other and from the Village. The Village is not financially accountable for these entities. Due to their independent nature, the financial activities of the Big Walnut Area Community Improvement Corporation, the Obetz Convention and Visitor's Bureau, and the Prairie-Obetz Joint Economic Development Zone are excluded from the Village's CAFR. We have disclosed these entities as jointly governed organizations in the Village's CAFR.

ECONOMIC CONDITION AND OUTLOOK

The Village is entirely within Franklin County in central Ohio. The Village experienced tremendous growth, both residential and nonresidential, over the past 15 years. The Village's growth is attributable to several factors including a pro-business electorate, its business-friendly regulations, strong economic development team, and an excellent location—with access to Interstate 270 and proximity to the Rickenbacker Inland Port. Obetz also enjoys easy access to downtown Columbus and the Port Columbus International Airport; high quality logistics and e-commerce centers; affordable, quality housing; award winning public education; and, a reputation as a regional leader in attracting and retaining jobs.

The Village's positive economic condition reflects its strong and diversified nonresidential tax base. The Village is home to more than 300 companies. Village Council recognizes the need to maintain a highly diversified tax base. In light of the Village's reliance on income tax revenues, nonresidential development is critical to funding the services and facilities required by its citizens and visitors and is an integral part of the Village's quality of life for all residents—both residential and nonresidential alike.

The Village maintains a sensible mix of residential and nonresidential development. This is essential because of the positive fiscal impact nonresidential development has on the Village. The assessed valuation of real estate in the Village for tax year 2016 (collection year 2017), including the value of property located in Tax Increment Financing (TIF) districts is \$133,878,410. Residential property comprises 38% of the total and nonresidential property comprises the remaining 62%.

The Village's income tax collections, its most significant revenue source, are a good barometer of the strength of the local economy. In 2017, the Village levied a 2.5% tax on income earned by individuals working within the Village, and on the net income of for-profit organizations conducting business within the Village. From 2008 to 2017, net income tax receipts increased every year except in 2010. The 2008 net tax receipts were \$3,737,649 and the 2017 net tax receipts were \$15,147,910 for an aggregate growth of 305.28% over the 10 year period.



The financial health of the Village is linked to the success of the Village's corporate residents as the employee withholding taxes represented 54.11% of the total income tax receipts for 2017. That tax base continues to grow aggressively and in 2017, withholding taxes increased \$710,204 or 9.30% more than 2016. Corporate net profit income tax receipts were 45.36% of the total and increased \$5,512,026, or 370.68% more than 2016. Maintaining the Village's conservative approach to estimating revenue, the 2017 original budgeted income tax revenue was 61.57% below actual income tax revenues. A late year adjustment of expected income tax revenue was conservatively estimated at 15.28% less than actual collections.

The Village's current economic development strategy is multi-faceted. The Village developed a strong economic development department comprising a multidisciplinary team focused on attracting and retaining quality companies. The economic development team engages in a formal Business Retention and Expansion Program. The Village recognizes it has an excellent economic development resource in its existing employment base. Existing businesses are a critical aspect of Obetz' continued economic development success. Major public and private companies such as Amazon (AMZN), zulily, Inc.(ZU), Tech Data (TECD), Cardinal Health, Inc.(CAH), Shiseido (SSDOF), Columbus Fair Auto Auction, Inc., United Parcel Service, Inc. (UPS), Art.com, Inc., Red Envelope (REDE), and Luxottica Retail North America, Inc. (LUX) continue to be a sound foundation of the Village's tax base.

In 2014, Obetz launched the ongoing Obetz Jobs Initiative. The goals of the program are to: 1) provide our employers with quality candidates for employment; 2) connect our residents and other qualified employees to good jobs; and, 3) foster and grow educational programming to produce highly qualified employees from the area. To accomplish these goals, the Village partnered with InnoSource, a private company, which specializes in employee recruitment and fulfillment. With our partner, we launched the website Obetzjobs.com where only Obetz employers can post openings and view the résumés of candidates looking for work. From there, employers are free to choose from any qualified applicant in which they have an interest. A subset of the Obetz Jobs Initiative is embodied in the Obetz Jobs Council. Here, a select group of employers meets with local high schools and career schools with the aim being to create curricula, training programs, and internships to ensure a steady stream of job-ready applicants. Since its inception, the Obetz Jobs Initiative has matched hundreds of qualified Obetz residents with Obetz employers.

The Village uses a full complement of Ohio's most advanced economic development tools to attract new business and to assist existing business expansions. The Village has employed Community Reinvestment Areas, Tax Increment Financing, Income Tax Rebates, and various and sundry state economic programs to create a competitive business environment. On the heels of a new Amazon e-commerce center, and a new distribution facility for Westward Pharmaceuticals in 2016; Obetz followed up in 2017 with the addition of and/or development plans for adding Anheuser-Busch, Crate & Barrel, Owens & Minor, and Rodan + Fields distribution facilities, a Love's Truck Stop, an innovative E-commerce company Le Tote, and a Denny's restaurant. These new facilities resulted in thousands of new jobs in Obetz. The business retention efforts resulted in the expansion of Cheryl and Company manufacturing and distribution facilities, and the complete revitalization and expansion of Oberfields, including the addition of a retail showroom. The Village's continued economic vitality is the result of quality development, planning, and the Village's ongoing efforts to attract and retain cutting edge logistic and e-commerce nonresidential development. The Village remains competitive in attracting new businesses while retaining current business customers. The Village's economic base is diverse and no single company dominates its tax base resulting in a strong, well-balanced, corporate climate.

The Village also benefits from its location in central Ohio. The Village is approximately six miles southeast of the central business district of the City of Columbus, the State's capital and largest city. The unemployment rate in Franklin County has been consistently lower than the unemployment rates for both the State of Ohio and the nation. This trend continued in 2017 with unemployment rates of 3.7% for Franklin County, 4.9% for the State of Ohio, and 4.4% for the United States. All of the foregoing unemployment rates are less than or equal to 2016 rates.

Adding to the attractiveness of the Village, part of Obetz lies within the boundaries of the Rickenbacker Inland Port. The Port is a global, multi-modal, logistics hub with an unmatched location for distribution to U.S. and Canadian



consumers. Serving as the gateway for the Ohio Valley, Rickenbacker Inland Port is home to a base of air, road, and rail transport companies supported by a mix of freight forwarders, consolidators, customs brokers, and third-party logistics providers. The Columbus Regional Airport Authority oversees the operation of Port Columbus International Airport (Passenger Focused); Bolton Field (General Aviation); and manages the Cargo-dedicated Rickenbacker International Airport and the Rickenbacker Global Logistics Park.

The Mayor, Village Council, and management continue to closely monitor the regional and local economy for opportunities to further improve Obetz' financial position. The existing tax base, along with continued proactive development efforts, will not only allow the Village to remain financially strong, but will strengthen its future financial position.

MAJOR INITIATIVES

Current Year

The Village works to maintain and enhance the community's character, providing excellent Village services and maintaining strong financial standing. Under the leadership of the Village Mayor and Council, the Village develops innovative programs to meet these goals, leading the way in local government and forging a reputation as a pioneering community.

CAPITAL IMPROVEMENTS

In the Village, much effort is directed toward planning and managing the growth and development of the community. Building and maintaining public infrastructure is a critical component in providing a high quality of life to the residents and providing for the long-term fiscal health of the Village. In 2017, the Village continued revising a five-year Capital Improvements Program (CIP) that is revised and adopted annually. The CIP is the blueprint for Village investments in its capital infrastructure and defines the financial guidelines for completing as many capital projects as possible while maintaining the ability to adapt to change as it occurs.

In 2017, the Village completed three major quality of life projects. First, the Village purchased an aging race track and converted it to Fortress Obetz. Fortress Obetz is a 72-acre, multi-modal, entertainment facility hosting concerts, festivals, and regional, national, and international sporting events. Obetz is home to three professional sports franchises in soccer, rugby, and lacrosse. In 2017, the Fortress Obetz professional lacrosse team—the Ohio Machine—won the National Championship for Major League Lacrosse. The Village constructed Fortress Obetz from used shipping containers and was awarded the Modular Building Institute's Project of the Year Award. "To create Fortress Obetz, **the largest shipping container structure in the United States to date**, all ground level units were perfectly level to ensure all the second and third story units would be lined-up and balanced. Wherever four module corners met, a small section of the floor in the final container was prepared to be removed for welder access and then replaced. Securely erecting and anchoring the upright containers is a breakthrough in container structure design and execution. Fortress Obetz will serve as a road map and a testament to the potential for large shipping container structures."¹

In addition to Fortress Obetz, the Village completed and opened the Area 51 Disc Golf Course. The Village constructed the 30-acre Area 51 course with in-house labor on land obtained at no cost to the Village. The course is free to use and has welcomed more than a thousand visitors in its first season.

¹ Modular Building Institute: <http://www.modular.org/Awards/AwardEntryDetail.aspx?awardentryid=1633>, accessed June 29, 2018, Emphasis Added.



Finally, in 2017, the Village obtained at no cost another 38 acres, which it converted into a nature preserve boasting 2000 feet of river frontage on the Big Walnut Creek. The park includes a canoe launch and a mile of nature trails. The Braehead Preserve, as it is named, opened in late summer 2017 along with Fortress Obetz and Area 51.

TRANSPORTATION

The Village capitalizes on a sound, extraterritorial, road network by investing heavily in local transportation projects—both independently and with regional government partners. In 2016, the Village continued its commitment to smoothly flowing road systems by partnering with the Ohio Department of Transportation to complete the I-270/Alum Creek Interchange Improvement project. The goal of this design-build project was to widen the southbound Alum Creek Drive bridge over I-270 by two lanes and to add a southbound exit ramp. The Project was completed in the summer of 2016. This \$5,678,500 project added additional capacity to Alum Creek Drive at the freeway exits and further increased the ease of traffic entering and exiting the Obetz area. Obetz also partnered with the State of Ohio and Franklin County to significantly rebuild the intersection of Alum Creek Drive and Toy Road. The project resulted in widening Toy Road (a major access point to e-commerce sites), more turn lanes, sidewalks for employees, bus stops, and quicker access to Obetz' e-commerce corridor. The bulk of this work was completed in 2017 and relied on partnerships with Franklin County and the State of Ohio and its 629 Grant Program. These traffic improvements keep Obetz attractive to process driven e-commerce companies who recognize the value of quick access to interior and interstate routes for moving goods.

In addition to its major road network improvements, the Village recognized that employers need qualified employees and that those employees need to be able to get to work safely, economically, and with a high degree of reliability. To that end, the Village has joined forces with our regional partner—the Central Ohio Transit Authority (COTA)—to increase the frequency of bus route stops along the main employment corridor on Alum Creek Drive from hourly to every 15 minutes.

To ensure maximum efficiency and rider safety, Obetz and COTA constructed two new bus stops at the corner of Toy Road and Alum Creek Drive in the heart of the e-commerce district. Considering the distance from the bus stops to the employers' doors, in 2015 the Village collaborated with COTA and our neighboring City of Groveport to create a circulator whereby we operate buses that collect riders from the primary bus stops and deliver them to our employers. The GREAT bus service, as it is called, began operations in 2015 and, in 2017 the Obetz Red Line transported 25,030 employees to their jobs in the Village at no cost to the employees or employers. The increased effort to promote this service resulted in an increase in ridership of 185% over 2016.

UTILITY INFRASTRUCTURE

Obetz is unique among Ohio villages in that it operates its own Water, Gas, Sewer (both Storm and Sanitary Sewer), and Electric utilities. The Village employs these resources to make it competitive in attracting and retaining quality businesses. The Village will incentivize these utilities occasionally and conservatively to attract large businesses. Even in the absence of an incentive, the Village's utility rates are still highly competitive and attract business the overwhelming majority of the time with no price break. It is important to note that the gas and electric utilities are limited to a specific geographic area with only commercial customers.

The Village spent a considerable amount of time and resources improving utility services to account for the dramatic growth. In 2015, Obetz replaced all its water meters, and installed a new network web between the meters. The completed project allows for real time monitoring of the water flow at each metered location. The meters "talk" to one another in a chain from place to place until they reach the central office. The upgraded capability allows the Village to notify a resident immediately if there is a serious leak; or, even something as innocuous as leaving a hose running. Additionally, with the advanced technology, the Village can now accurately—and in real time—track consumption throughout the village allowing for the identification and conservation of precious resources.



As an analogue to the new Meter Network, Obetz continued implementing a program to completely rebuild its computer software and add a new server. In 2017 the Village invested heavily in its Graphical Information System interface, visual mapping, and surveying technology. Obetz employs drones and 3D mapping to inspect, maintain, and plan for critical infrastructure. The Village also continues adding and implementing the latest management and statistical analysis software striving to achieve nearly paperless management of Village operations. In anticipation of converting data to electronic form, the Village purchased a large format copier/scanner and a large format printer increasing its technological capabilities related to the new software system.

Prospects for the Future

The Village developed substantially in the last 15 years. It added millions of square feet of e-commerce and logistics space, manufacturing, and various other industries. In 2017 the Village opened a Village-owned state of the art park facility for concerts and athletic events, a new disc golf course, and a new nature preserve. The Village has roughly 10 square miles of annexable land available to it. Of that, there is nearly seven square miles of undeveloped farmland positioning the Village for a very bright future.

The Village has more than 1,000 new residential structures platted in five separate developments under various stages of construction. Developers continue, or recently completed construction, on 802,000 square feet of new commercial buildings.

The Village is mindful of the fiscal impact of projected future growth of the Village over the next several years. If the Village is successful in its efforts to increase its presence as a regional employment center, its existing revenue structure will be sufficient to provide current levels of service to both existing and new development and, unlike most communities; the projected new growth will generate net revenue surpluses in the Village's operating budget. This is the result of land-use planning which maintains a balance between residential and nonresidential development and considers its effect on the Village's 2.5% income tax. Income tax revenues comprise approximately 67.84% of the Village's total annual governmental activities revenues, and future growth is expected to be heavily weighted towards nonresidential, rather than residential, development. The future development of the remaining nonresidential acreage will have a positive impact on the Village's income tax base, and on its financial ability to provide services to citizens.

This diverse and healthy economic base provides the foundation for the future of the Obetz community. The employment tax base allows the Village to provide quality services and funding for an aggressive capital improvements program. Continuing to attract new nonresidential development while retaining our current business customers will provide for a strong financial future. Village Council and management closely monitor the Village's revenues and expenditures as we move forward.

The continued planning provides the basis for well-managed growth and development. The planning serves as the primary basis for decision making in public policy areas such as land use, density of land uses, annexation, and capital programming for identified public infrastructure needs. The Village is currently planning for the development to come and focusing on expanding business growth options for office-flex, research, lab and tech space, and clean manufacturing to help diversify the Village's economic base.

The Village continues to make tremendous strides in establishing a thriving community for residents and corporate citizens. As we set our priorities for the coming years, the Village Mayor, Council, and management strive toward achieving superior results in our services, residential and nonresidential development, fiscal health, and corporate community. As the Village flourishes as a community, we believe our best years are yet to come.



FISCAL POLICIES AND PROCEDURES

Internal Control Structure

Management of the Village is responsible for establishing and maintaining an adequate internal control structure. Internal accounting controls are designed to ensure that the assets of the Village are protected from loss, theft, or misuse and that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely derived; and (2) the valuation of costs and benefits require estimates and judgment by management.

We believe the Village's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions. Because of inherent limitations in any internal control structure, errors or irregularities nevertheless may occur and not be detected. Projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or the degree of compliance with the procedures may deteriorate.

Budgetary Controls

In addition to internal accounting controls, the Village maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation ordinance approved by Village Council. Activities of all funds, with the exception of advances, are included in the annual appropriations ordinance. All funds except Agency Funds are legally required to be budgeted. Upon adoption of the annual appropriations ordinance by Village Council, it becomes the formal budget for Village operations. The appropriations ordinance is Village Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Village Council. The legal level of control has been established by Village Council at the object level within each department within each fund for all funds. Appropriations may be amended or supplemented by Council during the year as required. Appropriations within a department may be transferred within the same object level with approval of the Village Administrator so long as the transfer is within the same fund.

Debt Administration

As of December 31, 2017, the Village had \$28,097,796 in long-term obligations outstanding, excluding net pension liability and compensated absences. Of the total, \$4,505,000 will be retired using service payments received in lieu of property taxes and developer contributions. The remaining \$23,592,796 will be retired with income tax revenue.

Under current state statutes, the Village's general obligation debt issuances are subject to a legal limitation based on the total assessed value of real and personal property. Total general obligation debt of the Village, exclusive of certain exempt debt, shall never exceed 10.5% of the total assessed valuation. The unvoted general obligation debt of the Village cannot exceed 5.5% of the total assessed valuation. As of December 31, 2017, the Village had a legal debt margin for total debt of \$14,057,233 and a legal debt margin for unvoted debt of \$7,363,313.

When the Village issued bond anticipation notes (BANs) in 2015, it received a reaffirmation of its AA- rating from Standard & Poor's. The rating is excellent for an Ohio Village and is better than many large cities, enabling the Village's debt to be issued at lower interest rates, resulting in substantial reductions in future debt service payments. The Village's diverse and growing economic base, strong regional and local economies, history of operating surpluses and the continued use of that surplus to fund capital projects, and continued long-term planning efforts will help maintain high credit ratings.

OTHER INFORMATION

Independent Audit

The financial records of the Village were audited by Julian and Grube, Inc., Certified Public Accountants, under contract with the Village and the Auditor of State of Ohio. The independent auditor's report on the Basic Financial Statements is included on pages 17-18 in the Financial Section of this report.

Use of This Report

This CAFR is published to provide to Village Council, as well as to our residents and other interested persons, detailed information concerning the financial condition of the Village. We believe the information, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial activity of our funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the Village's financial activity have been included. Copies of this CAFR are available on the Obetz website at www.obetz.oh.us for use by the public.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Obetz for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2016. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

This CAFR was made possible by the dedicated efforts of the entire Department of Finance staff. Our sincere appreciation is extended to each of them, and the others throughout the Village, whose efforts have made this report possible.

Sincerely,

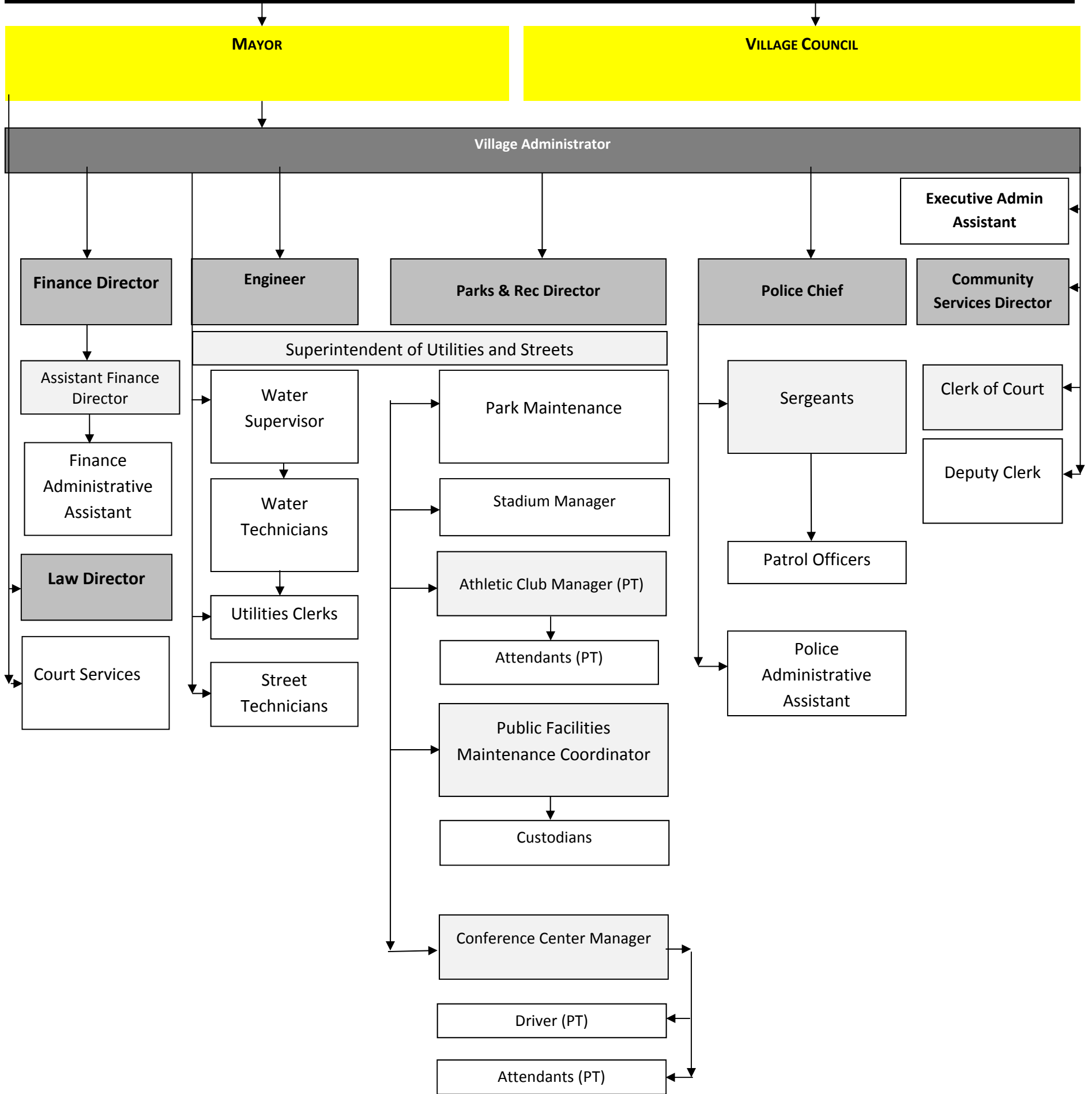


E. Rod Davisson, Esq. (LEED-AP)
Village Administrator



M. Matthew Cramblit
Finance Director

VILLAGE OF OBETZ CITIZENS



PT = Part-time Employee



Organizational Chart

VILLAGE OF OBETZ, OHIO

VILLAGE OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2017

Mayor

D. Greg Scott

Council Members

Bonnie Wiley, President

Louise Crabtree

Michael Flaherty

Angie Kirk

Guiles Richardson

James Wiley

Administrator

E. Rod Davisson, Esq.

Police Chief

Chief J. Michael Confer

Community Services Director

Stacey E. Boumis, AICP

Village Engineer

Michael F. Corbitt, P.E.

Parks and Recreation Director

Edgar C. Merritt III

Facilities Manager

Timothy H. Ross

Assistant Director of Development

Stacie L. Garvine

Law Director

Frost Brown Todd LLC

Finance Director

M. Matthew Cramblit

Assistant Finance Director

Mark E. Daubenmier

Service Director

Kevin M. Hall



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Village of Obetz
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION



Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Village of Obetz
Franklin County
4175 Alum Creek Drive
Obetz, Ohio 43207

To the Members of Council and Mayor:

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 Village of Obetz, Franklin County, Ohio, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Village of Obetz's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Obetz, Franklin County, Ohio, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Independent Auditor's Report
Village of Obetz

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2018, on our consideration of the Village of Obetz's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Obetz's internal control over financial reporting and compliance.



Julian & Grube, Inc.
June 25, 2018

VILLAGE OF OBETZ, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

The management's discussion and analysis of the Village of Obetz' (the "Village") financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2017. The intent of this discussion and analysis is to look at the Village's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Village's financial performance.

Financial Highlights

Key financial highlights for 2017 are as follows:

- The total net position of the Village increased \$9,862,779. Net position of governmental activities increased \$8,034,540 or 12.91% from 2016 and net position of business-type activities increased \$1,828,239 or 6.55% from 2016.
- General revenues accounted for \$20,102,833 or 87.48% of total governmental activities revenue. Program specific revenues accounted for \$2,877,169 or 12.52% of total governmental activities revenue.
- The Village had \$15,067,162 in expenses related to governmental activities; \$2,877,169 of these expenses were offset by program specific charges for services and sales, grants or contributions.
- The General Fund had revenues and other financing sources of \$18,157,470 in 2017. This represents an increase of \$5,338,970 from 2016. The expenditures of the General Fund, which totaled \$17,999,786 in 2017, increased \$7,589,537 from 2016 expenditures. During 2017, fund balance increased \$157,684 from \$9,826,949 at December 31, 2016 to \$9,984,633 at December 31, 2017.
- The General Obligation Debt Service Fund had revenues and other financing sources of \$1,106,385 in 2017. The expenditures of the General Obligation Debt Service Fund totaled \$601,774 in 2017. During 2017, fund balance increased \$504,611 from \$1,948,917 at December 31, 2016 to \$2,453,528 at December 31, 2017.
- The Park Improvements Fund had expenditures of \$11,862,582 in 2017. During 2017, fund balance decreased \$11,862,582 from \$11,911,947 at December 31, 2016 to \$49,365 at December 31, 2017.
- The Williams Road Capital Improvement Fund was a new fund in 2017. During 2017, this fund had expenditures of \$1,582,325. Fund balance decreased \$1,582,325 from \$0 at December 31, 2016 to a deficit balance of \$1,582,325 at December 31, 2017. The deficit balance is due to the reporting of \$2,000,000 short-term notes payable as a fund liability rather than as an other financing source.
- The Walnut Creek Improvement Fund was a new fund in 2017. During 2017, this fund had other financing sources of \$2,400,000 and expenditures of \$1,714,133. Fund balance increased \$685,867 from \$0 at December 31, 2016 to \$685,867 at December 31, 2017.
- Net position for the business-type activities, which are made up of the Water, Sewer, Electric, Gas, and Refuse operations, increased in 2017 by \$1,828,239. During 2017, charges for services and sales supporting these operations totaled \$11,125,250 while expenses of these operations totaled \$9,748,826. In addition, these operations received \$573,515 in capital grants and contributions. The business-type activities transferred \$121,700 in capital assets to the governmental activities in 2017.
- In the General Fund, the actual revenues and other financing sources came in \$2,934,258 higher than they were in the final budget and actual expenditures and other financing uses were \$1,974,306 less than the amount in the final budget. Budgeted expenditures and other financing uses increased \$4,229,647 from the original to the final budget. Budgeted revenues increased \$4,179,289 from the original to the final budget.

VILLAGE OF OBETZ, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

Using this Annual Financial Report

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

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

Reporting the Village as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the Village to provide programs and activities, the view of the Village as a whole looks at all financial transactions and asks the question, "How did we do financially during 2017?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows, liabilities and deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the Village is divided into two distinct kinds of activities:

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

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

The Village's Statement of Net Position and Statement of Activities can be found on pages 37-39 of this report.

Reporting the Village's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, 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 Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

VILLAGE OF OBETZ, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

Fund financial reports provide detailed information about the Village's major funds. The Village uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Village's most significant funds. The analysis of the Village's major governmental and proprietary funds begins on page 29.

Governmental Funds

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains a multitude of individual governmental funds. The Village has segregated these funds into major funds and nonmajor funds. The Village's major governmental funds are the General Fund, the General Obligation Debt Service Fund, the Park Improvements Fund, the Williams Road Capital Improvement Fund, and the Walnut Creek Improvement Fund. Information for major funds is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 40-47 of this report.

Enterprise Funds

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water, sewer, electric, gas, and refuse management functions. Each of the enterprise funds are considered major funds. The basic proprietary fund financial statements can be found on pages 48-55 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Agency funds are the Village's only fiduciary fund type. The Statement of Assets and Liabilities can be found on page 56 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 57-102 of this report.

Required Supplementary Information (RSI)

The RSI contains information regarding the Village's proportionate share of the Ohio Public Employees Retirement System's (OPERS) and the Ohio Police and Fire (OP&F) Pension Fund's net pension liability and the Village's schedule of contributions to OPERS and OP&F. The RSI can be found on pages 104-110 of this report.

VILLAGE OF OBETZ, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

Government-Wide Financial Analysis

The table below provides a summary of the Village's net position at December 31, 2017 and 2016:

	Net Position					
	Governmental Activities 2017	Business-type Activities 2017	Governmental Activities 2016	Business-type Activities 2016	2017 Total	2016 Total
	<u>2017</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>	<u>Total</u>	<u>Total</u>
<u>Assets</u>						
Current and other assets	\$ 19,638,926	\$ 10,397,790	\$ 29,042,127	\$ 9,306,228	\$ 30,036,716	\$ 38,348,355
Capital assets, net	<u>87,425,443</u>	<u>21,886,999</u>	<u>65,713,182</u>	<u>21,661,690</u>	<u>109,312,442</u>	<u>87,374,872</u>
Total assets	<u>107,064,369</u>	<u>32,284,789</u>	<u>94,755,309</u>	<u>30,967,918</u>	<u>139,349,158</u>	<u>125,723,227</u>
<u>Deferred outflows of resources</u>						
Pension - OPERS	1,405,967	321,675	941,366	268,055	1,727,642	1,209,421
Pension - OP&F	<u>1,192,988</u>	<u>-</u>	<u>1,212,571</u>	<u>-</u>	<u>1,192,988</u>	<u>1,212,571</u>
Total deferred outflows of resources	<u>2,598,955</u>	<u>321,675</u>	<u>2,153,937</u>	<u>268,055</u>	<u>2,920,630</u>	<u>2,421,992</u>
<u>Liabilities</u>						
Current and other liabilities	4,127,346	2,123,454	1,397,535	2,658,142	6,250,800	4,055,677
Long-term liabilities	<u>34,574,002</u>	<u>756,343</u>	<u>32,094,191</u>	<u>673,056</u>	<u>35,330,345</u>	<u>32,767,247</u>
Total liabilities	<u>38,701,348</u>	<u>2,879,797</u>	<u>33,491,726</u>	<u>3,331,198</u>	<u>41,581,145</u>	<u>36,822,924</u>
<u>Deferred inflows of resources</u>						
Property taxes levied for the next fiscal year	260,870	-	184,777	-	260,870	184,777
Payments in lieu of taxes levied for the next fiscal year	417,144	-	962,178	-	417,144	962,178
Pension - OPERS	17,039	4,265	37,266	10,612	21,304	47,878
Pension - OP&F	<u>7,772</u>	<u>-</u>	<u>8,688</u>	<u>-</u>	<u>7,772</u>	<u>8,688</u>
Total deferred inflows of resources	<u>702,825</u>	<u>4,265</u>	<u>1,192,909</u>	<u>10,612</u>	<u>707,090</u>	<u>1,203,521</u>
<u>Net Position</u>						
Net investment in capital assets	56,265,624	20,886,999	50,757,006	19,680,703	77,152,623	70,437,709
Restricted	4,230,914	-	2,373,021	-	4,230,914	2,373,021
Unrestricted	<u>9,762,613</u>	<u>8,835,403</u>	<u>9,094,584</u>	<u>8,213,460</u>	<u>18,598,016</u>	<u>17,308,044</u>
Total net position	<u>\$ 70,259,151</u>	<u>\$ 29,722,402</u>	<u>\$ 62,224,611</u>	<u>\$ 27,894,163</u>	<u>\$ 99,981,553</u>	<u>\$ 90,118,774</u>

Net Pension Liability

The Village applies Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68" which provides standards for reporting pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Village's actual financial condition by adding deferred inflows related to pension and the net pension asset/liability to the reported net position and subtracting deferred outflows related to pension.

VILLAGE OF OBETZ, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB Statement No. 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB Statement No. 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the standards required by GASB Statement No. 68, the net pension liability equals the Village's proportionate share of each plan's collective:

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

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

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

The Village's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows. In addition, the Village reports a net pension asset/liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

Analysis of Net Position

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2017, the Village's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$99,981,553. At year-end, net position was \$70,259,151 and \$29,722,402 for the governmental activities and the business-type activities, respectively.

VILLAGE OF OBETZ, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

Capital assets reported on the government-wide statements represent the largest portion of the Village's assets. At year-end, capital assets represented 78.44 percent of total assets. Capital assets include land, rights of way, construction in progress, buildings, improvements other than buildings, infrastructure, equipment, and vehicles. Net investment in capital assets at December 31, 2017, was \$56,265,624 and \$20,886,999 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. The Village's investment in capital assets is reported net of related debt; however, the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Current assets decreased due to capital expenditures related to Fortress Obetz. Capital assets increased as the Village completed the Fortress Obetz project during the year. Current liabilities increased primarily due to the Village issuing \$2,500,000 in short-term notes to fund capital improvement projects. Long-term liabilities increased due to an increase in the Village's net pension liability and the issuing of long-term notes payable for capital improvement projects.

A portion of the Village's net position, \$4,230,914, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is \$18,598,016 (\$9,762,613 in the governmental activities and \$8,835,403 in the business-type activities).

VILLAGE OF OBETZ, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

The table below shows the changes in net position for 2017 and 2016.

	Changes in Net Position					
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities	2017 Total	2016 Total
	<u>2017</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>	<u>Total</u>	<u>Total</u>
Revenues						
Program revenues:						
Charges for services and sales	\$ 1,032,376	\$ 11,125,250	\$ 887,750	\$ 10,756,349	\$ 12,157,626	\$ 11,644,099
Operating grants and contributions	823,151	-	467,183	-	823,151	467,183
Capital grants and contributions	<u>1,021,642</u>	<u>573,515</u>	<u>3,994,053</u>	<u>2,968,779</u>	<u>1,595,157</u>	<u>6,962,832</u>
Total program revenues	<u>2,877,169</u>	<u>11,698,765</u>	<u>5,348,986</u>	<u>13,725,128</u>	<u>14,575,934</u>	<u>19,074,114</u>
General revenues:						
Property taxes	199,013	-	179,584	-	199,013	179,584
Municipal income taxes	15,597,909	-	9,039,032	-	15,597,909	9,039,032
Other local taxes	338,230	-	354,113	-	338,230	354,113
Payments in lieu of taxes	958,367	-	925,111	-	958,367	925,111
Unrestricted grants and entitlements	2,557,155	-	2,762,892	-	2,557,155	2,762,892
Investment earnings	234,977	-	67,185	5,652	234,977	72,837
Increase (Decrease) in fair value of investments	5,571	-	(34,179)	-	5,571	(34,179)
Gain on sale of capital assets	1,100	-	-	-	1,100	-
Miscellaneous	<u>210,511</u>	<u>-</u>	<u>293,819</u>	<u>3,403</u>	<u>210,511</u>	<u>297,222</u>
Total general revenues	<u>20,102,833</u>	<u>-</u>	<u>13,587,557</u>	<u>9,055</u>	<u>20,102,833</u>	<u>13,596,612</u>
Total revenues	<u>22,980,002</u>	<u>11,698,765</u>	<u>18,936,543</u>	<u>13,734,183</u>	<u>34,678,767</u>	<u>32,670,726</u>
Expenses:						
General government	1,660,347	-	1,551,273	-	1,660,347	1,551,273
Security of persons and property	2,731,880	-	2,539,515	-	2,731,880	2,539,515
Public health	36,840	-	31,395	-	36,840	31,395
Transportation	4,105,569	-	4,040,003	-	4,105,569	4,040,003
Community environment	3,478,107	-	3,225,397	-	3,478,107	3,225,397
Leisure time activity	2,179,499	-	1,697,055	-	2,179,499	1,697,055
Interest and fiscal charges	874,920	-	647,561	-	874,920	647,561
Water	-	1,160,231	-	1,029,056	1,160,231	1,029,056
Sewer	-	2,059,694	-	1,482,944	2,059,694	1,482,944
Electric	-	5,256,793	-	4,612,841	5,256,793	4,612,841
Gas	-	1,013,960	-	820,682	1,013,960	820,682
Refuse	<u>-</u>	<u>258,148</u>	<u>-</u>	<u>251,775</u>	<u>258,148</u>	<u>251,775</u>
Total expenses	<u>15,067,162</u>	<u>9,748,826</u>	<u>13,732,199</u>	<u>8,197,298</u>	<u>24,815,988</u>	<u>21,929,497</u>
Transfers	121,700	(121,700)	-	-	-	-
Change in net position	8,034,540	1,828,239	5,204,344	5,536,885	9,862,779	10,741,229
Net position at beginning of year	<u>62,224,611</u>	<u>27,894,163</u>	<u>57,020,267</u>	<u>22,357,278</u>	<u>90,118,774</u>	<u>79,377,545</u>
Net position at end of year	<u>\$ 70,259,151</u>	<u>\$ 29,722,402</u>	<u>\$ 62,224,611</u>	<u>\$ 27,894,163</u>	<u>\$ 99,981,553</u>	<u>\$ 90,118,774</u>

VILLAGE OF OBETZ, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

Governmental Activities

Governmental activities net position increased \$8,034,540 in 2017.

Charges for services and sales increased \$144,626, or 16.29%, primarily in the area supporting general government. The state and federal government contributed to the Village a total of \$823,151 in operating grants and contributions and \$1,021,642 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Operating grants and contributions increased \$355,968, or 76.19%, from the prior year. Capital grants and contributions decreased \$2,972,411 primarily due to less donated infrastructure.

General revenues totaled \$20,102,833 and amounted to 87.48% of total governmental revenues. These revenues primarily consist of property and income tax revenues of \$15,796,922. The other primary sources of general revenues are grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$2,557,155 and payments in lieu of taxes of \$958,367. Municipal income tax revenue increased due to higher income tax activity related to employee withholdings within the Village and higher income taxes related to net profits of corporations in the Village.

General government expenses totaled \$1,660,347. General government expenses were partially funded by \$802,580 in direct charges to users of the services. General government expenses increased primarily due to increases in wages in the Mayor's offices.

Security of persons and property, which primarily supports the operation of police services, accounted for \$2,731,880 or 18.13% of the total expenses of the Village. Security of persons and property expenses were partially funded by \$11,922 in direct charges to users of the services. Security of persons and property expenses increased \$192,365 compared to 2016 primarily due to the addition of police officers.

Transportation expenses increased \$65,566, remaining consistent with the prior year. Transportation expenses were offset by \$628,070 in operating grants and contributions and \$1,021,642 in capital grants and contributions.

Community environment expenses increased \$252,710 due to the Village's cooperative agreement with the City of Groveport and COTA to supply new bus routes to the industrial centers. The increase in community environment expenses was also due to increased tax distribution amounts paid to Prairie Township resulting from an income tax increase for the JEDZ.

Leisure time activities expenses increased \$482,444 as the Village incurred more expenses related to parks and recreational activities in 2017. Leisure time activities expenses were partially offset by \$217,874 in direct charges to users of the services.

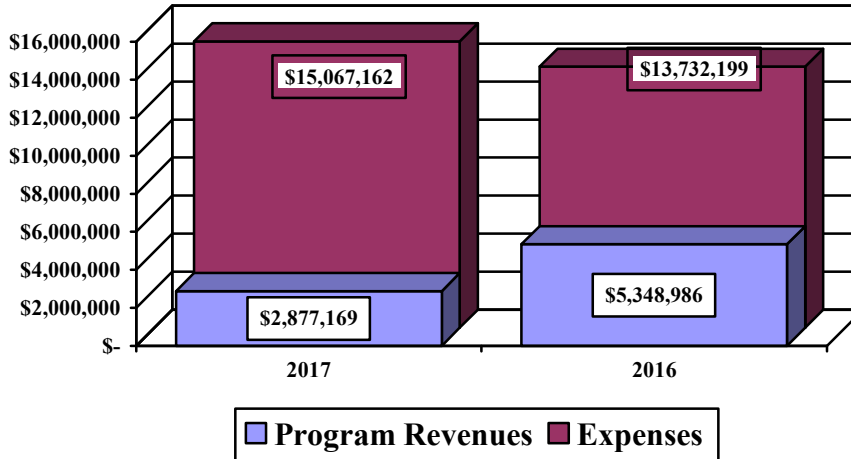
Interest and fiscal charges increased \$227,359 from 2016 primarily due to the issuance of the Williams Road and Walnut Creek Improvement notes. Interest and fiscal charges were partially offset by \$184,583 in operating grants and contributions.

VILLAGE OF OBETZ, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

The graph below shows program revenues and total expenses for 2017 and 2016:

Governmental Activities - Program Revenues vs. Total Expenses



The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As can be seen in the graph below, the Village is highly dependent upon general revenues (primarily property and income taxes as well as unrestricted grants and entitlements) to support its governmental activities as program revenues are not sufficient to cover total governmental expenses for 2017.

Governmental Activities

	Total Cost of Services 2017	Net Cost of Services 2017	Total Cost of Services 2016	Net Cost of Services 2016
Program expenses:				
General government	\$ 1,660,347	\$ 857,767	\$ 1,551,273	\$ 839,030
Security of persons and property	2,731,880	2,709,460	2,539,515	2,520,941
Public health	36,840	36,840	31,395	31,395
Transportation	4,105,569	2,455,857	4,040,003	(207,045)
Community environment	3,478,107	3,478,107	3,225,397	3,225,397
Leisure time activity	2,179,499	1,961,625	1,697,055	1,526,126
Interest and fiscal charges	874,920	690,337	647,561	447,369
Total	<u>\$ 15,067,162</u>	<u>\$ 12,189,993</u>	<u>\$ 13,732,199</u>	<u>\$ 8,383,213</u>

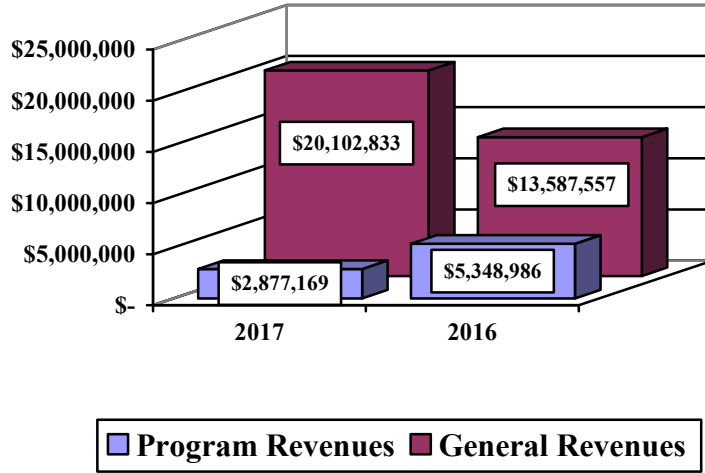
The dependence upon general revenues for governmental activities is apparent, with 80.90% of expenses supported through taxes and other general revenues.

VILLAGE OF OBETZ, OHIO

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

The graph below illustrates the Village’s program revenues versus general revenues for 2017 and 2016.

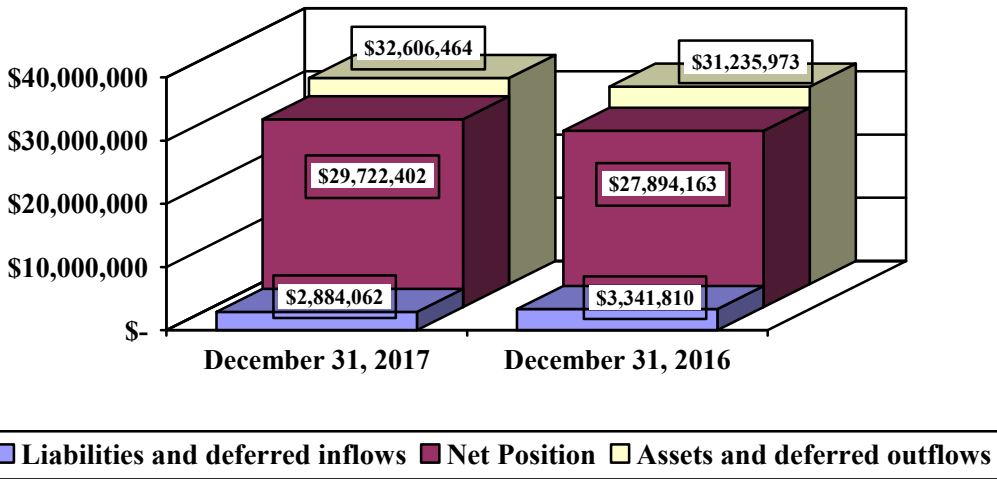
Governmental Activities - General and Program Revenues



Business-type Activities

Business-type activities include the water, sewer, electric, gas, and refuse operations. These programs had program revenues of \$11,698,765 and expenses of \$9,748,826 in 2017. The graph below shows the business-type activities assets, liabilities and net position at year-end.

Net Position in Business – Type Activities



Charges for services and sales for the business-type activities increased \$368,901 or 3.43%, from the prior year. Charges for services and sales for water, sewer, electric, gas, and refuse operations were sufficient to cover expenses of those operations. Capital grants and contributions decreased from the prior year primarily due to capital contributions received by water and sewer operations. Overall expenses of the business-type activities increased \$1,551,528, or 18.93%, primarily due to sewer, electric, and gas operations.

VILLAGE OF OBETZ, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

Financial Analysis of the Government's Funds

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

Governmental Funds

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

The Village's governmental funds (as presented on the balance sheet on pages 40-41) reported a combined fund balance of \$14,606,056, which is \$11,696,153 less than last year's balance of \$26,302,209.

The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2017 and 2016 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> <u>12/31/17</u>	<u>Fund Balances</u> <u>12/31/16</u>	<u>Increase</u> <u>(Decrease)</u>
Major Funds:			
General	\$ 9,984,633	\$ 9,826,949	\$ 157,684
General Obligation Debt Service	2,453,528	1,948,917	504,611
Park Improvements	49,365	11,911,947	(11,862,582)
Williams Road Capital Improvement	(1,582,325)	-	(1,582,325)
Walnut Creek Improvement	685,867	-	685,867
Nonmajor Governmental Funds	<u>3,014,988</u>	<u>2,614,396</u>	<u>400,592</u>
Total	<u>\$ 14,606,056</u>	<u>\$ 26,302,209</u>	<u>\$ (11,696,153)</u>

General Fund

The Village's General Fund balance increased \$157,684. The table that follows assists in illustrating the revenues of the General Fund.

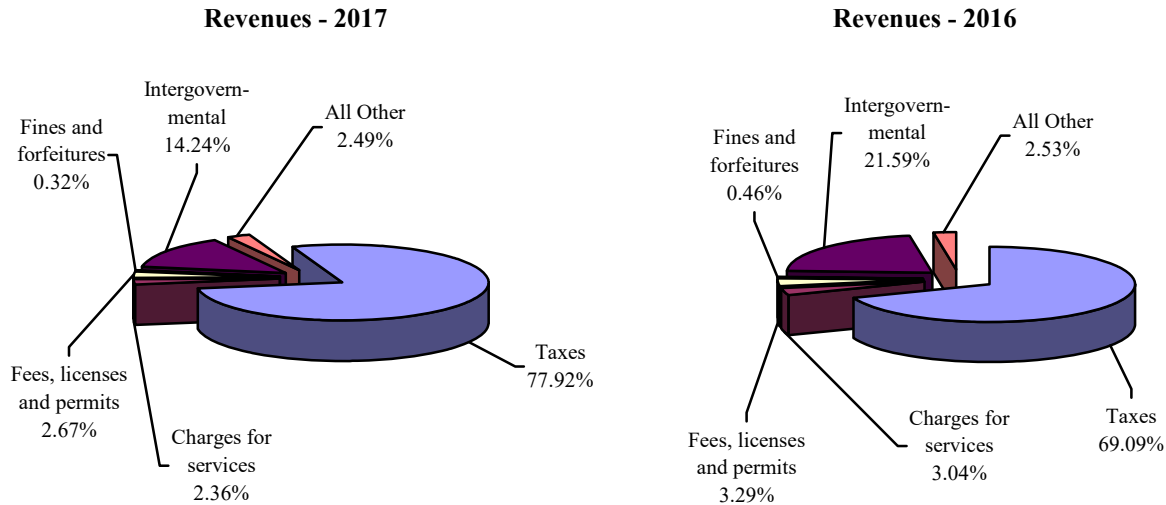
	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
Revenues			
Taxes	\$ 14,147,764	\$ 8,839,755	60.05 %
Charges for services	427,703	389,487	9.81 %
Fees, licenses and permits	485,517	421,613	15.16 %
Fines and forfeitures	57,889	58,885	(1.69) %
Intergovernmental	2,586,192	2,762,532	(6.38) %
Investment income	236,583	67,189	252.12 %
Increase (Decrease) in fair value of investments	5,571	(34,179)	116.30 %
Other	<u>210,251</u>	<u>290,918</u>	(27.73) %
Total	<u>\$ 18,157,470</u>	<u>\$ 12,796,200</u>	41.90 %

VILLAGE OF OBETZ, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

Tax revenue represents 77.92% of all General Fund revenue. Tax revenue includes income taxes, property taxes and other local taxes. Income tax revenue increased due to higher income tax activity related to employee withholdings within the Village and higher income taxes related to net profits of corporations in the Village. Charges for services increased due to ticket and concession sales at the new Fortress Obetz. Fees, licenses and permits revenue increased primarily due to an increase in building permit revenue. Fines and forfeitures revenue decreased due to lower court costs and fines. Intergovernmental revenue decreased due to less local government funds distributed. Investment income increased as there were improved interest rates on Village investment coupled with more money invested in 2017. The \$5,571 represents the difference between the cost of Village investments and the fair value of these investments at December 31, 2017. The Village intends to hold investments to maturity thus eliminating exposure to the fluctuations in the fair value of applicable investments. Other revenues decreased due to a decrease in all miscellaneous revenues not classified elsewhere within the General Fund.

The following graphs show the breakdown of General Fund revenues by category for 2017 and 2016.



The table that follows assists in illustrating the expenditures of the General Fund.

	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 1,621,201	\$ 1,396,860	16.06 %
Security of persons and property	2,246,005	2,118,978	5.99 %
Public health	36,840	31,395	17.34 %
Transportation	483,072	327,242	47.62 %
Community environment	3,366,363	3,168,324	6.25 %
Leisure time activity	1,878,948	1,348,872	39.30 %
Capital outlay	<u>8,367,357</u>	<u>2,018,578</u>	314.52 %
Total	<u>\$ 17,999,786</u>	<u>\$ 10,410,249</u>	72.90 %

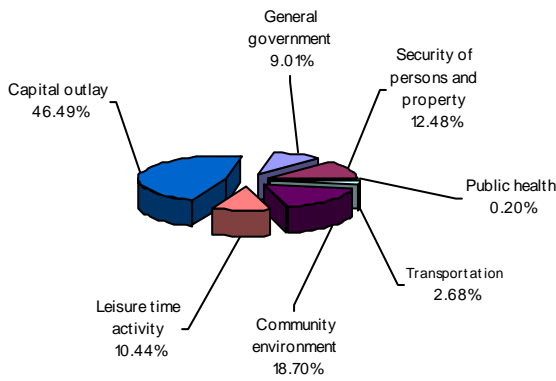
VILLAGE OF OBETZ, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)**

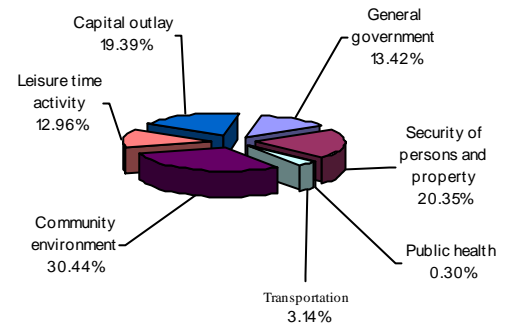
The Village increased total expenditures by 72.90%. The most significant changes from the prior year were in the areas of transportation, leisure time activity, and capital outlay. Transportation expenditures increased due to hiring additional employees. Leisure time activity expenses increased due to increased expenses to maintain the Village's parks. Capital outlay increased as the Village completed the Fortress Obetz project during 2017. General government expenses increased primarily due to increases in wages in the Mayor's offices. Public health expenses increased due to increased fees paid to the County Human Services Program.

The following graphs show the breakdown of General Fund expenditures by function for 2017 and 2016.

Expenditures - 2017



Expenditures - 2016



General Obligation Debt Service Fund

The General Obligation Debt Service Fund had revenues and other financing sources of \$1,106,385 in 2017. The expenditures of the General Obligation Debt Service Fund totaled \$601,774 in 2017. The net increase in fund balance for the General Obligation Debt Service Fund was \$504,611, or 25.89%. Income tax revenues and payments in lieu of taxes were sufficient to support the Village's General Obligation debt service payments.

Park Improvements Fund

This fund accounts for the \$16 million income tax revenue bond issuance and subsequent capital expenditures related to Village park improvements. The expenditures of the Park Improvements Fund totaled \$11,862,582 in 2017. The net decrease in fund balance for the Park Improvements Fund was \$11,862,582.

Williams Road Capital Improvement Fund

This fund is a new fund in 2017. This fund accounts for the \$2 million improvement note and subsequent capital expenditures related to Williams Road area improvements. The expenditures of the Williams Road Improvement Fund totaled \$1,582,325 in 2017. The net decrease in fund balance for the Williams Road Improvement Fund was \$1,582,325.

Walnut Creek Improvement Fund

This fund is a new fund in 2017. This fund accounts for the \$2.9 million improvement note and subsequent capital expenditures related to Walnut Creek area improvements. The Walnut Creek Improvement fund had other financing sources of \$2,400,000 in 2017. The expenditures of the Walnut Creek Improvement Fund totaled \$1,714,133 in 2017. The net increase in fund balance for the Walnut Creek Improvement Fund was \$685,867.

VILLAGE OF OBETZ, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

Proprietary Funds

The Village's enterprise funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The Village has five major enterprise funds, the Water Fund, Sewer Fund, Electric Fund, Gas Fund, and Refuse Fund.

Water Fund

The Water Fund had operating revenues of \$2,017,617 in 2017. Operating revenues increased primarily due to an increase in tap fees received in 2017. The operating expenses of the Water Fund totaled \$1,159,040 in 2017 which represents an increase of \$132,243, primarily in the area of contract services. The Water Fund transferred \$60,850 in capital assets to the governmental activities in 2017. The increase in net position for the Water Fund was \$796,536 or 9.34%.

Sewer Fund

The Sewer Fund had operating revenues of \$1,900,908 in 2017. The operating expenses of the Sewer Fund totaled \$2,057,604 in 2017 which is an increase of \$578,623 from 2016, primarily due to more contract services expenses. The net decrease in net position for the Sewer Fund was \$158,786 or 1.31%.

Electric Fund

The Electric Fund had operating revenues of \$5,842,778 in 2017 which was \$84,886 less than 2016 due to decreased electricity billings. The operating expenses of the Electric Fund totaled \$5,229,617 in 2017 which is an increase of \$642,078 from 2016. The increase in operating expenses was primarily in the area of contract services. The Electric Fund received \$280,396 in capital contributions in 2017 and transferred \$30,425 in capital assets to the governmental activities. The net increase in net position for the Electric Fund was \$835,956 or 15.91%.

Gas Fund

The Gas Fund had operating revenues of \$1,068,001 in 2017. The operating expenses of the Gas Fund totaled \$1,013,960 in 2017. The Gas Fund received \$293,119 in capital contributions in 2017 and transferred \$30,425 in capital assets to the governmental activities. The net increase in net position for the Gas Fund was \$316,735 or 16.84%.

Refuse Fund

The Refuse Fund had operating revenues of \$295,946 in 2017. The operating expenses of the Refuse Fund totaled \$258,148 in 2017. The net increase in net position for the Refuse Fund was \$37,798 or 29.95%.

General Fund Budgeting Highlights

The Village's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the Village's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the Village's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly. Advances in and advances out are not required to be budgeted.

Budgetary information is presented for the General Fund. In the General Fund, the actual revenues came in \$2,934,258 higher than they were in the final budget, primarily due to increased income tax collections. In addition, the Village received \$272,892 more in fees, licenses, and permits than reported in the final budget. Budgeted revenues were increased \$4,179,289 from the original to the final budget primarily in the areas of income taxes and intergovernmental revenues.

VILLAGE OF OBETZ, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

In the General Fund, actual expenditures were \$1,974,306 less than the amount in the final budget due to conservative budgeting practices. Actual expenditures for capital outlay projects saw the largest variance coming in \$529,487 less than the final budget. Leisure time activity actual expenditures were also less than the final budget by \$508,232. Budgeted expenditures were increased \$4,229,647 from the original to the final budget. The increase in the budget was in all functional areas of the Village and resulted from the Village's conservative budgeting practices.

Capital Assets and Debt Administration

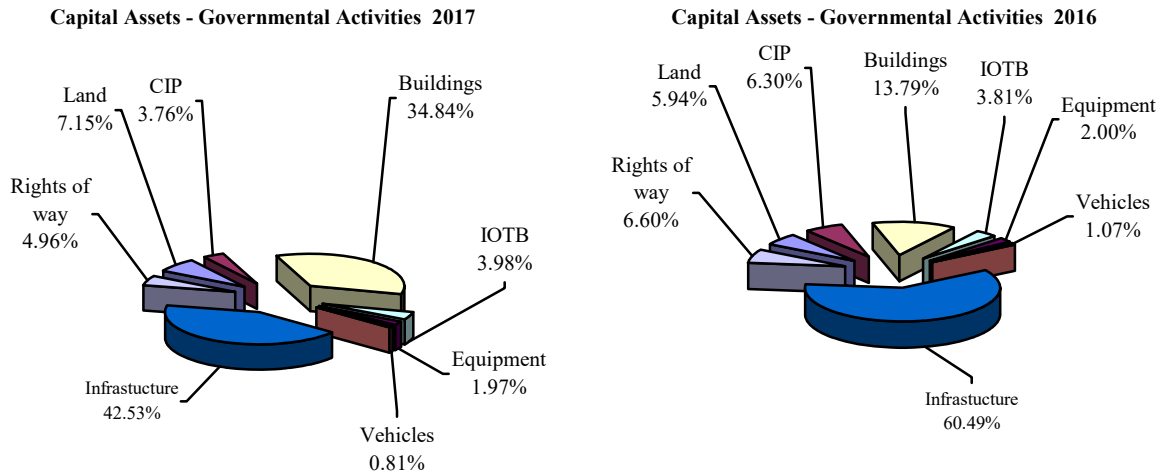
Capital Assets

At the end of 2017, the Village had \$109,312,442 (net of accumulated depreciation) invested in land, rights of way, construction in progress, buildings, improvements other than buildings, infrastructure, equipment, and vehicles. Of this total, \$87,425,443 was reported in governmental activities and \$21,886,999 was reported in business-type activities. See Note 9 for further description of capital assets. The following table shows December 31, 2017 balances compared to December 31, 2016:

**Capital Assets at December 31, 2017
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 6,247,411	\$ 3,900,596	\$ 18,090	\$ -	\$ 6,265,501	\$ 3,900,596
Rights of way	4,339,994	4,339,994	-	-	4,339,994	4,339,994
Construction in progress	3,285,519	4,142,812	187,000	-	3,472,519	4,142,812
Buildings	30,451,267	9,059,776	162,340	167,088	30,613,607	9,226,864
Improvements other than buildings	3,483,317	2,503,231	-	-	3,483,317	2,503,231
Infrastructure	37,184,305	39,745,169	19,448,765	19,409,358	56,633,070	59,154,527
Equipment	1,725,212	1,315,335	2,001,210	2,007,050	3,726,422	3,322,385
Vehicles	708,418	706,269	69,594	78,194	778,012	784,463
Totals	\$ 87,425,443	\$ 65,713,182	\$ 21,886,999	\$ 21,661,690	\$ 109,312,442	\$ 87,374,872

The following graphs show the breakdown of governmental capital assets by category for 2017 and 2016.



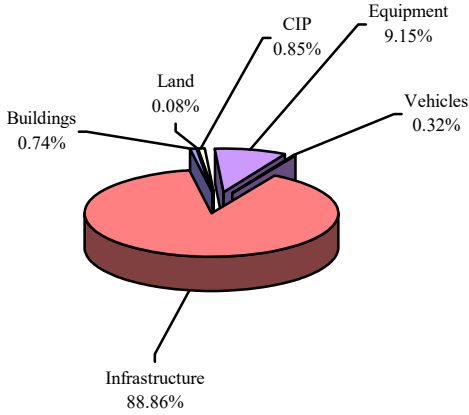
The Village's infrastructure is the largest capital assets category. The net book value of the Village's infrastructure represents approximately 42.53% of the Village's total governmental capital assets.

VILLAGE OF OBETZ, OHIO

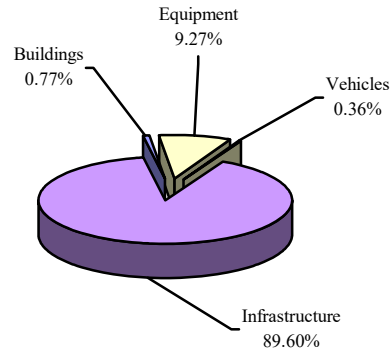
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

The following graphs show the breakdown of business-type capital assets by category for 2017 and 2016.

Capital Assets - Business-Type Activities 2017



Capital Assets - Business-Type Activities 2016



The Village's largest business-type capital assets category is infrastructure, which includes water, sewer, electric and gas lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the Village's infrastructure (cost less accumulated depreciation) represents approximately 88.86% of the Village's total business-type capital assets.

Debt Administration

The Village had the following long-term obligations outstanding at December 31, 2017 and 2016:

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
General obligation bonds	\$ 3,880,000	\$ 4,335,000
TIF revenue bonds	4,505,000	4,670,000
Income tax revenue bonds	15,555,000	16,000,000
Unamortized premium	1,460,790	1,537,674
OPWC loans	297,006	320,114
Notes payable	2,400,000	-
Net pension liability	6,227,535	5,022,798
Compensated absences	248,671	208,605
Total long-term obligations	\$ 34,574,002	\$ 32,094,191
	<u>Business-type Activities</u>	
	<u>2017</u>	<u>2016</u>
OWDA loans	\$ -	\$ 81,302
Net pension liability	713,697	549,180
Compensated absences	42,646	42,574
Total long-term obligations	\$ 756,343	\$ 673,056

Further detail on the Village's long-term obligations can be found in Note 14 to the financial statements.

VILLAGE OF OBETZ, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

During 2017, the Village issued a \$1,000,000 electric improvement note to refinance a previously issued note for \$1,500,000 issued in 2016. The electric improvement note was issued to finance improvements to electric infrastructure. The 2017 note was issued on June 29, 2017 and matures June 28, 2018. The note bears an interest rate of 2.50%. See Note 20 for further information of the Village's note payable.

During 2017, the Village issued a \$2,000,000 land acquisition bond anticipation note. The land acquisition bond anticipation note was issued to purchase land within the Village. The 2017 note was issued on October 11, 2017 and matures October 10, 2018. The note bears an interest rate of 2.125%. See Note 20 for further information of the Village's note payable.

During 2017, the Village issued a \$2,900,000 Walnut Creek improvement note of which \$500,000 is considered a short-term note and \$2,400,000 has been refinanced as of the date of this report and is considered a long-term note. The Walnut Creek improvement note was issued to finance improvements to the Walnut Creek area. The 2017 note was issued on February 15, 2017 and was refinanced February 13, 2018. The note bears an interest rate of 2.00%. See Note 20 for further information of the Village's note payable.

Economic Conditions and Outlook

The economy of Obetz is strong. The Village of 4,800 people has more than 15,000 resident employees and over 300 employers. Because income taxes are the engine that drive the Village's general fund, Obetz' diverse and growing workforce has significantly enhanced its financial position over the past 20 years. With double digit revenue growth in each of the last four years, Obetz' growth has been robust. The Obetz team continues to work on increasing employment opportunities and improving the economic welfare of the residents of the Village. The Village, when practical for the attraction or retention of appropriate employers, offers economic incentives based on the employer's effect on the community. The Village is developing several major corridors including, but not limited to, its well-known E-commerce parks, Alum Creek Retail Corridor, and the Downtown Expansion project. Obetz realized substantial victories in each of these major efforts in 2017. In the Alum Creek Retail Corridor, OhioHealth continued the construction of a stand-alone emergency medical facility and announced that the site would include primary care physician practices. The highly anticipated OhioHealth facility opened in February 2018 as a regional attraction to the 50,000 people who work in the greater Obetz area. The Downtown corridor is growing as Obetz prepares for the addition of several new retail amenities over the next 24 months, including a new Chipotle that opened in early 2018 and a new community facility expected in late 2018. 2017 saw the first full-year of operations for the Amazon Fulfillment Center in the Obetz E-commerce Park. The Obetz fulfillment center is a state of the art facility that brought a substantial number of new jobs to the rapidly growing area. The growing stable of national and international companies in the Obetz E-commerce and logistics parks make Obetz a prized location for expanding and emerging companies. While the outlook for this area remains strong and Obetz expects new additions in 2018 and beyond, Obetz' current e-commerce parks are nearing capacity, with space for only four major new projects. In 2017 four speculative buildings were constructed with approximately 802,000 square-feet of warehouse or production space. Forecasts beyond 2020 will likely have to account for the lack of space unless Obetz annexes some of the nearly 1,000 acres in its annexable area. Despite the diminishing room for new buildings in town, opportunities for growth will remain steady in the E-commerce parks for the next several years given Obetz' advantages in location, transportation, jobs programs, utility infrastructure, and experience in attracting and retaining world-class E-commerce centers.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information please contact: M. Matthew Cramblit, Finance Director, 4175 Alum Creek Drive, Obetz, Ohio 43207 or email at mcramblit@obetz.oh.us.

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VILLAGE OF OBETZ, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	\$ 14,162,520	\$ 8,043,602	\$ 22,206,122
Cash with bond trustee	1,233,763	-	1,233,763
Receivables:			
Municipal income taxes	2,342,052	-	2,342,052
Property taxes	267,748	-	267,748
Payments in lieu of taxes	417,144	-	417,144
Other local taxes	10,118	-	10,118
Accounts	169,363	2,345,888	2,515,251
Accrued interest	7,166	-	7,166
Due from other governments	993,344	3,349	996,693
Prepayments	35,563	4,915	40,478
Net pension asset	145	36	181
Capital assets:			
Nondepreciable capital assets	13,872,924	205,090	14,078,014
Depreciable capital assets, net	73,552,519	21,681,909	95,234,428
Total assets	<u>107,064,369</u>	<u>32,284,789</u>	<u>139,349,158</u>
Deferred outflows of resources:			
Pension - OPERS	1,405,967	321,675	1,727,642
Pension - OP&F	1,192,988	-	1,192,988
Total deferred outflows of resources	<u>2,598,955</u>	<u>321,675</u>	<u>2,920,630</u>
Liabilities:			
Accounts payable	124,914	735,546	860,460
Contracts payable	562,023	-	562,023
Accrued wages and benefits payable	117,094	15,064	132,158
Due to other governments	739,559	360,104	1,099,663
Notes payable	2,500,000	1,000,000	3,500,000
Accrued interest payable	83,756	12,740	96,496
Long-term liabilities:			
Due within one year	1,338,542	11,411	1,349,953
Due in more than one year:			
Net pension liability	6,227,535	713,697	6,941,232
Other amounts due in more than one year	27,007,925	31,235	27,039,160
Total liabilities	<u>38,701,348</u>	<u>2,879,797</u>	<u>41,581,145</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	260,870	-	260,870
Payments in lieu of taxes levied for the next fiscal year	417,144	-	417,144
Pension - OPERS	17,039	4,265	21,304
Pension - OP&F	7,772	-	7,772
Total deferred inflows of resources	<u>702,825</u>	<u>4,265</u>	<u>707,090</u>
Net position:			
Net investment in capital assets	56,265,624	20,886,999	77,152,623
Restricted for:			
Debt service	1,911,016	-	1,911,016
Capital projects	845,940	-	845,940
Street construction, maintenance and repair	581,220	-	581,220
Police operations	745,545	-	745,545
Economic development programs	10,005	-	10,005
Court operations	93,491	-	93,491
Park improvements	6,994	-	6,994
Other purposes	36,703	-	36,703
Unrestricted	9,762,613	8,835,403	18,598,016
Total net position	<u>\$ 70,259,151</u>	<u>\$ 29,722,402</u>	<u>\$ 99,981,553</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF OBETZ, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 1,660,347	\$ 802,580	\$ -	\$ -
Security of persons and property	2,731,880	11,922	10,498	-
Public health	36,840	-	-	-
Transportation	4,105,569	-	628,070	1,021,642
Community environment	3,478,107	-	-	-
Leisure time activity	2,179,499	217,874	-	-
Interest and fiscal charges	874,920	-	184,583	-
Total governmental activities	<u>15,067,162</u>	<u>1,032,376</u>	<u>823,151</u>	<u>1,021,642</u>
Business-type activities:				
Water	1,160,231	2,017,617	-	-
Sewer	2,059,694	1,900,908	-	-
Electric	5,256,793	5,842,778	-	280,396
Gas	1,013,960	1,068,001	-	293,119
Refuse	258,148	295,946	-	-
Total business-type activities	<u>9,748,826</u>	<u>11,125,250</u>	<u>-</u>	<u>573,515</u>
Total primary government	<u>\$ 24,815,988</u>	<u>\$ 12,157,626</u>	<u>\$ 823,151</u>	<u>\$ 1,595,157</u>

General revenues:

- Property taxes levied for:
 - General purposes
- Municipal income taxes levied for:
 - General purposes
 - Police enforcement
 - Debt service
- Other local taxes
- Payments in lieu of taxes
- Grants and entitlements not restricted to specific programs
- Investment earnings
- Increase in fair value of investments
- Gain on sale of capital assets
- Miscellaneous

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Governmental Activities	Business-type Activities	Total
\$ (857,767)	\$ -	\$ (857,767)
(2,709,460)	-	(2,709,460)
(36,840)	-	(36,840)
(2,455,857)	-	(2,455,857)
(3,478,107)	-	(3,478,107)
(1,961,625)	-	(1,961,625)
(690,337)	-	(690,337)
(12,189,993)	-	(12,189,993)
-	857,386	857,386
-	(158,786)	(158,786)
-	866,381	866,381
-	347,160	347,160
-	37,798	37,798
-	1,949,939	1,949,939
(12,189,993)	1,949,939	(10,240,054)
199,013	-	199,013
10,748,462	-	10,748,462
2,939,447	-	2,939,447
1,910,000	-	1,910,000
338,230	-	338,230
958,367	-	958,367
2,557,155	-	2,557,155
234,977	-	234,977
5,571	-	5,571
1,100	-	1,100
210,511	-	210,511
20,102,833	-	20,102,833
121,700	(121,700)	-
20,224,533	(121,700)	20,102,833
8,034,540	1,828,239	9,862,779
62,224,611	27,894,163	90,118,774
\$ 70,259,151	\$ 29,722,402	\$ 99,981,553

VILLAGE OF OBETZ, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	General	General Obligation Debt Service	Park Improvements	Williams Road Capital Improvement
Assets:				
Equity in pooled cash and investments	\$ 8,211,330	\$ 2,363,528	\$ 49,365	\$ 427,107
Receivables:				
Municipal income taxes	2,157,052	90,000	-	-
Property taxes	267,748	-	-	-
Payments in lieu of taxes	-	-	-	-
Other local taxes	9,176	-	-	-
Accounts	167,784	-	-	-
Accrued interest	7,166	-	-	-
Due from other governments	857,347	-	-	-
Prepayments	35,151	-	-	-
Restricted assets:				
Equity in pooled cash and cash equivalents	1,552	-	-	-
Cash with bond trustee	-	-	-	-
Total assets	<u>\$ 11,714,306</u>	<u>\$ 2,453,528</u>	<u>\$ 49,365</u>	<u>\$ 427,107</u>
Liabilities:				
Accounts payable	\$ 120,013	\$ -	\$ -	\$ -
Contracts payable	336,961	-	-	-
Accrued wages and benefits payable	115,757	-	-	-
Due to other governments	714,999	-	-	-
Accrued interest payable	-	-	-	9,432
Notes payable	-	-	-	2,000,000
Total liabilities	<u>1,287,730</u>	<u>-</u>	<u>-</u>	<u>2,009,432</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	260,870	-	-	-
Payments in lieu of taxes levied for the next fiscal year	-	-	-	-
Delinquent property tax revenue not available	6,878	-	-	-
Accrued interest not available	1,716	-	-	-
Miscellaneous revenue not available	4,261	-	-	-
Income tax revenue not available	145,461	-	-	-
Fees, licenses and permits revenue not available	5,719	-	-	-
Intergovernmental revenue not available	17,038	-	-	-
Total deferred inflows of resources	<u>441,943</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	36,703	-	-	-
Restricted	719,759	-	49,365	-
Committed	-	2,453,528	-	-
Assigned	958,549	-	-	-
Unassigned (deficit)	8,269,622	-	-	(1,582,325)
Total fund balances (deficit)	<u>9,984,633</u>	<u>2,453,528</u>	<u>49,365</u>	<u>(1,582,325)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,714,306</u>	<u>\$ 2,453,528</u>	<u>\$ 49,365</u>	<u>\$ 427,107</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Walnut Creek Improvement	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,412,436	\$ 1,697,202	\$ 14,160,968
-	95,000	2,342,052
-	-	267,748
-	417,144	417,144
-	942	10,118
-	1,579	169,363
-	-	7,166
-	135,997	993,344
-	412	35,563
-	-	1,552
-	1,233,763	1,233,763
<u>\$ 1,412,436</u>	<u>\$ 3,582,039</u>	<u>\$ 19,638,781</u>
\$ -	\$ 4,901	\$ 124,914
225,062	-	562,023
-	1,337	117,094
-	24,560	739,559
1,507	-	10,939
500,000	-	2,500,000
<u>726,569</u>	<u>30,798</u>	<u>4,054,529</u>
-	-	260,870
-	417,144	417,144
-	-	6,878
-	-	1,716
-	-	4,261
-	-	145,461
-	-	5,719
-	119,109	136,147
-	536,253	978,196
-	412	37,115
685,867	2,645,186	4,100,177
-	385,134	2,838,662
-	-	958,549
-	(15,744)	6,671,553
<u>685,867</u>	<u>3,014,988</u>	<u>14,606,056</u>
<u>\$ 1,412,436</u>	<u>\$ 3,582,039</u>	<u>\$ 19,638,781</u>

VILLAGE OF OBETZ, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2017

Total governmental fund balances		\$	14,606,056
<i>Amounts reported for governmental activities on the Statement of Net Position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			87,425,443
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Municipal income taxes receivable	\$	145,461	
Delinquent property taxes receivable		6,878	
Accounts receivable		9,980	
Intergovernmental receivable		136,147	
Accrued interest receivable		1,716	
Total		300,182	300,182
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(72,817)
Unamortized premiums on bond issuances are not recognized in the funds.			(1,460,790)
The net pension liability and net pension asset are not due in the current period; therefore, the liability, asset and related deferred inflows/outflows are not reported in the governmental funds:			
Deferred outflows of resources - pension		2,598,955	
Deferred inflows of resources - pension		(24,811)	
Net pension asset		145	
Net pension liability		(6,227,535)	
Total		(3,653,246)	(3,653,246)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		(248,671)	
OPWC loans payable		(297,006)	
Notes payable		(2,400,000)	
General obligation bonds payable		(3,880,000)	
Income tax revenue bonds payable		(15,555,000)	
TIF revenue bonds payable		(4,505,000)	
Total		(26,885,677)	(26,885,677)
Net position of governmental activities		\$	70,259,151

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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VILLAGE OF OBETZ, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General	General Obligation Debt Service	Park Improvements	Williams Road Capital Improvement
Revenues:				
Municipal income taxes	\$ 13,647,199	\$ 675,000	\$ -	\$ -
Property taxes	200,077	-	-	-
Payments in lieu of taxes	-	393,822	-	-
Other local taxes	300,488	-	-	-
Charges for services	427,703	-	-	-
Fees, licenses and permits	485,517	-	-	-
Fines and forfeitures	57,889	-	-	-
Intergovernmental	2,586,192	-	-	-
Investment income	236,583	-	-	-
Contributions and donations	-	-	-	-
Increase in fair value of investments	5,571	-	-	-
Other	209,151	-	-	-
Total revenues	<u>18,156,370</u>	<u>1,068,822</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
General government	1,621,200	4,805	-	-
Security of persons and property	2,246,005	-	-	-
Public health	36,840	-	-	-
Transportation	483,073	-	-	-
Community environment	3,366,363	-	-	-
Leisure time activity	1,878,948	-	-	-
Capital outlay	8,367,357	-	11,862,582	1,572,893
Debt service:				
Principal retirement	-	478,108	-	-
Interest and fiscal charges	-	87,506	-	9,432
Note issuance costs	-	31,355	-	-
Total expenditures	<u>17,999,786</u>	<u>601,774</u>	<u>11,862,582</u>	<u>1,582,325</u>
Excess (deficiency) of revenues over (under) expenditures	<u>156,584</u>	<u>467,048</u>	<u>(11,862,582)</u>	<u>(1,582,325)</u>
Other financing sources:				
Note issuance	-	-	-	-
Premium on note issuance	-	37,563	-	-
Sale of capital assets	1,100	-	-	-
Total other financing sources	<u>1,100</u>	<u>37,563</u>	<u>-</u>	<u>-</u>
Net change in fund balances	157,684	504,611	(11,862,582)	(1,582,325)
Fund balances at beginning of year	<u>9,826,949</u>	<u>1,948,917</u>	<u>11,911,947</u>	<u>-</u>
Fund balances (deficit) at end of year	<u>\$ 9,984,633</u>	<u>\$ 2,453,528</u>	<u>\$ 49,365</u>	<u>\$ (1,582,325)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Walnut Creek Improvement	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 1,235,000	\$ 15,557,199
-	-	200,077
-	170,723	564,545
-	431,564	732,052
-	-	427,703
-	52,754	538,271
-	8,430	66,319
-	1,618,567	4,204,759
-	5,167	241,750
-	184,583	184,583
-	-	5,571
-	-	209,151
-	3,706,788	22,931,980
-	12,814	1,638,819
-	-	2,246,005
-	-	36,840
-	170,053	653,126
-	-	3,366,363
-	-	1,878,948
1,712,626	1,647,005	25,162,463
-	610,000	1,088,108
1,507	866,324	964,769
-	-	31,355
1,714,133	3,306,196	37,066,796
(1,714,133)	400,592	(14,134,816)
2,400,000	-	2,400,000
-	-	37,563
-	-	1,100
2,400,000	-	2,438,663
685,867	400,592	(11,696,153)
-	2,614,396	26,302,209
\$ 685,867	\$ 3,014,988	\$ 14,606,056

VILLAGE OF OBETZ, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Net change in fund balances - total governmental funds \$ (11,696,153)

*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 outlays exceed depreciation expense in the current period.

Capital assets additions	\$ 26,073,044	
Current year depreciation	(4,360,783)	
Total	21,712,261	21,712,261

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

Municipal income tax revenue	40,710	
Delinquent property tax revenue	(1,064)	
Intergovernmental revenues	(14,203)	
Fees, licenses and permits revenue	(2,818)	
Other revenue	4,261	
Interest revenue	(1,606)	
Total	25,280	25,280

The issuance of notes are reported as an other financing source in the governmental funds; however, in the Statement of Activities, they are not reported as revenues as they increase liabilities on the Statement of Net Position. (2,400,000)

Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the Statement of Net Position.

General obligation bonds payable	455,000	
TIF revenue bonds payable	165,000	
Income tax revenue bonds payable	445,000	
OPWC loans payable	23,108	
Total	1,088,108	1,088,108

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

Accrued interest payable	6,757	
Amortization of bond premiums	76,884	
Total	83,641	83,641

Contractually required contributions are reported as expenditures in the governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows of resources. 558,568

Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the Statement of Activities. (1,297,099)

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (40,066)

Change in net position of governmental activities \$ 8,034,540

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF OBETZ, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal income taxes	\$ 7,942,229	\$ 11,131,693	\$ 12,832,235	\$ 1,700,542
Property taxes	152,643	213,942	200,077	(13,865)
Other local taxes	133,777	187,500	295,440	107,940
Charges for services	198,347	278,000	419,510	141,510
Fees, licenses and permits	153,398	215,000	487,892	272,892
Fines and forfeitures	24,972	35,000	57,276	22,276
Intergovernmental	1,773,130	2,485,189	2,702,418	217,229
Investment income	28,539	40,000	237,462	197,462
Other	-	-	82,172	82,172
Total revenues	10,407,035	14,586,324	17,314,482	2,728,158
Expenditures:				
Current:				
General government	2,176,520	2,110,906	1,812,581	298,325
Security of persons and property	2,527,363	2,550,716	2,282,924	267,792
Public health	37,000	38,840	36,840	2,000
Transportation	588,795	635,135	483,073	152,062
Community environment	3,843,903	4,001,211	3,579,891	421,320
Leisure time activity	2,252,118	2,409,033	1,900,801	508,232
Capital outlay	5,613,952	9,523,457	8,993,970	529,487
Debt service:				
Interest and fiscal charges	750	750	662	88
Total expenditures	17,040,401	21,270,048	19,090,742	2,179,306
Excess of revenues over (under) expenditures	(6,633,366)	(6,683,724)	(1,776,260)	4,907,464
Other financing sources (uses):				
Sale of capital assets	-	-	1,100	1,100
Advances in	-	-	205,000	205,000
Advances out	-	-	(205,000)	(205,000)
Total other financing sources (uses)	-	-	1,100	1,100
Net change in fund balance	(6,633,366)	(6,683,724)	(1,775,160)	4,908,564
Fund balance at beginning of year	6,516,178	6,516,178	6,516,178	-
Prior year encumbrances appropriated	1,574,848	1,574,848	1,574,848	-
Fund balance at end of year	\$ 1,457,660	\$ 1,407,302	\$ 6,315,866	\$ 4,908,564

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF OBETZ, OHIO

STATEMENT OF FUND NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2017

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>
Assets:			
Current assets:			
Equity in pooled cash and investments	\$ 3,213,231	\$ 1,246,364	\$ 2,859,418
Receivables:			
Accounts	279,333	342,368	876,298
Due from other governments	1,216	2,133	-
Prepayments	1,807	1,148	1,091
Total current assets	<u>3,495,587</u>	<u>1,592,013</u>	<u>3,736,807</u>
Noncurrent assets:			
Net pension asset	11	7	10
Capital assets:			
Land	205,090	-	-
Depreciable capital assets, net	<u>5,910,157</u>	<u>10,699,934</u>	<u>3,871,745</u>
Total noncurrent assets	<u>6,115,258</u>	<u>10,699,941</u>	<u>3,871,755</u>
Total assets	<u>9,610,845</u>	<u>12,291,954</u>	<u>7,608,562</u>
Deferred outflows of resources:			
Pension - OPERS	<u>97,653</u>	<u>62,050</u>	<u>91,014</u>
Liabilities:			
Current liabilities:			
Accounts payable	26,115	55	389,026
Accrued wages and benefits payable	5,743	3,645	3,225
Due to other governments	110,181	243,116	3,843
Note payable	-	-	1,000,000
Accrued interest payable	-	-	12,740
Compensated absences payable - current	<u>6,891</u>	<u>4,520</u>	<u>-</u>
Total current liabilities	<u>148,930</u>	<u>251,336</u>	<u>1,408,834</u>
Long-term liabilities:			
Compensated absences payable	18,785	12,450	-
Net pension liability	<u>217,849</u>	<u>138,765</u>	<u>200,843</u>
Total long-term liabilities	<u>236,634</u>	<u>151,215</u>	<u>200,843</u>
Total liabilities	<u>385,564</u>	<u>402,551</u>	<u>1,609,677</u>
Deferred inflows of resources:			
Pension - OPERS	<u>1,302</u>	<u>829</u>	<u>1,200</u>
Net position:			
Net investment in capital assets	6,115,247	10,699,934	2,871,745
Unrestricted	<u>3,206,385</u>	<u>1,250,690</u>	<u>3,216,954</u>
Total net position	<u>\$ 9,321,632</u>	<u>\$ 11,950,624</u>	<u>\$ 6,088,699</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Gas	Refuse	Total
\$ 615,576	\$ 109,013	\$ 8,043,602
770,913	76,976	2,345,888
-	-	3,349
869	-	4,915
<u>1,387,358</u>	<u>185,989</u>	<u>10,397,754</u>
8	-	36
-	-	205,090
<u>1,200,073</u>	<u>-</u>	<u>21,681,909</u>
<u>1,200,081</u>	<u>-</u>	<u>21,887,035</u>
<u>2,587,439</u>	<u>185,989</u>	<u>32,284,789</u>
<u>70,958</u>	<u>-</u>	<u>321,675</u>
298,350	22,000	735,546
2,451	-	15,064
2,964	-	360,104
-	-	1,000,000
-	-	12,740
-	-	11,411
<u>303,765</u>	<u>22,000</u>	<u>2,134,865</u>
-	-	31,235
<u>156,240</u>	<u>-</u>	<u>713,697</u>
<u>156,240</u>	<u>-</u>	<u>744,932</u>
<u>460,005</u>	<u>22,000</u>	<u>2,879,797</u>
<u>934</u>	<u>-</u>	<u>4,265</u>
1,200,073	-	20,886,999
<u>997,385</u>	<u>163,989</u>	<u>8,835,403</u>
<u>\$ 2,197,458</u>	<u>\$ 163,989</u>	<u>\$ 29,722,402</u>

VILLAGE OF OBETZ, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>
Operating revenues:			
Charges for services	\$ 2,017,617	\$ 1,900,908	\$ 5,842,778
Operating expenses:			
Personal services	269,488	173,405	173,024
Contract services	641,733	1,402,354	4,970,970
Materials and supplies	85,747	3,119	27
Depreciation	150,328	260,566	85,596
Other	11,744	218,160	-
Total operating expenses	<u>1,159,040</u>	<u>2,057,604</u>	<u>5,229,617</u>
Operating income (loss)	858,577	(156,696)	613,161
Nonoperating expenses:			
Interest and fiscal charges	<u>(1,191)</u>	<u>(2,090)</u>	<u>(27,176)</u>
Income (loss) before transfers and capital contributions	857,386	(158,786)	585,985
Transfer out	(60,850)	-	(30,425)
Capital contributions	<u>-</u>	<u>-</u>	<u>280,396</u>
Change in net position	796,536	(158,786)	835,956
Net position at beginning of year	<u>8,525,096</u>	<u>12,109,410</u>	<u>5,252,743</u>
Net position at end of year	<u>\$ 9,321,632</u>	<u>\$ 11,950,624</u>	<u>\$ 6,088,699</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Gas	Refuse	Total
\$ 1,068,001	\$ 295,946	\$ 11,125,250
135,880	-	751,797
859,939	258,148	8,133,144
-	-	88,893
18,141	-	514,631
-	-	229,904
<u>1,013,960</u>	<u>258,148</u>	<u>9,718,369</u>
54,041	37,798	1,406,881
-	-	(30,457)
54,041	37,798	1,376,424
(30,425)	-	(121,700)
<u>293,119</u>	<u>-</u>	<u>573,515</u>
316,735	37,798	1,828,239
<u>1,880,723</u>	<u>126,191</u>	<u>27,894,163</u>
<u>\$ 2,197,458</u>	<u>\$ 163,989</u>	<u>\$ 29,722,402</u>

VILLAGE OF OBETZ, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Electric
Cash flows from operating activities:			
Cash received from customers	\$ 2,027,086	\$ 1,905,862	\$ 6,034,903
Cash payments for personal services	(236,792)	(152,515)	(142,402)
Cash payments for contract services	(646,582)	(1,179,826)	(4,921,802)
Cash payments for materials and supplies	(85,747)	(3,119)	(27)
Cash payments for other expenses	(11,744)	(218,160)	-
Net cash provided by (used in) operating activities	1,046,221	352,242	970,672
Cash flows from noncapital financing activities:			
Cash received from interfund loans	-	-	205,000
Cash payments for repayment of interfund loans	-	-	(205,000)
Net cash used in noncapital financing activities	-	-	-
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(451,626)	-	(458,938)
Capital contributions	-	-	280,396
Issuance of notes	-	-	1,000,000
Principal paid on notes	-	-	(1,500,000)
Premium on notes	-	-	12,310
Note issuance costs	-	-	(11,376)
Principal paid on OWDA loans	(29,516)	(51,786)	-
Interest paid on OWDA loans	(1,191)	(2,090)	-
Interest paid on notes	-	-	(30,000)
Net cash used in capital and related financing activities	(482,333)	(53,876)	(707,608)
Net increase (decrease) in cash and cash equivalents	563,888	298,366	263,064
Cash and cash equivalents at beginning of year	2,649,343	947,998	2,596,354
Cash and cash equivalents at end of year	\$ 3,213,231	\$ 1,246,364	\$ 2,859,418

Gas	Refuse	Total
\$ 832,707	\$ 304,681	\$ 11,105,239
(112,457)	-	(644,166)
(758,548)	(257,616)	(7,764,374)
-	-	(88,893)
-	-	(229,904)
(38,298)	47,065	2,377,902
-	-	205,000
-	-	(205,000)
-	-	-
(350,761)	-	(1,261,325)
293,119	-	573,515
-	-	1,000,000
-	-	(1,500,000)
-	-	12,310
-	-	(11,376)
-	-	(81,302)
-	-	(3,281)
-	-	(30,000)
(57,642)	-	(1,301,459)
(95,940)	47,065	1,076,443
711,516	61,948	6,967,159
<u>\$ 615,576</u>	<u>\$ 109,013</u>	<u>\$ 8,043,602</u>

(Continued)

VILLAGE OF OBETZ, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Electric
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 858,577	\$ (156,696)	\$ 613,161
Adjustments:			
Depreciation	150,328	260,566	85,596
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
(Increase) decrease in accounts receivable	9,469	4,954	192,125
Decrease in prepayments	2,057	1,245	883
(Increase) in deferred outflows - pension - OPERS	(15,223)	(9,411)	(16,118)
(Increase) in net pension asset	(2)	(1)	(2)
Increase in accounts payable	22,030	46	49,168
(Decrease) in accrued wages and benefits payable	(547)	(476)	(769)
Increase (decrease) in intergovernmental payable	(27,235)	222,038	992
Increase (decrease) in compensated absences payable	(240)	312	-
Increase in net pension liability	48,968	30,920	47,401
(Decrease) in deferred inflows - pension - OPERS	(1,961)	(1,255)	(1,765)
Net cash provided by (used in) operating activities	\$ 1,046,221	\$ 352,242	\$ 970,672

Non-Cash Transactions:

During 2016, the Electric Fund purchased \$399,685 in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Gas	Refuse	Total
\$ 54,041	\$ 37,798	\$ 1,406,881
18,141	-	514,631
(235,294)	8,735	(20,011)
714	-	4,899
(12,868)	-	(53,620)
(2)	-	(7)
101,391	532	173,167
(914)	-	(2,706)
631	-	196,426
-	-	72
37,228	-	164,517
(1,366)	-	(6,347)
\$ (38,298)	\$ 47,065	\$ 2,377,902

VILLAGE OF OBETZ, OHIO

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2017

	<u>Agency</u>
Assets:	
Equity in pooled cash and investments	\$ 372,877
Receivables:	
Municipal income taxes	286,465
Other local taxes	1,660
	<hr/>
Total assets	<u>\$ 661,002</u>
Liabilities:	
Due to other governments	\$ 608,500
Undistributed assets	52,502
	<hr/>
Total liabilities	<u>\$ 661,002</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY

A. The Village

The Village of Obetz (the "Village") is a charter municipal corporation founded in 1928, with the charter adopted by the electors on November 3, 2009. The Village may exercise all powers of home rule granted under Article XVIII, Section 3, of the Ohio Constitution not in conflict with applicable general laws in Ohio.

The Village operates under a mayor-council form of government. Legislative power is vested in a six-member council, each elected to four-year terms. The Mayor is elected to a four-year term, serves as the President of the Council, and votes only to break a tie. The Village has a full-time Administrator appointed by the Mayor to assist the mayor in the day-to-day operations of the Village.

The Village is divided into various departments and financial management and control systems. Services provided include police protection, street maintenance and repair, parks and recreation, water, sewer, refuse, gas, and electric utilities, as well as staff support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation and control of these activities is provided by the Village Council through the budgetary process and by the Mayor and Village Administrator through administrative and managerial requirements and procedures.

B. Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading.

The primary government of the Village consists of all funds, departments, boards, and agencies that are not legally separate from the Village. For the Village, this includes all departments and activities that are directly operated by the elected Village officials.

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's Governing Board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; or (3) the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Village is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Village in that the Village approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the Village has no component units.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village participates in three jointly governed organizations and two public entity shared risk pools. These organizations are the Big Walnut Area Community Improvement Corporation, the Obetz Convention and Visitor's Bureau, the Prairie-Obetz Joint Economic Development Zone, the Public Entities Pool of Ohio, and the Central Ohio Health Care Consortium. These organizations are presented in Notes 18 and 19 to the basic financial statements.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (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. Following are the more significant of the Village's accounting policies.

A. Basis of Presentation

The Village's basic financial statements consist of government-wide financial 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 Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Village that are governmental in nature and those that are considered business-type activities.

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the Village at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Village's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned 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 Village, 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 Village.

Fund Financial Statements

During the year, the Village segregates transactions related to certain Village 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 Village 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. Fiduciary funds are reported by type.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

B. Fund Accounting

The Village 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. The funds of the Village are reported in three categories: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the Village 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 purpose 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 liabilities and deferred inflows of resources is reported as fund balance. The following are the Village's major governmental funds:

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

General Obligation Debt Service Fund - This fund accounts for resources that are committed for the payment of principal, interest, and fiscal charges on general obligation debt.

Park Improvements Fund - This fund accounts for the resources that are restricted for improvements to the Village's parks.

Williams Road Capital Improvement Fund - This fund accounts for the resources that are restricted for improvements in the Williams Road area.

Walnut Creek Improvement Fund - This fund accounts for the resources that are restricted for improvements in the Walnut Creek area.

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

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The Village's reported proprietary funds are enterprise funds.

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

Water Fund - This fund accounts for the provision of water treatment and distribution to residential and commercial users within the Village.

Sewer Fund - This fund accounts for the provision of sanitary sewer service to residential and commercial users within the Village.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

Electric Fund - This fund accounts for the provision of electric service to commercial users within the Village.

Gas Fund - This fund accounts for the provision of natural gas service to commercial users within the Village.

Refuse Fund - This fund accounts for the provision of refuse services to residential users within the Village.

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 Village under a trust agreement for individuals, private organizations, or other governments and are not available to support the Village's own programs. The Village did not have any trust funds in 2017. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Village's agency funds account for income tax revenues from the Prairie-Obetz Joint Economic Development Zone, building permit fees, transient fees collected for use by a convention and visitor's bureau, and the activity of the Mayor's Court.

C. 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 all liabilities and deferred inflows of resources associated with the operation of the Village are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

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 current liabilities and deferred inflows of resources are generally included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reflects 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 a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the fund financial statements for governmental funds.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

Revenues 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 the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Measurable means the amount of the transaction can be determined and available means 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 Village, available means expected to be received within 31 days after year-end.

Nonexchange transactions, in which the Village receives value without directly giving equal value in return, include property taxes, payments in lieu of taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes and payments in lieu of taxes are recognized in the year for which the taxes are levied. Revenue from income taxes is recognized in the year in which the income is earned. 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 Village must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Village 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 both measurable and available at year-end: income taxes, charges for services, fines and forfeitures, state-levied locally shared taxes (including gasoline tax and motor vehicle license tax), grants, and interest.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the government-wide Statement of Net Position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Note 11 for deferred outflows of resources related to the Village's net pension liability.

In addition to liabilities, both the government-wide Statement of Net Position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Village, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance 2018 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds Balance Sheet, and represents receivables which will not be collected within the available period. For the Village, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Note 11 for deferred inflows of resources related to the Village's net pension liability. This deferred inflow of resources is only reported on the government-wide Statement of Net Position.

Expenses/Expenditures

On the accrual basis, expenses are recognized at the time they are incurred.

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

E. Budgetary Process

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 ordinance, 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 Village Council may appropriate. The appropriations ordinance is Village Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Village Council. The legal level of control has been established by Village Council at the object level within each department within each fund for all funds.

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 budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by Village Council.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations ordinance 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 Village Council during the year, including all supplemental appropriations.

F. Cash and Investments

To improve cash management, cash received by the Village, except cash held by fiscal agents, is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Investments".

Cash resources for use on street construction/improvement projects held for the Village by the Franklin County Engineer are included on the financial statements as "Cash with Fiscal Agent". At December 31, 2017, the amount held by the Franklin County Engineer was a deficit balance of \$23,091. This amount has been reported as due to other governments on the financial statements.

Cash resources held by Trustee for repayment of the Series 2016A income tax revenue bonds are included on the financial statements as "Cash with Bond Trustee".

During 2017, the Village invested in negotiable certificates of deposit (CDs), Federal National Mortgage Association (FNMA) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, and U.S. government money market mutual funds. These investments are reported at fair value which is based on quoted market prices.

During 2017, the Village invested in STAR Ohio. 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 Village measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

Interest earnings are allocated to Village funds according to State statutes, Village charter, grant requirements, or debt related restrictions. Interest revenue credited to the General Fund during 2017 was \$236,583 which includes \$168,406 assigned from other Village funds.

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 cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

G. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Unclaimed monies that have a legal restriction on their use are reported as restricted. The Village also has funds held by Huntington National Bank as Trustee for the 2016A income tax revenue bonds which are restricted for debt service payments and a debt service reserve.

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the replacement cost back to the year of acquisition) and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value. The Village maintains a capitalization threshold of \$5,000. 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 capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

All capital assets are depreciated, except for land, rights of way, 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 Village's historical records of necessary improvements and replacement. The Village reports all infrastructure, including that acquired prior to 1980. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings	50 years	50 years
Improvements Other Than Buildings	20 years	N/A
Streets	20 years	N/A
Water, Sewer, Electric and Gas Lines	N/A	50-75 years
Equipment	10-50 years	10-20 years
Vehicles	3-15 years	10 years

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

I. 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 Village will compensate the employees for the benefits through paid time off or some other means. The Village records a liability for accumulated unused vacation time when earned for all employees.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the Village has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year-end taking into consideration any limits specified in Village policies. The Village records a liability for accumulated unused sick leave for all employees with 10 or more years of governmental service (including service with the Village and prior service years with another governmental organization).

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

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements.

J. Accrued Liabilities and Long-Term Obligations

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

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

K. Net Position

Net position represents the difference between all other elements on the Statement of Net Position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes unclaimed monies which have legal restrictions on their use. The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

L. Fund Balance

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

Nonspendable - The nonspendable classification 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” includes items that are not expected to be converted to cash.

Restricted - The restricted classification includes amounts 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 (Village ordinances). Enabling legislation authorizes the Village 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 Village 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 purposes specified by the legislation.

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of Village Council. The committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is 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.

Assigned - Amounts in the assigned classification are intended to be used by the Village 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. Assigned amounts represent intended uses established by Village Council. The Village Council has authorized the Village Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. Fund balance is also assigned for any 2017 appropriations in excess of estimated receipts for the General Fund.

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 balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

The Village first applies restricted resources when an expenditure is 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 can be used.

M. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the Village, these revenues are charges for services for water, sewer, electric, refuse, and natural gas services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

N. Contributions of Capital

Capital contributions on the proprietary fund financial statements arise from outside contributions of capital assets, grants, or outside contributions of resources restricted to capital acquisition and construction. For the governmental activities, capital contributions are reported as a capital grant and contribution on the Statement of Activities.

O. Estimates

The preparation of the financial statements in conformity with GAAP 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.

P. Pensions

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

Q. Prepayments

Payments made to vendors for services that benefit future periods are recorded as prepayments in both government-wide and fund financial statements. A current asset for the prepaid amount is recorded at the time of purchase, and the expenditure is reported in the year in which services are consumed. Governmental fund balance has been presented as nonspendable equal to the balance of the prepayments at year-end.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the Village.

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

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the Village.

B. Deficit Fund Balances

Fund balances at December 31, 2017 included the following individual fund deficits:

<u>Major fund</u>	<u>Deficit</u>
Williams Road Capital Improvement	\$ 1,582,325
<u>Nonmajor fund</u>	
Permissive Motor Vehicle License Tax	15,744

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balance in the Williams Road Capital Improvement fund resulted from the reporting of short-term notes payable as a liability of the fund that received the proceeds. The deficit balance in the Permissive Motor Vehicle License Tax fund resulted from adjustments for accrued liabilities.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
3. In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and,

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement for the General Fund (as reported in the fund financial statements) to the budgetary basis statement.

Net Changes in Fund Balance	
	<u>General Fund</u>
Budget basis	\$ (1,775,160)
Net adjustment for revenue accruals	841,888
Net adjustment for expenditure accruals	(355,935)
Encumbrances	<u>1,446,891</u>
GAAP basis	<u><u>\$ 157,684</u></u>

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

Inactive deposits are public deposits that Village 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.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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

Interim monies held by the Village may 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 obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2), above;
7. The State Treasurer's investment pool (STAR Ohio); and,
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if training requirements have been met.

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 Village, 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.

A. Cash on Hand

At year-end, the Village had \$1,700 in cash on hand which is included on the financial statements as part of "Equity in Pooled Cash and Investments".

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

B. Cash with Fiscal Agent

At year-end, the Village had a deficit of \$23,091 on deposit with the Franklin County Treasurer. The deficit is a result of the Village spending its 2018 estimated revenues to fund the local portion of the Toy Road project. The data regarding insurance and collateralization can be obtained from the Franklin County Comprehensive Annual Financial Report for the year ended December 31, 2017. This amount is not included in the Village's depository balance below.

C. Cash with Bond Trustee

At year-end, the Village had \$1,233,763 on deposit with a financial institution for monies set aside for the debt service payments and a debt service reserve related to the Series 2016A income tax revenue bonds. The amount held by the Trustee is included in the Village's depository balance below.

D. Deposits with Financial Institutions

At December 31, 2017, the carrying amount of all Village deposits was \$2,100,905 and the bank balance of all Village deposits was \$2,211,709. Of the bank balance, \$250,000 was covered by the FDIC and \$1,961,709 was covered by the Ohio Pooled Collateral System.

Custodial credit risk is the risk that, in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Village has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Village 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 (2) 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 reduced rate set by the Treasurer of State.

E. Investments

As of December 31, 2017, the Village had the following investments:

Measurement/ Investment Type	Measurement Value	Investment Maturities				Total
		6 months or less	7 to 12 months	19 to 24 months	Greater than 24 months	
Fair Value:						
Negotiable CD's	\$ 740,835	\$ -	\$ 740,835	\$ -	\$ -	\$ 740,835
FNMA	494,980	-	-	-	494,980	494,980
FHLMC	1,223,705	-	-	488,525	735,180	1,223,705
U.S. Government Money Market Mutual Fund	2,544,289	2,544,289	-	-	-	2,544,289
Amortized Cost:						
STAR Ohio	16,706,348	16,706,348	-	-	-	16,706,348
Total	\$ 21,710,157	\$ 19,250,637	\$ 740,835	\$ 488,525	\$ 1,230,160	\$ 21,710,157

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

The weighted average of maturity of investments is 0.27 years.

Fair Value Measurements: The Village 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 Village's investments in U.S. government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The Village's investments in federal agency securities (FHLMC, FNMA) and negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Village from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the Village.

Credit Risk: The Village's investments in FNMA and FHLMC securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio and U.S. government money market mutual funds an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable CD's were fully covered by the FDIC. The Village has no investment policy dealing with credit risk beyond the requirements of State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the Village's name. The Village has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Village Finance Director or qualified trustee.

Concentration of Credit Risk: The Village places no limit on the amount that may be invested in any single issuer. The following table includes the percentage of each investment type held by the Village at December 31, 2017:

<u>Measurement/ Investment Type</u>	<u>Measurement Value</u>	<u>% of Total</u>
Fair Value:		
Negotiable CD's	\$ 740,835	3.41
FNMA	494,980	2.28
FHLMC	1,223,705	5.64
U.S. Government Money Market Mutual Funds	2,544,289	11.72
Amortized Cost:		
STAR Ohio	<u>16,706,348</u>	<u>76.95</u>
Total	<u>\$ 21,710,157</u>	<u>100.00</u>

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

F. Reconciliation of Cash and Investments to Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the Statement of Net Position as of December 31, 2017:

<u>Cash and Investments per Note</u>	
Carrying amount of deposits	\$ 2,100,905
Cash on hand	1,700
Investments	<u>21,710,157</u>
Total	<u><u>\$ 23,812,762</u></u>
 <u>Cash and Investments per Statement of Net Position</u>	
Governmental activities	\$ 15,396,283
Business-type activities	8,043,602
Agency funds	<u>372,877</u>
Total	<u><u>\$ 23,812,762</u></u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2017, consisted of municipal income taxes; property taxes; payments in lieu of taxes; other local taxes; accounts (billings for user charged services, including unbilled utility services); accrued interest; and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are considered collectible in full and will be received within one year, except for municipal income taxes and property taxes. Municipal income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of amounts Due from Other Governments follows:

	Amount
Governmental Activities:	
Major Fund	
General Fund	
Local government	\$ 36,726
Cigarette taxes	2,383
Prairie-Obetz JEDZ	817,428
Other	<u>810</u>
Total General Fund	<u>857,347</u>
Nonmajor Fund	
Street Construction, Maintenance and Repair Fund	
Gasoline tax	96,200
Motor vehicle license tax	39,491
Law Enforcement Trust Fund	
Other	<u>306</u>
Total Nonmajor Fund	<u>135,997</u>
Total Governmental Activities	<u><u>\$ 993,344</u></u>

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 7 - TAXES

A. Municipal Income Taxes

The Village levies a two and one-half percent income tax whose proceeds are placed into the General Fund, the General Obligation Debt Service Fund and the Park Improvements Debt Service Fund. Of the two and one-half percent income tax, one-half percent is restricted to support police enforcement operations. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Individual taxpayers, whose only income is subject to withholding by employers and the employers file a final return annually, are not required to file a final annual return. Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a final return annually.

B. Property Taxes

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The Franklin County Treasurer collects property taxes on behalf of all taxing districts in the County, including the Village. The Franklin County Auditor periodically remits to the Village its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2017 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2017 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is considered a deferred inflow of resources.

The full tax rate for all Village operations for the year ended December 31, 2017 was \$1.70 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2017 property tax receipts were based are as follows:

Real property	\$ 129,794,550
Public utility personal property	<u>4,083,860</u>
Total assessed value	<u>\$ 133,878,410</u>

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 7 - TAXES - (Continued)

C. Tax Abatements

As of December 31, 2017, the Village provides tax abatements through the Community Reinvestment Area (CRA) program. This program relates to the abatement of property taxes.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

The Village has entered into agreements to abate property taxes through this program. During 2017, the Village's property tax revenues were reduced as a result of these agreements as follows:

<u>Tax Abatement Program</u>	<u>Village Taxes Abated</u>
CRA	<u>\$ 179,745</u>

During 2017, the Village did not incur a reduction in taxes by agreements entered into by other governments that reduced the Village's taxes.

NOTE 8 - PAYMENTS IN LIEU OF TAXES (PILOT)

According to State law, the Village has entered into agreements with a number of property owners under which the Village has granted property tax exemptions to those property owners. The property owners have agreed to make payments to the Village which reflect all or a portion of the property taxes which the property owners would have paid if the taxes had not been exempted. The property owners contractually promise to make these payments in lieu of taxes until the agreement expires. The Village reports PILOT revenue in the General Obligation Debt Service Fund and in the nonmajor governmental funds.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities

Capital assets activity for the year ended December 31, 2017, was as follows:

<u>Governmental Activities:</u>	Balance 12/31/16	Additions	Disposals	Balance 12/31/17
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,900,596	\$ 2,346,815	\$ -	\$ 6,247,411
Rights of way	4,339,994	-	-	4,339,994
Construction in progress	<u>4,142,812</u>	<u>22,098,034</u>	<u>(22,955,327)</u>	<u>3,285,519</u>
Total capital assets, not being depreciated	<u>12,383,402</u>	<u>24,444,849</u>	<u>(22,955,327)</u>	<u>13,872,924</u>
<i>Capital assets, being depreciated:</i>				
Buildings	10,922,054	21,828,215	-	32,750,269
Improvements Other Than Buildings	3,264,191	1,172,111	-	4,436,302
Streets	79,552,079	751,046	-	80,303,125
Equipment	2,322,013	652,990	-	2,975,003
Vehicles	<u>1,410,045</u>	<u>179,160</u>	<u>(15,411)</u>	<u>1,573,794</u>
Total capital assets, being depreciated	<u>97,470,382</u>	<u>24,583,522</u>	<u>(15,411)</u>	<u>122,038,493</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(1,862,278)	(436,724)	-	(2,299,002)
Improvements Other Than Buildings	(760,960)	(192,025)	-	(952,985)
Streets	(39,806,910)	(3,311,910)	-	(43,118,820)
Equipment	(1,006,678)	(243,113)	-	(1,249,791)
Vehicles	<u>(703,776)</u>	<u>(177,011)</u>	<u>15,411</u>	<u>(865,376)</u>
Total accumulated depreciation	<u>(44,140,602)</u>	<u>(4,360,783)</u>	<u>15,411</u>	<u>(48,485,974)</u>
Total capital assets, being depreciated, net	<u>53,329,780</u>	<u>20,222,739</u>	<u>-</u>	<u>73,552,519</u>
Governmental activities capital assets, net	<u>\$ 65,713,182</u>	<u>\$ 44,667,588</u>	<u>\$(22,955,327)</u>	<u>\$ 87,425,443</u>

During 2017, the Village transferred the GIS upgraded system from business-type activities to the governmental activities. The cost of the capital assets totaled \$121,700. This amount is included in the additions column in the table above.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions/programs of the Village as follows:

Governmental Activities:

General government	\$ 181,055
Security of persons and property	154,473
Transportation	3,396,003
Community environment	12,934
Leisure time activity	<u>616,318</u>
Total depreciation expense	<u>\$ 4,360,783</u>

B. Business-Type Activities

Capital assets activity for the year ended December 31, 2017, was as follows:

	Balance 12/31/16	Additions	Disposals	Balance 12/31/17
<u>Business-type Activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ -	\$ 18,090	\$ -	\$ 18,090
Construction in progress	<u>-</u>	<u>187,000</u>	<u>-</u>	<u>187,000</u>
Total capital assets, not being depreciated	<u>-</u>	<u>205,090</u>	<u>-</u>	<u>205,090</u>
<i>Capital assets, being depreciated:</i>				
Buildings	\$ 181,623	\$ -	\$ -	\$ 181,623
Water, Sewer, Electric and Gas Lines	26,402,074	462,718	-	26,864,792
Equipment	2,179,240	193,832	(121,700)	2,251,372
Vehicles	<u>100,209</u>	<u>-</u>	<u>-</u>	<u>100,209</u>
Total capital assets, being depreciated	<u>28,863,146</u>	<u>656,550</u>	<u>(121,700)</u>	<u>29,397,996</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(14,535)	(4,748)	-	(19,283)
Water, Sewer, Electric and Gas Lines	(6,992,716)	(423,311)	-	(7,416,027)
Equipment	(172,190)	(77,972)	-	(250,162)
Vehicles	<u>(22,015)</u>	<u>(8,600)</u>	<u>-</u>	<u>(30,615)</u>
Total accumulated depreciation	<u>(7,201,456)</u>	<u>(514,631)</u>	<u>-</u>	<u>(7,716,087)</u>
Total capital assets, being depreciated, net	<u>21,661,690</u>	<u>141,919</u>	<u>(121,700)</u>	<u>21,681,909</u>
Business-type capital assets, net	<u>\$ 21,661,690</u>	<u>\$ 347,009</u>	<u>\$ (121,700)</u>	<u>\$ 21,886,999</u>

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to enterprise funds of the Village as follows:

Business-type Activities:

Water	\$ 150,328
Sewer	260,566
Electric	85,596
Gas	<u>18,141</u>
Total depreciation expense	<u>\$ 514,631</u>

NOTE 10 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. There has been no significant reduction in insurance coverage from the previous year and no insurance settlement has exceeded insurance coverage during the last three years.

A. General Liability

The Village participates in the Public Entities Pool of Ohio, a public entity shared risk pool. The Village pays an annual premium to the pool for various types of insurance coverage. Members agree to share in the coverage of losses and pay all premiums necessary for the specified insurance coverage. Upon withdrawal from the Pool, a participant is responsible for the payment of all liabilities accruing as a result of withdrawal. See Note 19.A for more information on the Public Entities Pool of Ohio.

B. Workers' Compensation

The Village participates in the Ohio Municipal League (OML) public entity insurance purchasing pool for workers' compensation. The Group Rating Plan is administered by CompManagement, Inc. The OML Group Rating Plan is intended to achieve lower workers' compensation premium rates for the participants, and result in the establishment of a safer working environment. There are no additional contributions required by a participant other than their annual fee based on a percentage of the savings.

C. Employee Health, Vision and Dental Insurance

The Village provides employee health, vision, and dental benefits through the Central Ohio Health Care Consortium (the "Consortium"). The Consortium is a public entity shared risk pool and the risk of loss transfers to the Consortium upon payment of the premium by the Village. Employees share the cost of the monthly premium with the Village. See Note 19.B for more information on the Consortium.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 11 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

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

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

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

GASB Statement No. 68 assumes any net pension liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Village 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., Village employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

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

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 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 3.00% 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 2.25%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

	State and Local
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0 %
Total Employer	14.0 %
 Employee	 10.0 %

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

The Village's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$382,765 for 2017. Of this amount, \$57,382 is reported as due to other governments.

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

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

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

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit.

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

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

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

	Police
2017 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
 2017 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	0.50 %
Total Employer	19.50 %
 Employee	 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Village's contractually required contribution to OP&F was \$252,421 for 2017. Of this amount, \$30,308 is reported as due to other governments.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2016, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016 and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The Village's proportion of the net pension liability or asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.01430500%	0.00000000%	0.03339100%	0.04809800%	
Proportion of the net pension liability/asset current measurement date	<u>0.01570100%</u>	<u>0.00028800%</u>	<u>0.00512000%</u>	<u>0.05329700%</u>	
Change in proportionate share	<u>0.00139600%</u>	<u>0.00028800%</u>	<u>(0.02827100)%</u>	<u>0.00519900%</u>	
Proportionate share of the net pension liability	\$ 3,565,430	\$ -	\$ -	\$ 3,375,802	\$ 6,941,232
Proportionate share of the net pension (asset)	-	(160)	(21)	-	(181)
Pension expense	925,400	116	26	552,718	1,478,260

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred outflows of resources:					
Differences between expected and actual experience	\$ 4,833	\$ -	\$ 216	\$ 955	\$ 6,004
Net difference between projected and actual earnings on pension plan investments	530,973	36	18	328,279	859,306
Changes of assumptions	565,520	39	24	-	565,583
Changes in employer's proportionate percentage/difference between employer contributions and proportionate share of contributions	243,217	-	-	611,333	854,550
Village contributions subsequent to the measurement date	375,005	7,161	600	252,421	635,187
Total deferred outflows of resources	<u>\$ 1,719,548</u>	<u>\$ 7,236</u>	<u>\$ 858</u>	<u>\$ 1,192,988</u>	<u>\$ 2,920,630</u>
Deferred inflows of resources:					
Differences between expected and actual experience	<u>\$ 21,222</u>	<u>\$ 82</u>	<u>\$ -</u>	<u>\$ 7,772</u>	<u>\$ 29,076</u>

\$635,187 reported as deferred outflows of resources related to pension resulting from Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2018.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2018	\$ 596,625	\$ 9	\$ 39	\$ 260,581	\$ 857,254
2019	547,239	7	39	260,579	807,864
2020	195,023	6	39	230,622	425,690
2021	(15,562)	(7)	31	113,422	97,884
2022	(4)	(7)	31	62,963	62,983
Thereafter	-	(15)	79	4,628	4,692
Total	\$ 1,323,321	\$ (7)	\$ 258	\$ 932,795	\$ 2,256,367

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 was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 67. In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, for the defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	7.50%
Actuarial cost method	Individual entry age

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

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

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.50%, post-experience study results, for the Traditional Pension Plan, the Combined Plan, and the Member-Directed Plan. A discount rate of 8.00% was used in the previous measurement period. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Village's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the Village's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.50%, as well as what the Village's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Villages's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 5,446,991	\$ 3,565,430	\$ 1,997,481
Combined Plan	12	(160)	(294)
Member-Directed Plan	51	(21)	(51)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016 and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by 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, 2016, are presented below:

Valuation date	January 1, 2016
Actuarial cost method	Entry age normal
Investment rate of return	8.25%
Projected salary increases	4.25% - 11.00%
Payroll increases	3.75%
Inflation assumptions	3.25%
Cost-of-living adjustments	2.60% and 3.00% simple

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The most recent experience study was completed for the five-year period ended December 31, 2016. The recommended assumption changes based on this experience study were adopted by OP&F's Board and were effective beginning with the January 1, 2017 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average 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, 2016 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Real Rate of Return **</u>	<u>30 Year Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	4.46 %	5.21 %
Non-US Equity	16.00	4.66	5.40
Core Fixed Income *	20.00	1.67	2.37
Global Inflation			
Protected Securities *	20.00	0.49	2.33
High Yield	15.00	3.33	4.48
Real Estate	12.00	4.71	5.65
Private Markets	8.00	7.31	7.99
Timber	5.00	6.87	6.87
Master Limited Partnerships	8.00	6.92	7.36
Total	<u>120.00 %</u>		

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

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.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The total pension liability was calculated using the discount rate of 8.25%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25%. 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 Village's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25%), or one percentage point higher (9.25%) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
Villages's proportionate share of the net pension liability	\$ 4,496,137	\$ 3,375,802	\$ 2,426,260

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

NOTE 12 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment healthcare trust, which funds multiple healthcare 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 healthcare 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 healthcare coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The healthcare coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

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

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 12 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2017, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the post-employment healthcare benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2017 was 1.00%.

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

The Village's contributions allocated to fund post-employment healthcare benefits for the years ended December 31, 2017, 2016, and 2015 were \$29,637, \$50,300, and \$46,614, respectively; 86.09% has been contributed for 2017 and 100% has been contributed for 2016 and 2015. The remaining 2017 post-employment healthcare benefits liability has been reported as due to other governments on the basic financial statements.

Changes to the healthcare plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved healthcare changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the healthcare fund after the end of the transition period.

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to post-employment healthcare coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 12 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree healthcare benefits. The portion of employer contributions allocated to healthcare was .5% of covered payroll from January 1, 2017 through December 31, 2017. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the healthcare 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 Village's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers was \$6,643 for the year ended December 31, 2017, \$6,388 for the year ended December 31, 2016, and \$5,413 for the year ended December 31, 2015. 100% has been contributed for 2016 and 2015. 88.30% has been contributed for police officers for 2017. The remaining 2017 post-employment healthcare benefits liability has been reported as due to other governments on the basic financial statements.

NOTE 13 - OTHER EMPLOYEE BENEFITS

A. Healthcare Benefits

The Village offers employee health, vision, and dental benefits through the Central Ohio Health Care Consortium. The Village offers life and disability insurance benefits through the Standard Life Insurance Company. The employees share the cost of the monthly healthcare premium with the Village, while the Village fully pays for vision, dental, life and disability premiums.

VILLAGE OF OBETZ, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 13 - OTHER EMPLOYEE BENEFITS - (Continued)

B. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from Village policies and State laws.

Village employees earn and accumulate vacation at varying rates depending on length of service. Vacation accrual rates change on the employees' anniversary date, when applicable. Employees are paid for up to two years of earned unused vacation leave upon termination.

Sick leave is earned at 4.6 hours per pay period. All employees with 10 or more years of full-time service with the Village (including prior service years with another governmental organization), who elect to retire, are entitled to receive one-fourth of the value of their accumulated unused sick leave up to a maximum of 60 days.

C. Deferred Compensation

Village employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death, or an unforeseen emergency.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 14 - LONG-TERM OBLIGATIONS

A. Governmental Activities

The Village's governmental activities long-term obligations activity for 2017 follows:

	Interest Rate	Balance 12/31/16	Additions	Reductions	Balance 12/31/17	Amounts Due in One Year
<u>Governmental Activities:</u>						
General obligation bonds:						
Series 2012 various purpose refunding and improvement bonds (original amount \$6,240,000)	3.00-5.00%	\$ 4,335,000	\$ -	\$ (455,000)	\$ 3,880,000	\$ 460,000
Revenue bonds:						
Series 2007 TIF bonds (original amount \$5,735,000)	3.75%	4,670,000	-	(165,000)	4,505,000	175,000
Series 2016A income tax bonds (original amount \$16,000,000)	2.00-4.00%	16,000,000	-	(445,000)	15,555,000	590,000
Notes Payable:						
Walnut Creek Note	2.00%	-	2,400,000	-	2,400,000	-
OPWC loans:						
#CC06R (original amount \$242,794)	0.00%	238,125	-	(9,338)	228,787	9,338
#CC909 (original amount \$250,410)	0.00%	68,864	-	(12,520)	56,344	12,521
#CT10H (original amount \$25,000)	0.00%	13,125	-	(1,250)	11,875	1,250
Total OPWC loans		320,114	-	(23,108)	297,006	23,109
Net pension liability		5,022,798	1,204,737	-	6,227,535	-
Compensated absences		208,605	120,319	(80,253)	248,671	90,433
Unamortized premium		1,537,674	-	(76,884)	1,460,790	-
Total governmental activities		<u>\$ 32,094,191</u>	<u>\$ 3,725,056</u>	<u>\$ (1,245,245)</u>	<u>\$ 34,574,002</u>	<u>\$ 1,338,542</u>

Series 2012 Various Purpose Refunding and Improvement Bonds

On November 14, 2012, the Village issued general obligation bonds, in the amount of \$6,240,000: \$2,730,000 to currently refund the remaining balance of the general obligation bonds previously issued in 2001, \$3,045,000 to retire notes previously issued (the Village also paid principal, in the amount of \$840,000), and \$465,000 for various construction projects and to improve Lancaster Park and the Community Center. The bonds were issued for an 18-year period, with final maturity in 2030. The bonds will be retired through the General Obligation Debt Service Fund.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The bonds maturing on or after December 1, 2018, are subject to optional redemption prior to maturity, commencing December 1, 2017, either in whole or in part, in such order as the Village shall determine, on any date on or after December 1, 2012, at a redemption price equal to the following percentages of principal redeemed plus accrued interest to the date of redemption:

Redemption Dates (Dates Inclusive)	Redemption Prices
December 1, 2018, and thereafter	\$ 100

The bonds maturing on December 1, 2024, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the year and the respective principal amount as follows:

Year	Amount
2023	\$ 165,000

The remaining principal, in the amount of \$170,000, will be paid at stated maturity on December 1, 2024.

The bonds maturing on December 1, 2027, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2025	\$ 170,000
2026	175,000

The remaining principal, in the amount of \$180,000, will be paid at stated maturity on December 1, 2027.

The bonds maturing on December 1, 2030, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2028	\$ 185,000
2029	185,000

The remaining principal, in the amount of \$190,000, will be paid at stated maturity on December 1, 2030.

Series 2007 TIF Revenue Bonds

On October 2, 2007, the Village issued tax increment financing (TIF) revenue bonds, in the amount of \$5,735,000, to construct and widen Toy Road. The joint project was completed by a developer and the Village. The Village's responsibility for the debt is limited to the amount of payments in lieu of taxes collected on the abated property. Any shortage between the amount collected and the amount due to be paid on the debt is paid by the developer. The developer was required to post a letter of credit upon which the developer may draw to satisfy the debt obligation. The letter of credit was issued by Huntington Bank. For the year ended December 31, 2017, the Village collected and remitted to Huntington Bank \$153,997. The amount required to service this debt (both principal and interest) for the year ended December 31, 2017, was \$338,580. The developer paid the difference (\$184,583) from the letter of credit issued by Huntington Bank for 2017. The bonds will be retired through the Toy Road TIF Fund (a nonmajor governmental fund). The bonds mature on December 1, 2034.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Series 2016A Income Tax Revenue Bonds

On August 30, 2016, the Village issued Series 2016A income tax revenue bonds in the amount of \$16,000,000 for the purpose of: (a) financing the costs of expanding and improving the municipal parks located within the Village (the "Parks") and to finance the costs of acquiring, constructing, designing, equipping, improving, and installing capital improvements outside of the Parks, within the boundaries of the Village, including, but not limited to land acquisition, land site work, design, construction and improvements, roads, sidewalks, and paths, water, sewer, stormwater drainage, and all appurtenances and improvements related thereto. The Series 2016A bonds are unvoted special obligations of the Village secured by income tax monies as pledged funds. The Series 2016A bonds are guaranteed by a municipal bond insurance policy provided by AGM to Secure the payment, when due, of the principal of and interest on the Series 2016A bonds. Huntington National Bank acts as Trustee for the Series 2016A bonds. The Village makes payments to the Trustee and the Trustee makes scheduled payments on the bonds. The Series 2016A bonds bear interest rates ranging from 2.0 percent to 4.0 percent and mature on December 1, 2036. The Series 2016A bonds will be retired through the Park Improvement Debt Service Fund (a nonmajor governmental fund).

OPWC Loans

OPWC loans consist of money owed to the Ohio Public Works Commission (OPWC) for engineering costs for the widening of Alum Creek Drive and for Frusta/McGaw Road reconstruction. OPWC loans will be paid from the General Obligation Debt Service Fund. The CC06R loan had an authorized loan amount of \$501,876, however, the project came in under budget and only received borrowings of \$242,794. Loan CC06R matures on July 1, 2042, loan CC909 matures on July 1, 2022, and loan CT10H matures on July 1, 2027.

Long-Term Note Payable

On February 15, 2017, the Village issued a \$2,900,000 Series 2017 Municipal Infrastructure Improvement Note. This note matures on February 13, 2018. Of this total, \$500,000 is considered a short-term note payable (see Note 20) and \$2,400,000 is considered a long-term note payable. The long-term note payable represents the portion of the Series 2017 note issue that was refinanced subsequent to year-end with a new maturity date greater than one year from the date of the financial statements (see Note 21). The long-term note payable matures February 11, 2019. The long-term notes are backed by the full faith and credit of the Village.

Net Pension Liability

The Village pays obligations related to employee compensation from the funds benefitting from their services. See Note 11 for further information.

Compensated Absences

The compensated absences liability will be paid from the funds from which the employees' salaries are paid. For governmental activities, compensated absences are paid primarily from the General Fund.

Legal Debt Margin

At December 31, 2017, the Village's overall legal debt margin was \$14,057,233 and the unvoted debt margin was \$7,363,313.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Future Debt Service Requirements

The Village's future annual debt service requirements payable from the governmental activities follows:

Year Ending December 31,	Governmental Activities					
	General Obligation Bonds			TIF Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 460,000	\$ 73,875	\$ 533,875	\$ 175,000	\$ 168,248	\$ 343,248
2019	465,000	68,125	533,125	180,000	160,247	340,247
2020	500,000	61,150	561,150	190,000	153,454	343,454
2021	510,000	53,650	563,650	200,000	146,585	346,585
2022	525,000	44,725	569,725	210,000	139,026	349,026
2023 - 2027	860,000	141,113	1,001,113	1,225,000	566,932	1,791,932
2028 - 2032	560,000	30,937	590,937	1,575,000	308,897	1,883,897
2033 - 2034	-	-	-	750,000	35,599	785,599
Total	<u>\$ 3,880,000</u>	<u>\$ 473,575</u>	<u>\$ 4,353,575</u>	<u>\$ 4,505,000</u>	<u>\$ 1,678,988</u>	<u>\$ 6,183,988</u>

Year Ending December 31,	Governmental Activities					
	Income Tax Revenue Bonds			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 590,000	\$ 545,200	\$ 1,135,200	\$ 23,109	\$ -	\$ 23,109
2019	605,000	533,400	1,138,400	23,109	-	23,109
2020	620,000	515,250	1,135,250	23,109	-	23,109
2021	640,000	496,650	1,136,650	23,109	-	23,109
2022	665,000	471,050	1,136,050	16,848	-	16,848
2023 - 2027	3,750,000	1,934,250	5,684,250	52,317	-	52,317
2028 - 2032	4,475,000	1,209,250	5,684,250	46,692	-	46,692
2033 - 2037	4,210,000	336,350	4,546,350	46,692	-	46,692
2038 - 2042	-	-	-	42,021	-	42,021
Total	<u>\$ 15,555,000</u>	<u>\$ 6,041,400</u>	<u>\$ 21,596,400</u>	<u>\$ 297,006</u>	<u>\$ -</u>	<u>\$ 297,006</u>

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-Type Activities

The Village’s business-type activities long-term obligations activity for 2017 follows:

	Interest Rate	Balance 12/31/2016	Additions	Reductions	Balance 12/31/2017	Amounts Due in One Year
<u>Business-type Activities:</u>						
OWDA loans:						
#3006 water system expansion (original amount \$711,818)	6.12%	\$ 29,516	\$ -	\$ (29,516)	\$ -	\$ -
#3007 wastewater treatment plant expansion (original amount \$1,248,905)	6.12%	51,786	-	(51,786)	-	-
Total OWDA loans		81,302	-	(81,302)	-	-
Net pension liability		549,180	164,517	-	713,697	-
Compensated absences		42,574	11,651	(11,579)	42,646	11,411
Total business-type activities		\$ 673,056	\$ 176,168	\$ (92,881)	\$ 756,343	\$ 11,411

OWDA Loans

OWDA loans consist of money owed to the Ohio Water Development Authority (OWDA) for construction of water and sewer lines at the Creekside Industrial Park. OWDA loans are payable solely from the gross revenues of the Water and Sewer enterprise funds after provisions for reasonable operating and maintenance expenses. Annual principal and interest payments on the water loans are expected to require approximately eight percent of these net revenues and annual principal and interest payments on the sewer loans are expected to require approximately 16 percent of these net revenues. At December 31, 2017, the loans were paid off for both the water and sewer funds. Principal and interest paid in the Water and Sewer enterprise funds for the current year were \$30,707 and \$53,876, respectively. Total net revenues for the Water and Sewer enterprise funds were \$1,008,905 and \$103,870, respectively.

Net Pension Liability

The Village pays obligations related to employee compensation from the funds benefitting from their services. See Note 11 for further information.

Compensated Absences

The compensated absences liability will be paid from the funds from which the employees’ salaries are paid. For the business-type activities, the compensated absences will be paid from the Water and Sewer enterprise funds.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 15 - CONTINGENT LIABILITIES

A. Litigation

There are currently no matters in litigation with the Village as defendant.

B. Federal and State Grants

For the period January 1, 2017, to December 31, 2017, the Village received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the Village believes such disallowances, if any, would be immaterial.

NOTE 16 - OTHER COMMITMENTS

The Village utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year-end, the Village's commitments for encumbrances (not already included in payables) in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General Fund	\$ 958,549
Williams Road Capital Improvements	28,845
Walnut Creek Improvements	1,187,374
Nonmajor Governmental Funds	<u>42,211</u>
Total	<u>\$ 2,216,979</u>

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 17 - FUND BALANCE

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

Fund Balance	General	General Obligation Debt Service	Park Improvements	Williams Road Capital Improvement	Walnut Creek Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:							
Unclaimed monies	\$ 1,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,552
Prepayments	35,151	-	-	-	-	412	35,563
Total nonspendable	36,703	-	-	-	-	412	37,115
Restricted:							
Court operations	-	-	-	-	-	93,491	93,491
Debt retirement	-	-	-	-	-	1,517,194	1,517,194
Drug enforcement	-	-	-	-	-	4,925	4,925
Economic development	-	-	-	-	-	10,005	10,005
Park improvements	-	-	49,365	-	-	6,994	56,359
Infrastructure improvements	-	-	-	-	685,867	393,822	1,079,689
Police operations	719,759	-	-	-	-	20,861	740,620
Street construction and maintenance	-	-	-	-	-	597,894	597,894
Total restricted	719,759	-	49,365	-	685,867	2,645,186	4,100,177
Committed:							
Debt retirement	-	2,453,528	-	-	-	-	2,453,528
Park operations	-	-	-	-	-	73,179	73,179
Permanent improvements	-	-	-	-	-	43,212	43,212
Police operations	-	-	-	-	-	38	38
Street construction and maintenance	-	-	-	-	-	268,705	268,705
Total committed	-	2,453,528	-	-	-	385,134	2,838,662
Assigned:							
Unpaid obligations	958,549	-	-	-	-	-	958,549
Unassigned	8,269,622	-	-	(1,582,325)	-	(15,744)	6,671,553
Total fund balances	\$ 9,984,633	\$ 2,453,528	\$ 49,365	\$ (1,582,325)	\$ 685,867	\$ 3,014,988	\$ 14,606,056

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS

A. Big Walnut Area Community Improvement Corporation

The Big Walnut Area Community Improvement Corporation (the "CIC") is a not-for-profit corporation formed to promote economic development within the Village. The CIC is governed by a seven-member board which includes the Mayor, President Pro Tempore of Village Council, and the Village Administrator. The primary asset of the CIC is a building. The CIC's primary revenue is rent from a lease of the building to the Columbus Crew Soccer Team. Financial information can be obtained from the Village of Obetz, 4175 Alum Creek Drive, Obetz, Ohio 43207.

B. Obetz Convention and Visitor's Bureau

The Obetz Convention and Visitor's Bureau (the "CVB") is governed by a seven-member board which includes the Mayor, President Pro Tempore of Village Council, and the Village Administrator. The CVB receives one-fourth of the lodging tax levied by the Village and it is used for the promotion and marketing of the region in which the Village is located. Financial information can be obtained from the Village of Obetz, 4175 Alum Creek Drive, Obetz, Ohio 43207.

C. Prairie-Obetz Joint Economic Development Zone

The Village participates in the Prairie-Obetz Joint Economic Development Zone (the "JEDZ"), a jointly governed organization created according to the provisions of Ohio Revised Code Section 715.691. The JEDZ is to facilitate new or expanded growth for commercial and economic development within the JEDZ and the State for the benefit of the Village, the Township, the State, and its residents. The board consists of three members representing the Village of Obetz and appointed by the Village Council and three members representing Prairie Township and appointed by the Township Trustees. Financial information can be obtained from the Village of Obetz, 4175 Alum Creek Drive, Obetz, Ohio 43207.

NOTE 19 - PUBLIC ENTITY SHARED RISK POOLS

A. Public Entities Pool of Ohio

The Public Entities Pool of Ohio (the "Pool") is a public entity shared risk pool which provides various risk management services to its members. The Pool is governed by a seven-member board of directors; six are member representatives or elected officials and one is a representative of the Pool administrator, American Risk Pooling Consultants, Inc. Each member has one vote on all issues addressed by the Board of Directors. Participation in the Pool is by written application subject to the terms of the Pool agreement. Members must continue membership for a full year and may withdraw from the Pool by giving a 60-day written notice prior to their annual anniversary. Financial information can be obtained from the Public Entities Pool of Ohio, 6797 North High Street, Suite 131, Worthington, Ohio 43085.

VILLAGE OF OBETZ, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 19 - PUBLIC ENTITY SHARED RISK POOLS - (Continued)

B. Central Ohio Health Care Consortium

The Central Ohio Health Care Consortium (the “Consortium”) was established in 1992, as a joint self-insurance program formed by several political subdivisions throughout Central Ohio. The Consortium is a legally separate entity organized under Ohio Revised Code Section 9.833. The purpose of the Consortium is to maximize benefits and reduce the costs of medical and prescription drug coverages for Consortium member employees and eligible dependents. Each Consortium member appoints one individual to be its representative on the Board of Directors. The Board of Directors sets all premiums and other amounts to be paid by the Consortium members.

All Consortium members are required to remit monthly contributions to the Consortium’s administrator, which are used to pay claims and related claim settlement expenses, to purchase excess loss insurance for the plan and to establish and maintain sufficient loss reserves. The monthly contribution is determined for each Consortium member in accordance with the number of covered employees and dependents and the prior loss experience of the respective member group.

Consortium members may withdraw from the Consortium as of the end of the three year trust term by giving written notice no later than September 1 of that year. Non-founding members must remain in the Consortium for a minimum of three years, regardless of the trust term. At and after the effective time of withdrawal, the withdrawing member is wholly and solely responsible for providing healthcare benefits that had been previously provided by the Consortium, including, but not limited to, any and all incurred, but not reported claims related to its prior participation.

NOTE 20 - SHORT-TERM NOTES PAYABLE

The Village has the following short-term note payable activity during 2017:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance 12/31/16</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/17</u>
<u>Governmental Funds</u>						
Land acquisition	2.13%	10/10/18	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000
Walnut Creek improvements	2.00%	2/13/18	-	500,000	-	500,000
Total governmental funds			<u>\$ -</u>	<u>\$ 2,500,000</u>	<u>\$ -</u>	<u>\$ 2,500,000</u>
<u>Enterprise Funds</u>						
Electric expansion/improvements	2.00%	7/6/17	\$ 1,500,000	\$ -	\$ (1,500,000)	\$ -
Electric expansion/improvements	2.50%	6/28/18	-	1,000,000	-	1,000,000
Total enterprise funds			<u>\$ 1,500,000</u>	<u>\$ 1,000,000</u>	<u>\$ (1,500,000)</u>	<u>\$ 1,000,000</u>

On October 11, 2017, the Village issued a \$2,000,000 Series 2017 Land Acquisition Bond Anticipation Note for the purpose of acquiring land within the Village to improve Williams Road. The note matures on October 10, 2018 and bears an interest rate of 2.13%. The short-term note liability is reflected in the Williams Road Capital Improvement Fund, the fund which received the proceeds.

VILLAGE OF OBETZ, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 20 - SHORT-TERM NOTES PAYABLE - (Continued)

On February 15, 2017, the Village issued a \$2,900,000 Series 2017 Municipal Infrastructure Improvement Note for the purpose of financing infrastructure improvements. Of this total, \$500,000 is considered a short-term note payable and \$2,400,000 is considered a long-term note payable (see Note 14). The short-term note payable represents the portion of the Series 2017 note issue that will be retired when the notes are refinanced on February 13, 2018 (see Note 21 for detail). All short-term notes were backed by the full faith and credit of the City and mature within one year. The short-term note liability is reflected in the Walnut Creek Improvements Fund, the fund which received the proceeds. The short-term notes were issued in anticipation of long-term bond financing and will be refinanced until such funds are issued.

On June 29, 2017, the Village issued \$1,000,000 in short-term notes payable for the purpose of expanding and improving the municipal electric system in the Village. The notes mature on June 28, 2018 and carry an interest rate of 2.50%. Principal and interest payments are made from the Electric enterprise fund.

NOTE 21 - SIGNIFICANT SUBSEQUENT EVENT

On February 12, 2018, the Village retired the \$2,900,000 Series 2017 Municipal Infrastructure Improvement Note through the issuance of a \$2,400,000 Series 2018 Municipal Infrastructure Refunding Note. The Series 2018 Municipal Infrastructure Refunding Note bears an interest rate of 2.25% and matures February 11, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF OBETZ, OHIO

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
Village's proportion of the net pension liability	0.015701%	0.014305%	0.012638%	0.012638%
Village's proportionate share of the net pension liability	\$ 3,565,430	\$ 2,477,806	\$ 1,524,285	\$ 1,489,856
Village's covered payroll	\$ 2,454,108	\$ 2,330,683	\$ 2,018,733	\$ 1,816,054
Village's proportionate share of the net pension liability as a percentage of its covered payroll	145.28%	106.31%	75.51%	82.04%
Plan fiduciary net position as a percentage of the total pension liability	77.25%	81.08%	86.45%	86.36%
<i>Combined Plan:</i>				
Village's proportion of the net pension asset	0.000288%			
Village's proportionate share of the net pension asset	\$ 160			
Village's covered payroll	\$ 1,125			
Village's proportionate share of the net pension asset as a percentage of its covered payroll	14.22%			
Plan fiduciary net position as a percentage of the total pension asset	116.55%			
<i>Member Directed Plan:</i>				
Village's proportion of the net pension asset	0.005120%	0.033391%		
Village's proportionate share of the net pension asset	\$ 21	\$ 129		
Village's covered payroll	\$ 21,042	\$ 185,958		
Village's proportionate share of the net pension asset as a percentage of its covered payroll	0.10%	0.07%		
Plan fiduciary net position as a percentage of the total pension asset	103.40%	103.91%		

Note: Information prior to 2014, 2017 and 2016 was unavailable for the Traditional Plan, Combined Plan, and Member Directed Plan, respectively. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF OBETZ, OHIO

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Village's proportion of the net pension liability	0.05329700%	0.04809800%	0.03705820%	0.03705820%
Village's proportionate share of the net pension liability	\$ 3,375,802	\$ 3,094,172	\$ 1,919,769	\$ 1,804,851
Village's covered payroll	\$ 1,277,505	\$ 1,054,153	\$ 821,726	\$ 1,116,266
Village's proportionate share of the net pension liability as a percentage of its covered payroll	264.25%	293.52%	233.63%	161.69%
Plan fiduciary net position as a percentage of the total pension liability	68.36%	66.77%	72.20%	73.00%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF OBETZ, OHIO

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 375,005	\$ 294,493	\$ 279,682	\$ 242,248
Contributions in relation to the contractually required contribution	<u>(375,005)</u>	<u>(294,493)</u>	<u>(279,682)</u>	<u>(242,248)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	\$ 2,884,654	\$ 2,454,108	\$ 2,330,683	\$ 2,018,733
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 7,161	\$ 135		
Contributions in relation to the contractually required contribution	<u>(7,161)</u>	<u>(135)</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>		
Village's covered payroll	\$ 55,085	\$ 1,125		
Contributions as a percentage of covered payroll	13.00%	12.00%		
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 600	\$ 2,525	\$ 22,315	
Contributions in relation to the contractually required contribution	<u>(600)</u>	<u>(2,525)</u>	<u>(22,315)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Village's covered payroll	\$ 6,000	\$ 21,042	\$ 185,958	
Contributions as a percentage of covered payroll	10.00%	12.00%	12.00%	

Note: Information prior to 2016, 2015, and 2014 was unavailable for the Combined Plan, Member-Directed Plan, and Traditional Plan, respectively. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 236,087	\$ 160,440	\$ 153,284	\$ 191,984	\$ 182,535	\$ 190,595
<u>(236,087)</u>	<u>(160,440)</u>	<u>(153,284)</u>	<u>(191,984)</u>	<u>(182,535)</u>	<u>(190,595)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,816,054	\$ 1,604,400	\$ 1,532,840	\$ 2,152,287	\$ 2,245,203	\$ 2,722,786
13.00%	10.00%	10.00%	8.92%	8.13%	7.00%

VILLAGE OF OBETZ, OHIO

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Police:</i>				
Contractually required contribution	\$ 252,421	\$ 242,726	\$ 200,289	\$ 156,128
Contributions in relation to the contractually required contribution	<u>(252,421)</u>	<u>(242,726)</u>	<u>(200,289)</u>	<u>(156,128)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	\$ 1,328,532	\$ 1,277,505	\$ 1,054,153	\$ 821,726
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 177,263	\$ 119,920	\$ 109,067	\$ 161,167	\$ 189,922	\$ 107,374
<u>(177,263)</u>	<u>(119,920)</u>	<u>(109,067)</u>	<u>(161,167)</u>	<u>(189,922)</u>	<u>(107,374)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,116,266	\$ 940,549	\$ 855,427	\$ 1,264,055	\$ 1,489,584	\$ 842,149
15.88%	12.75%	12.75%	12.75%	12.75%	12.75%

VILLAGE OF OBETZ, OHIO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2017.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2017.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

VILLAGE OF OBETZ, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

The special revenue funds are used to account for specific revenue sources that are restricted or committed to expenditure for specified expenditure purposes, other than debt service or capital projects. The following are the nonmajor special revenue funds which the Village operates:

Street Construction, Maintenance and Repair Fund

This fund is used to account for state gasoline tax and motor vehicle registration fees and restricted for maintenance of streets within the Village.

Parks and Recreation Fund

This fund is used to account for a fee charged to developers in accordance with Village planning and zoning codes.

Drug Law Enforcement Fund

This fund accounts for fines resulting from drug-related arrests and restricted for the benefit of the Police Department.

Permissive Motor Vehicle License Tax Fund

This fund accounts for permissive motor vehicle registration fees levied by the Village and restricted for maintenance of streets within the Village.

DUI Education Fund

This fund accounts for monies generated from DUI fines which are restricted to DUI education.

Mayor's Court Computer "A" Fund

This fund accounts for the collection of Mayor's Court fees that are restricted to subsidize computers operated by the court.

Keith Evans Memorial Fields Fund

This fund accounts for donations to purchase playground equipment at Memorial Park.

Police Improvement Fund

This fund accounts for fines collected from traffic tickets and other Mayor's Court costs which are restricted for purchasing uniforms or other equipment for the Police Department.

Mayor's Court Computer "B" Fund

This fund accounts for the collection of Mayor's Court fees that are restricted to subsidize computers operated by the Clerk of the Mayor's Court.

Continuing Education for Police Fund

This fund accounts for funds received from the Ohio Attorney General's office restricted for mandatory police training.

Goodyear TIF Fund

This fund accounts for the distributions to the Village of tax increment financing service payments made from properties in the TIF area and expenditures for school compensation payments to the Hamilton Local School District and for the cost of public infrastructure improvements directly benefitting the TIF area.

CRA Fund

This fund accounts for fees charged in accordance with Ohio Revised Code 3735 which are restricted for the Village to comply with 3735.672 of the ORC.

Law Enforcement Trust Fund

This fund accounts for forfeited properties from police investigations that are restricted for the benefit of the Police Department.

VILLAGE OF OBETZ, OHIO

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

Unclaimed Monies Fund

This fund accounts for monies which have yet to be claimed by their rightful owners. After five years, any money still within the fund is credited to the General Fund. Even though this fund is restricted by ORC, the fund balance will be shown as nonspendable. This fund is included in the General Fund (GAAP basis), but has a legally separate adopted budget (budget basis). This fund is not included in the combining statements for the nonmajor special revenue funds since it is reported in the General Fund (GAAP basis); however, the budgetary schedule for this fund is presented in this section.

NONMAJOR DEBT SERVICE FUNDS

To account for the resources that are restricted, committed, or assigned to expenditure for debt principal, interest, and related costs. Following is a description of the Village's nonmajor debt service funds:

Toy Road TIF Fund

This fund accounts for TIF monies restricted for the payment of principal, interest and fiscal charges on the TIF Revenue Bonds.

Park Improvement Debt Service Fund

This fund accounts for income tax monies restricted for the payment of principal and interest related to the Series 2016A income tax revenue bonds issued for park improvements.

Park Improvement Debt Service Reserve Fund

This fund accounts for a debt service reserve required by a Trust Agreement related to the Series 2016A income tax revenue bonds issued for park improvements.

NONMAJOR CAPITAL PROJECTS FUNDS

To account for resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities and other capital assets. Following are descriptions of the Village's nonmmajor capital projects funds:

Toy Road 629 Grant Fund

This fund accounts for grant monies from the State of Ohio used to reimburse the Village for a portion of expenditures made for work done on Toy Road.

Permanent Improvement Fund

This fund accounts for resources received to purchase permanent improvements.

West Side Storm Sewer & Road Fund

This fund accounts for resources for improvements along the West Side of the Village and to purchase capital assets.

Creekside South TIF Fund

This fund accounts for monies restricted for public infrastructure improvements in the Creekside South area.

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VILLAGE OF OBETZ, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 1,086,146	\$ 188,431	\$ 422,625	\$ 1,697,202
Receivables:				
Municipal income taxes	-	95,000	-	95,000
Payments in lieu of taxes	-	209,706	207,438	417,144
Other local taxes	942	-	-	942
Accounts	1,579	-	-	1,579
Due from other governments	135,997	-	-	135,997
Prepayments	412	-	-	412
Restricted assets:				
Cash with bond trustee	-	1,233,763	-	1,233,763
Total assets	<u>\$ 1,225,076</u>	<u>\$ 1,726,900</u>	<u>\$ 630,063</u>	<u>\$ 3,582,039</u>
Liabilities:				
Accounts payable	\$ 4,901	\$ -	\$ -	\$ 4,901
Accrued wages and benefits payable	1,337	-	-	1,337
Due to other governments	24,560	-	-	24,560
Total liabilities	<u>30,798</u>	<u>-</u>	<u>-</u>	<u>30,798</u>
Deferred inflows of resources:				
Payments in lieu of taxes levied for the next fiscal year	-	209,706	207,438	417,144
Intergovernmental revenue not available	119,109	-	-	119,109
Total deferred inflows of resources	<u>119,109</u>	<u>209,706</u>	<u>207,438</u>	<u>536,253</u>
Fund balances:				
Nonspendable	412	-	-	412
Restricted	1,017,284	1,517,194	110,708	2,645,186
Committed	73,217	-	311,917	385,134
Unassigned (deficit)	(15,744)	-	-	(15,744)
Total fund balances	<u>1,075,169</u>	<u>1,517,194</u>	<u>422,625</u>	<u>3,014,988</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,225,076</u>	<u>\$ 1,726,900</u>	<u>\$ 630,063</u>	<u>\$ 3,582,039</u>

VILLAGE OF OBETZ, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017

	Street Construction, Maintenance and Repair	Parks and Recreation	Drug Law Enforcement	Permissive Motor Vehicle License Tax
Assets:				
Equity in pooled cash and investments	\$ 478,311	\$ 72,279	\$ 150	\$ 6,405
Receivables:				
Other local taxes	-	-	-	942
Accounts	-	900	-	-
Due from other governments	135,691	-	-	-
Prepayments	412	-	-	-
Total assets	<u>\$ 614,414</u>	<u>\$ 73,179</u>	<u>\$ 150</u>	<u>\$ 7,347</u>
Liabilities:				
Accounts payable	\$ 4,901	\$ -	\$ -	\$ -
Accrued wages and benefits payable	1,337	-	-	-
Due to other governments	1,469	-	-	23,091
Total liabilities	<u>7,707</u>	<u>-</u>	<u>-</u>	<u>23,091</u>
Deferred inflows of resources:				
Intergovernmental revenue not available	119,109	-	-	-
Fund balances:				
Nonspendable	412	-	-	-
Restricted	487,186	-	150	-
Committed	-	73,179	-	-
Unassigned (deficit)	-	-	-	(15,744)
Total fund balances	<u>487,598</u>	<u>73,179</u>	<u>150</u>	<u>(15,744)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 614,414</u>	<u>\$ 73,179</u>	<u>\$ 150</u>	<u>\$ 7,347</u>

<u>DUI Education</u>	<u>Mayor's Court Computer "A"</u>	<u>Keith Evans Memorial Fields</u>	<u>Police Improvement</u>	<u>Mayor's Court Computer "B"</u>	<u>Continuing Education for Police</u>
\$ 4,775	\$ 68,847	\$ 6,994	\$ 38	\$ 23,965	\$ 15,448
-	-	-	-	-	-
-	525	-	-	154	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 4,775</u>	<u>\$ 69,372</u>	<u>\$ 6,994</u>	<u>\$ 38</u>	<u>\$ 24,119</u>	<u>\$ 15,448</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,775	69,372	6,994	-	24,119	15,448
-	-	-	38	-	-
-	-	-	-	-	-
<u>4,775</u>	<u>69,372</u>	<u>6,994</u>	<u>38</u>	<u>24,119</u>	<u>15,448</u>
<u>\$ 4,775</u>	<u>\$ 69,372</u>	<u>\$ 6,994</u>	<u>\$ 38</u>	<u>\$ 24,119</u>	<u>\$ 15,448</u>

(Continued)

VILLAGE OF OBETZ, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2017

	<u>Goodyear TIF</u>	<u>CRA</u>	<u>Law Enforcement Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets:				
Equity in pooled cash and investments	\$ 393,822	\$ 10,005	\$ 5,107	\$ 1,086,146
Receivables:				
Other local taxes	-	-	-	942
Accounts	-	-	-	1,579
Due from other governments	-	-	306	135,997
Prepayments	-	-	-	412
Total assets	<u>\$ 393,822</u>	<u>\$ 10,005</u>	<u>\$ 5,413</u>	<u>\$ 1,225,076</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 4,901
Accrued wages and benefits payable	-	-	-	1,337
Due to other governments	-	-	-	24,560
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,798</u>
Deferred inflows of resources:				
Intergovernmental revenue not available	-	-	-	119,109
Fund balances:				
Nonspendable	-	-	-	412
Restricted	393,822	10,005	5,413	1,017,284
Committed	-	-	-	73,217
Unassigned (deficit)	-	-	-	(15,744)
Total fund balances	<u>393,822</u>	<u>10,005</u>	<u>5,413</u>	<u>1,075,169</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 393,822</u>	<u>\$ 10,005</u>	<u>\$ 5,413</u>	<u>\$ 1,225,076</u>

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VILLAGE OF OBETZ, OHIO

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2017

	Toy Road TIF	Park Improvement Debt Service	Park Improvement Debt Service Reserve	Total Nonmajor Debt Service Funds
Assets:				
Equity in pooled cash and investments	\$ -	\$ 188,431	\$ -	\$ 188,431
Receivables:				
Municipal income taxes	-	95,000	-	95,000
Payments in lieu of taxes	209,706	-	-	209,706
Restricted assets:				
Cash with bond trustee	-	94,599	1,139,164	1,233,763
	-	94,599	1,139,164	1,233,763
Total assets	\$ 209,706	\$ 378,030	\$ 1,139,164	\$ 1,726,900
Deferred inflows of resources:				
Payments in lieu of taxes levied for the next fiscal year	\$ 209,706	\$ -	\$ -	\$ 209,706
Fund balances:				
Restricted	-	378,030	1,139,164	1,517,194
	-	378,030	1,139,164	1,517,194
Total deferred inflows of resources and fund balances	\$ 209,706	\$ 378,030	\$ 1,139,164	\$ 1,726,900

VILLAGE OF OBETZ, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2017

	<u>Permanent Improvement</u>	<u>West Side Storm Sewer & Road</u>	<u>Creekside South TIF</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:				
Equity in pooled cash and investments	\$ 43,212	\$ 268,705	\$ 110,708	\$ 422,625
Receivables:				
Payments in lieu of taxes	<u>-</u>	<u>-</u>	<u>207,438</u>	<u>207,438</u>
Total assets	<u>\$ 43,212</u>	<u>\$ 268,705</u>	<u>\$ 318,146</u>	<u>\$ 630,063</u>
Deferred inflows of resources:				
Payments in lieu of taxes levied for the next fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,438</u>	<u>\$ 207,438</u>
Fund balances:				
Restricted	-	-	110,708	110,708
Committed	<u>43,212</u>	<u>268,705</u>	<u>-</u>	<u>311,917</u>
Total fund balances	<u>43,212</u>	<u>268,705</u>	<u>110,708</u>	<u>422,625</u>
Total deferred inflows of resources and fund balances	<u>\$ 43,212</u>	<u>\$ 268,705</u>	<u>\$ 318,146</u>	<u>\$ 630,063</u>

VILLAGE OF OBETZ, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Municipal income taxes	\$ -	\$ 1,235,000	\$ -	\$ 1,235,000
Payments in lieu of taxes	-	156,145	14,578	170,723
Other local taxes	431,564	-	-	431,564
Fees, licenses and permits	52,754	-	-	52,754
Fines and forfeitures	8,430	-	-	8,430
Intergovernmental	618,567	-	1,000,000	1,618,567
Investment income	5,167	-	-	5,167
Contributions and donations	-	184,583	-	184,583
Total revenues	<u>1,116,482</u>	<u>1,575,728</u>	<u>1,014,578</u>	<u>3,706,788</u>
Expenditures:				
Current:				
General government	10,501	2,148	165	12,814
Transportation	170,053	-	-	170,053
Capital outlay	647,005	-	1,000,000	1,647,005
Debt service:				
Principal retirement	-	610,000	-	610,000
Interest and fiscal charges	-	866,324	-	866,324
Total expenditures	<u>827,559</u>	<u>1,478,472</u>	<u>1,000,165</u>	<u>3,306,196</u>
Net change in fund balances	288,923	97,256	14,413	400,592
Fund balances at beginning of year	<u>786,246</u>	<u>1,419,938</u>	<u>408,212</u>	<u>2,614,396</u>
Fund balances at end of year	<u>\$ 1,075,169</u>	<u>\$ 1,517,194</u>	<u>\$ 422,625</u>	<u>\$ 3,014,988</u>

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VILLAGE OF OBETZ, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Street Construction, Maintenance and Repair	Parks and Recreation	Drug Law Enforcement	Permissive Motor Vehicle License Tax
Revenues:				
Other local taxes	\$ -	\$ -	\$ -	\$ 37,742
Fees, licenses and permits	-	52,754	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	250,679	-	-	357,390
Investment income	3,893	-	-	1,274
Total revenues	<u>254,572</u>	<u>52,754</u>	<u>-</u>	<u>396,406</u>
Expenditures:				
Current:				
General government	-	-	-	-
Transportation	170,053	-	-	-
Capital outlay	-	2,195	-	644,810
Total expenditures	<u>170,053</u>	<u>2,195</u>	<u>-</u>	<u>644,810</u>
Net change in fund balances	84,519	50,559	-	(248,404)
Fund balances at beginning of year	<u>403,079</u>	<u>22,620</u>	<u>150</u>	<u>232,660</u>
Fund balances (deficit) at end of year	<u>\$ 487,598</u>	<u>\$ 73,179</u>	<u>\$ 150</u>	<u>\$ (15,744)</u>

DUI Education	Mayor's Court Computer "A"	Keith Evans Memorial Fields	Police Improvement	Mayor's Court Computer "B"	Continuing Education for Police
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
185	6,325	-	11	1,909	-
-	-	-	-	-	7,200
-	-	-	-	-	-
<u>185</u>	<u>6,325</u>	<u>-</u>	<u>11</u>	<u>1,909</u>	<u>7,200</u>
-	10,501	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>10,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
185	(4,176)	-	11	1,909	7,200
<u>4,590</u>	<u>73,548</u>	<u>6,994</u>	<u>27</u>	<u>22,210</u>	<u>8,248</u>
<u>\$ 4,775</u>	<u>\$ 69,372</u>	<u>\$ 6,994</u>	<u>\$ 38</u>	<u>\$ 24,119</u>	<u>\$ 15,448</u>

(Continued)

VILLAGE OF OBETZ, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

	Goodyear TIF	CRA	Law Enforcement Trust	Total Nonmajor Special Revenue Funds
Revenues:				
Other local taxes	\$ 393,822	\$ -	\$ -	\$ 431,564
Fees, licenses and permits	-	-	-	52,754
Fines and forfeitures	-	-	-	8,430
Intergovernmental	-	-	3,298	618,567
Investment income	-	-	-	5,167
Total revenues	<u>393,822</u>	<u>-</u>	<u>3,298</u>	<u>1,116,482</u>
Expenditures:				
Current:				
General government	-	-	-	10,501
Transportation	-	-	-	170,053
Capital outlay	-	-	-	647,005
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>827,559</u>
Net change in fund balances	393,822	-	3,298	288,923
Fund balances at beginning of year	<u>-</u>	<u>10,005</u>	<u>2,115</u>	<u>786,246</u>
Fund balances (deficit) at end of year	<u>\$ 393,822</u>	<u>\$ 10,005</u>	<u>\$ 5,413</u>	<u>\$ 1,075,169</u>

VILLAGE OF OBETZ, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Toy Road TIF	Park Improvement Debt Service	Park Improvement Debt Service Reserve	Total Nonmajor Debt Service Funds
Revenues:				
Municipal income taxes	\$ -	\$ 1,235,000	\$ -	\$ 1,235,000
Payments in lieu of taxes	156,145	-	-	156,145
Contributions and donations	184,583	-	-	184,583
Total revenues	<u>340,728</u>	<u>1,235,000</u>	<u>-</u>	<u>1,575,728</u>
Expenditures:				
Current:				
General government:	2,148	-	-	2,148
Debt service:				
Principal retirement	165,000	445,000	-	610,000
Interest and fiscal charges	173,580	692,744	-	866,324
Total expenditures	<u>340,728</u>	<u>1,137,744</u>	<u>-</u>	<u>1,478,472</u>
Net change in fund balances	-	97,256	-	97,256
Fund balances at beginning of year	<u>-</u>	<u>280,774</u>	<u>1,139,164</u>	<u>1,419,938</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 378,030</u>	<u>\$ 1,139,164</u>	<u>\$ 1,517,194</u>

VILLAGE OF OBETZ, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Toy Road 629 Grant</u>	<u>Permanent Improvement</u>	<u>West Side Storm Sewer & Road</u>	<u>Creekside South TIF</u>
Revenues:				
Payments in lieu of taxes	\$ -	\$ -	\$ -	\$ 14,578
Intergovernmental	1,000,000	-	-	-
Total revenues	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>14,578</u>
Expenditures:				
Current:				
General government	-	-	-	165
Capital outlay	1,000,000	-	-	-
Total expenditures	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>165</u>
Net change in fund balances	-	-	-	14,413
Fund balances at beginning of year	<u>-</u>	<u>43,212</u>	<u>268,705</u>	<u>96,295</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 43,212</u>	<u>\$ 268,705</u>	<u>\$ 110,708</u>

**Total
Nonmajor
Capital
Projects
Funds**

\$ 14,578
1,000,000
1,014,578

165
1,000,000
1,000,165

14,413
408,212
\$ 422,625

VILLAGE OF OBETZ, OHIO

FUND DESCRIPTIONS - AGENCY FUNDS

AGENCY FUNDS

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

JEDZ Income Tax Fund

This fund accounts for the proceeds of the JEDZ income tax and distributed to the designated recipients.

State Building Permit Fund

This fund accounts for building standards fee assessments collected by the Village and remitted to the State.

Convention and Visitors Bureau Fund

This fund accounts for fees received from hotels/motels to benefit visitors to the Village of Obetz.

Mayor's Court Agency Fund

This fund accounts for Mayor's Court activity.

VILLAGE OF OBETZ, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Beginning Balance 12/31/2016	Additions	Reductions	Ending Balance 12/31/2017
JEDZ Income Tax				
Assets:				
Equity in pooled cash and investments	\$ 349,218	\$ 4,322,571	\$ 4,349,754	\$ 322,035
Receivables:				
Municipal income taxes	320,075	286,465	320,075	286,465
Total assets	\$ 669,293	\$ 4,609,036	\$ 4,669,829	\$ 608,500
Liabilities:				
Due to other governments	\$ 669,293	\$ 4,609,036	\$ 4,669,829	\$ 608,500
 State Building Permit				
Assets:				
Equity in pooled cash and investments	\$ 8,830	\$ 8,694	\$ 8,592	\$ 8,932
Receivables:				
Accounts	69	-	69	-
Total assets	\$ 8,899	\$ 8,694	\$ 8,661	\$ 8,932
Liabilities:				
Undistributed assets	\$ 8,899	\$ 8,694	\$ 8,661	\$ 8,932
 Convention and Visitors Bureau				
Assets:				
Equity in pooled cash and investments	\$ 14,695	\$ 19,600	\$ -	\$ 34,295
Receivables:				
Other local taxes	1,376	1,660	1,376	1,660
Total assets	\$ 16,071	\$ 21,260	\$ 1,376	\$ 35,955
Liabilities:				
Undistributed assets	\$ 16,071	\$ 21,260	\$ 1,376	\$ 35,955
 Mayor's Court Agency				
Assets:				
Equity in pooled cash and investments	\$ 6,398	\$ 90,451	\$ 89,234	\$ 7,615
Liabilities:				
Undistributed assets	\$ 6,398	\$ 90,451	\$ 89,234	\$ 7,615

(Continued)

VILLAGE OF OBETZ, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Beginning Balance 12/31/2016	Additions	Reductions	Ending Balance 12/31/2017
Total Agency Funds				
Assets:				
Equity in pooled cash and investments	\$ 379,141	\$ 4,441,316	\$ 4,447,580	\$ 372,877
Receivables:				
Municipal income taxes	320,075	286,465	320,075	286,465
Other local taxes	1,376	1,660	1,376	1,660
Accounts	69	-	69	-
Total assets	<u>\$ 700,661</u>	<u>\$ 4,729,441</u>	<u>\$ 4,769,100</u>	<u>\$ 661,002</u>
Liabilities:				
Due to other governments	\$ 669,293	\$ 4,609,036	\$ 4,669,829	\$ 608,500
Undistributed assets	31,368	120,405	99,271	52,502
Total liabilities	<u>\$ 700,661</u>	<u>\$ 4,729,441</u>	<u>\$ 4,769,100</u>	<u>\$ 661,002</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal income taxes	\$ 7,942,229	\$ 11,131,693	\$ 12,832,235	\$ 1,700,542
Property taxes	152,643	213,942	200,077	(13,865)
Other local taxes	133,777	187,500	295,440	107,940
Charges for services	198,347	278,000	419,510	141,510
Fees, licenses and permits	153,398	215,000	487,892	272,892
Fines and forfeitures	24,972	35,000	57,276	22,276
Intergovernmental	1,773,130	2,485,189	2,702,418	217,229
Investment income	28,539	40,000	237,462	197,462
Other	-	-	82,172	82,172
Total revenues	<u>10,407,035</u>	<u>14,586,324</u>	<u>17,314,482</u>	<u>2,728,158</u>
Expenditures:				
Current:				
General government				
Mayor and administrator				
Personal services	346,500	357,154	308,748	48,406
Contract services	58,030	58,030	29,165	28,865
Materials and supplies	17,812	17,812	13,628	4,184
Village council				
Personal services	60,139	48,372	47,914	458
Contract services	133,864	133,102	74,435	58,667
Materials and supplies	3,717	5,717	3,371	2,346
Mayor's court				
Personal services	65,897	45,322	43,659	1,663
Contract services	24,785	24,785	18,458	6,327
Finance department				
Personal services	348,455	312,724	297,921	14,803
Contract services	48,601	48,601	36,566	12,035
Materials and supplies	34,401	32,725	22,365	10,360
Land and Buildings				
Personal services	188,631	179,374	169,183	10,191
Contract services	88,513	88,513	76,320	12,193
Materials and supplies	61,945	61,945	56,673	5,272
Tax collection fees				
Contract services	7,500	7,500	7,500	-
Accounting/Legal				
Contract services	417,975	417,975	370,150	47,825
Payment to another political subdivision				
Other	254,755	271,255	236,525	34,730
Compensation and damages				
Other	15,000	-	-	-
Total general government	<u>\$ 2,176,520</u>	<u>\$ 2,110,906</u>	<u>\$ 1,812,581</u>	<u>\$ 298,325</u>

Continued

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Security of persons and property				
Police				
Personal services	\$ 2,170,839	\$ 2,169,170	\$ 2,002,624	\$ 166,546
Contract services	121,610	146,632	112,766	33,866
Materials and supplies	162,166	162,166	102,940	59,226
Other	49,248	49,248	41,715	7,533
Street lighting				
Materials and supplies	15,000	15,000	14,509	491
Emergency management				
Contract services	8,500	8,500	8,370	130
Total security of persons and property	<u>2,527,363</u>	<u>2,550,716</u>	<u>2,282,924</u>	<u>267,792</u>
Public health				
Other	<u>37,000</u>	<u>38,840</u>	<u>36,840</u>	<u>2,000</u>
Transportation				
Street maintenance				
Personal services	507,057	553,397	420,921	132,476
Contract services	81,738	81,738	62,152	19,586
Total transportation	<u>588,795</u>	<u>635,135</u>	<u>483,073</u>	<u>152,062</u>
Community environment				
Community planning and zoning				
Personal services	349,055	399,459	326,826	72,633
Contract services	122,301	122,301	87,610	34,691
Materials and supplies	5,099	5,099	4,203	896
Other	25,000	25,000	25,000	-
Economic development				
Personal services	185,415	211,182	105,146	106,036
Contract services	718,888	728,888	683,933	44,955
Materials and supplies	10,045	10,045	9,345	700
Other	2,002,966	2,076,511	1,968,882	107,629
Building department				
Personal services	201,749	187,341	144,211	43,130
Contract services	209,340	209,340	204,230	5,110
Materials and supplies	2,045	2,045	458	1,587
Other	12,000	24,000	20,047	3,953
Total community environment	<u>\$ 3,843,903</u>	<u>\$ 4,001,211</u>	<u>\$ 3,579,891</u>	<u>\$ 421,320</u>

Continued

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Leisure time activities				
Athletic				
Personal services	\$ 191,559	\$ 226,672	\$ 102,147	\$ 124,525
Contract services	126,289	115,289	62,964	52,325
Materials and supplies	121,408	133,408	106,497	26,911
Provide and maintain parks				
Personal services	507,197	576,350	473,580	102,770
Contract services	267,237	281,781	258,705	23,076
Materials and supplies	236,065	236,065	224,472	11,593
Cultural programs				
Personal services	291,926	261,457	188,301	73,156
Contract services	57,637	55,868	36,493	19,375
Materials and supplies	49,613	47,222	23,923	23,299
Other	2,000	7,000	6,700	300
Zfest				
Personal services	76,038	47,772	42,523	5,249
Contract services	225,000	305,000	267,045	37,955
Materials and supplies	75,000	90,000	89,019	981
Community activities				
Contract services	5,000	7,000	6,073	927
Materials and supplies	20,149	18,149	12,359	5,790
Total leisure time activities	<u>2,252,118</u>	<u>2,409,033</u>	<u>1,900,801</u>	<u>508,232</u>
Capital outlay				
Capital outlay	<u>5,613,952</u>	<u>9,523,457</u>	<u>8,993,970</u>	<u>529,487</u>
Debt service:				
Interest and fiscal charges	<u>750</u>	<u>750</u>	<u>662</u>	<u>88</u>
Total expenditures	<u>17,040,401</u>	<u>21,270,048</u>	<u>19,090,742</u>	<u>2,179,306</u>
Excess of revenues under expenditures	<u>(6,633,366)</u>	<u>(6,683,724)</u>	<u>(1,776,260)</u>	<u>4,907,464</u>
Other financing sources (uses):				
Sale of capital assets	-	-	1,100	1,100
Advances in	-	-	205,000	205,000
Advances out	-	-	(205,000)	(205,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,100</u>	<u>1,100</u>
Net change in fund balance	(6,633,366)	(6,683,724)	(1,775,160)	4,908,564
Fund balance at beginning of year	6,516,178	6,516,178	6,516,178	-
Prior year encumbrances appropriated	<u>1,574,848</u>	<u>1,574,848</u>	<u>1,574,848</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,457,660</u>	<u>\$ 1,407,302</u>	<u>\$ 6,315,866</u>	<u>\$ 4,908,564</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL OBLIGATION DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 540,000	\$ 540,000	\$ 630,000	\$ 90,000
Payments in lieu of taxes	-	-	393,822	393,822
Total revenues	<u>540,000</u>	<u>540,000</u>	<u>1,023,822</u>	<u>483,822</u>
Expenditures:				
Current:				
General government				
Contract services	9,500	9,500	4,805	4,695
Debt service:				
Principal retirement	565,634	478,108	478,108	-
Interest and fiscal charges	-	87,506	87,506	-
Note issuance costs	-	31,355	31,355	-
Total expenditures	<u>575,134</u>	<u>606,469</u>	<u>601,774</u>	<u>4,695</u>
Excess of revenues over (under) expenditures	(35,134)	(66,469)	422,048	488,517
Other financing sources:				
Premium on note issuance	-	-	37,563	37,563
Net change in fund balance	(35,134)	(66,469)	459,611	526,080
Fund balance at beginning of year	<u>1,903,917</u>	<u>1,903,917</u>	<u>1,903,917</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,868,783</u>	<u>\$ 1,837,448</u>	<u>\$ 2,363,528</u>	<u>\$ 526,080</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay				
Capital outlay	9,422,402	12,260,148	12,247,598	12,550
Net change in fund balance	(9,422,402)	(12,260,148)	(12,247,598)	12,550
Fund balance at beginning of year	2,849,761	2,849,761	2,849,761	-
Prior year encumbrances appropriated	9,422,402	9,422,402	9,422,402	-
Fund balance at end of year	<u>\$ 2,849,761</u>	<u>\$ 12,015</u>	<u>\$ 24,565</u>	<u>\$ 12,550</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WILLIAMS ROAD CAPITAL IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay				
Capital outlay	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,601,738</u>	<u>398,262</u>
Excess of revenues over (under) expenditures	(2,000,000)	(2,000,000)	(1,601,738)	398,262
Other financing sources:				
Note issuance	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Net change in fund balance	-	-	398,262	398,262
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 398,262</u>	<u>\$ 398,262</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WALNUT CREEK IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay				
Capital outlay	2,900,000	2,900,000	2,900,000	-
Excess of revenues under expenditures	(2,900,000)	(2,900,000)	(2,900,000)	-
Other financing sources:				
Note issuance	2,900,000	2,900,000	2,900,000	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 207,100	\$ 207,100	\$ 251,505	\$ 44,405
Investment income	500	500	3,893	3,393
Total revenues	<u>207,600</u>	<u>207,600</u>	<u>255,398</u>	<u>47,798</u>
Expenditures:				
Current:				
Security of persons and property				
Traffic light				
Contract services	5,000	5,000	-	5,000
Transportation				
Street Construction				
Personal services	63,992	58,812	53,224	5,588
Contract services	25,731	25,731	19,382	6,349
Materials and supplies	152,068	152,068	115,398	36,670
Total expenditures	<u>246,791</u>	<u>241,611</u>	<u>188,004</u>	<u>53,607</u>
Net change in fund balance	(39,191)	(34,011)	67,394	101,405
Fund balance at beginning of year	384,328	384,328	384,328	-
Prior year encumbrances appropriated	<u>3,694</u>	<u>3,694</u>	<u>3,694</u>	<u>-</u>
Fund balance at end of year	<u>\$ 348,831</u>	<u>\$ 354,011</u>	<u>\$ 455,416</u>	<u>\$ 101,405</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK AND RECREATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees, licenses and permits	\$ 6,000	\$ 6,000	\$ 51,854	\$ 45,854
Expenditures:				
Capital outlay	15,000	15,000	2,195	12,805
Capital outlay				
Net change in fund balance	(9,000)	(9,000)	49,659	58,659
Fund balance at beginning of year	<u>22,620</u>	<u>22,620</u>	<u>22,620</u>	<u>-</u>
Fund balance at end of year	<u>\$ 13,620</u>	<u>\$ 13,620</u>	<u>\$ 72,279</u>	<u>\$ 58,659</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fund balance at beginning of year	\$ 150	\$ 150	\$ 150	\$ -
Fund balance at end of year	<u>\$ 150</u>	<u>\$ 150</u>	<u>\$ 150</u>	<u>\$ -</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMISSIVE MOTOR VEHICLE LICENSE TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Other local taxes	\$ 13,000	\$ 120,420	\$ 120,941	\$ 521
Investment income	400	400	1,274	874
Intergovernmental	-	357,390	357,390	-
Total revenues	<u>13,400</u>	<u>478,210</u>	<u>479,605</u>	<u>1,395</u>
Expenditures:				
Capital outlay				
Capital outlay	<u>180,000</u>	<u>644,810</u>	<u>644,810</u>	<u>-</u>
Net change in fund balance	(166,600)	(166,600)	(165,205)	1,395
Fund balance at beginning of year	<u>171,610</u>	<u>171,610</u>	<u>171,610</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 5,010</u></u>	<u><u>\$ 5,010</u></u>	<u><u>\$ 6,405</u></u>	<u><u>\$ 1,395</u></u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DUI EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 210	\$ 210
Expenditures:				
Current:				
Security of persons and property				
Personal services	4,500	4,500	-	4,500
Net change in fund balance	(4,500)	(4,500)	210	4,710
Fund balance at beginning of year	<u>4,565</u>	<u>4,565</u>	<u>4,565</u>	<u>-</u>
Fund balance at end of year	<u>\$ 65</u>	<u>\$ 65</u>	<u>\$ 4,775</u>	<u>\$ 4,710</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MAYOR'S COURT COMPUTER "A" FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 8,000	\$ 6,250	\$ 6,252	\$ 2
Expenditures:				
Current:				
General government				
Contract services	2,500	2,500	1,809	691
Materials and supplies	9,000	9,000	27	8,973
Capital outlay				
Capital outlay	12,000	12,000	8,665	3,335
Total expenditures	<u>23,500</u>	<u>23,500</u>	<u>10,501</u>	<u>12,999</u>
Net change in fund balance	(15,500)	(17,250)	(4,249)	13,001
Fund balance at beginning of year	<u>73,096</u>	<u>73,096</u>	<u>73,096</u>	<u>-</u>
Fund balance at end of year	<u>\$ 57,596</u>	<u>\$ 55,846</u>	<u>\$ 68,847</u>	<u>\$ 13,001</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
KEITH EVANS MEMORIAL FIELDS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay				
Capital outlay	6,994	6,994	-	6,994
Net change in fund balance	(6,994)	(6,994)	-	6,994
Fund balance at beginning of year	6,994	6,994	6,994	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,994</u>	<u>\$ 6,994</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees, licenses and permits	\$ -	\$ -	\$ 11	\$ 11
Expenditures:				
Capital outlay				
Capital outlay	-	27	-	27
Net change in fund balance	-	(27)	11	38
Fund balance at beginning of year	<u>27</u>	<u>27</u>	<u>27</u>	<u>-</u>
Fund balance at end of year	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ 38</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MAYOR'S COURT COMPUTER "B" FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 2,000	\$ 1,890	\$ 1,891	\$ 1
Expenditures:				
Capital outlay				
Capital outlay	5,000	5,000	-	5,000
Net change in fund balance	(3,000)	(3,110)	1,891	5,001
Fund balance at beginning of year	<u>22,074</u>	<u>22,074</u>	<u>22,074</u>	<u>-</u>
Fund balance at end of year	<u>\$ 19,074</u>	<u>\$ 18,964</u>	<u>\$ 23,965</u>	<u>\$ 5,001</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CONTINUING EDUCATION FOR POLICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 7,200	\$ 7,200
Expenditures:				
Current:				
Security of persons and property				
Contract services	2,000	2,000	-	2,000
Net change in fund balance	(2,000)	(2,000)	7,200	9,200
Fund balance at beginning of year	<u>8,248</u>	<u>8,248</u>	<u>8,248</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,248</u>	<u>\$ 6,248</u>	<u>\$ 15,448</u>	<u>\$ 9,200</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

GOODYEAR TIF FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Payments in lieu of taxes	\$ -	\$ -	\$ 393,822	\$ 393,822
Expenditures:	-	-	-	-
Net change in fund balance	-	-	393,822	393,822
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 393,822</u>	<u>\$ 393,822</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CRA FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
General government				
Contract services	2,500	2,500	-	2,500
Net change in fund balance	(2,500)	(2,500)	-	2,500
Fund balance at beginning of year	\$ 10,005	\$ 10,005	\$ 10,005	\$ -
Fund balance at end of year	<u>7,505</u>	<u>7,505</u>	<u>10,005</u>	<u>2,500</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 2,992	\$ 2,992
Expenditures:	-	-	-	-
Net change in fund balance	-	-	2,992	2,992
Fund balance at beginning of year	<u>2,115</u>	<u>2,115</u>	<u>2,115</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 2,115</u></u>	<u><u>\$ 2,115</u></u>	<u><u>\$ 5,107</u></u>	<u><u>\$ 2,992</u></u>

VILLAGE OF OBETZ, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**

UNCLAIMED MONIES FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fund balance at beginning of year	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ -</u>
Fund balance at end of year	<u><u>\$ 1,552</u></u>	<u><u>\$ 1,552</u></u>	<u><u>\$ 1,552</u></u>	<u><u>\$ -</u></u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TOY ROAD TIF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Payments in lieu of taxes	\$ 140,000	\$ 156,145	\$ 156,145	\$ -
Expenditures:				
Current:				
General government				
Contract services	3,500	2,148	2,148	-
Debt service:				
Principal retirement	136,500	153,997	153,997	-
Total expenditures	<u>140,000</u>	<u>156,145</u>	<u>156,145</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK IMPROVEMENT DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Income taxes	\$ 1,140,000	\$ 1,140,000	\$ 1,235,000	\$ 95,000
Expenditures:				
Debt service:				
Principal retirement	457,083	457,083	457,083	-
Interest and fiscal charges	681,752	681,752	668,659	13,093
Total expenditures	<u>1,138,835</u>	<u>1,138,835</u>	<u>1,125,742</u>	<u>13,093</u>
Net change in fund balance	1,165	1,165	109,258	108,093
Fund balance at beginning of year	<u>79,172</u>	<u>79,172</u>	<u>79,172</u>	<u>-</u>
Fund balance at end of year	<u>\$ 80,337</u>	<u>\$ 80,337</u>	<u>\$ 188,430</u>	<u>\$ 108,093</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK IMPROVEMENT DEBT SERVICE RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fund balance at beginning of year	<u>\$ 1,139,164</u>	<u>\$ 1,139,164</u>	<u>\$ 1,139,164</u>	<u>\$ -</u>
Fund balance at end of year	<u>\$ 1,139,164</u>	<u>\$ 1,139,164</u>	<u>\$ 1,139,164</u>	<u>\$ -</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TOY ROAD 629 GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -
Expenditures:				
Capital outlay				
Capital outlay	-	1,000,000	1,000,000	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fund balance at beginning of year	<u>\$ 43,212</u>	<u>\$ 43,212</u>	<u>\$ 43,212</u>	<u>\$ -</u>
Fund balance at end of year	<u>\$ 43,212</u>	<u>\$ 43,212</u>	<u>\$ 43,212</u>	<u>\$ -</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WEST SIDE STORM SEWER & ROAD FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay				
Capital outlay	18,705	18,705	-	18,705
Net change in fund balance	(18,705)	(18,705)	-	18,705
Fund balance at beginning of year	268,705	268,705	268,705	-
Fund balance at end of year	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 268,705</u>	<u>\$ 18,705</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CREEKSIDE SOUTH TIF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Payments in lieu of taxes	\$ 7,000	\$ 7,000	\$ 14,578	\$ 7,578
Expenditures:				
Current:				
General government				
Contract services	250	250	165	85
Capital outlay				
Capital outlay	50,000	50,000	-	50,000
Total expenditures	50,250	50,250	165	50,085
Net change in fund balance	(43,250)	(43,250)	14,413	57,663
Fund balance at beginning of year	96,295	96,295	96,295	-
Fund balance at end of year	<u>\$ 53,045</u>	<u>\$ 53,045</u>	<u>\$ 110,708</u>	<u>\$ 57,663</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 1,559,566	\$ 1,557,416	\$ 2,027,086	\$ 469,670
Expenses:				
Personal services	247,493	265,750	241,084	24,666
Contractual services	825,617	825,524	769,906	55,618
Materials and supplies	97,399	97,399	91,485	5,914
Other	10,000	20,000	11,744	8,256
Capital outlay	900,000	900,000	599,032	300,968
Total expenses	<u>2,080,509</u>	<u>2,108,673</u>	<u>1,713,251</u>	<u>395,422</u>
Excess of revenues over (under) expenses	<u>(520,943)</u>	<u>(551,257)</u>	<u>313,835</u>	<u>865,092</u>
Nonoperating expenses:				
Debt service:				
Principal retirement	(29,517)	(29,517)	(29,516)	1
Interest and fiscal charges	<u>(1,191)</u>	<u>(1,191)</u>	<u>(1,191)</u>	<u>-</u>
Total nonoperating expenses	<u>(30,708)</u>	<u>(30,708)</u>	<u>(30,707)</u>	<u>1</u>
Net change in fund equity	(551,651)	(581,965)	283,128	865,093
Fund equity at beginning of year	2,493,217	2,493,217	2,493,217	-
Prior year encumbrances appropriated	<u>156,126</u>	<u>156,126</u>	<u>156,126</u>	<u>-</u>
Fund equity at end of year	<u>\$ 2,097,692</u>	<u>\$ 2,067,378</u>	<u>\$ 2,932,471</u>	<u>\$ 865,093</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY- BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 1,553,467	\$ 1,664,305	\$ 1,905,862	\$ 241,557
Expenses:				
Personal services	167,832	180,327	154,697	25,630
Contractual services	1,558,464	1,558,464	1,420,193	138,271
Materials and supplies	5,633	5,633	3,119	2,514
Other	162,735	282,735	221,204	61,531
Capital outlay	10,000	20,000	-	20,000
Total expenses	<u>1,904,664</u>	<u>2,047,159</u>	<u>1,799,213</u>	<u>247,946</u>
Excess of revenues over (under) expenses	<u>(351,197)</u>	<u>(382,854)</u>	<u>106,649</u>	<u>489,503</u>
Nonoperating expenses:				
Debt service:				
Principal retirement	(51,787)	(51,787)	(51,786)	1
Interest and fiscal charges	<u>(2,090)</u>	<u>(2,090)</u>	<u>(2,090)</u>	<u>-</u>
Total nonoperating expenses	<u>(53,877)</u>	<u>(53,877)</u>	<u>(53,876)</u>	<u>1</u>
Net change in fund equity	(405,074)	(436,731)	52,773	489,504
Fund equity at beginning of year	654,797	654,797	654,797	-
Prior year encumbrances appropriated	<u>293,201</u>	<u>293,201</u>	<u>293,201</u>	<u>-</u>
Fund equity at end of year	<u>\$ 542,924</u>	<u>\$ 511,267</u>	<u>\$ 1,000,771</u>	<u>\$ 489,504</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ELECTRIC FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 6,287,400	\$ 6,037,400	\$ 6,034,903	\$ (2,497)
Expenses:				
Personal services	187,666	161,972	144,020	17,952
Contractual services	5,489,999	5,489,999	5,352,276	137,723
Materials and supplies	1,000	1,000	27	973
Capital outlay	1,359,381	1,359,380	788,971	570,409
Total expenses	<u>7,038,046</u>	<u>7,012,351</u>	<u>6,285,294</u>	<u>727,057</u>
Excess of revenues under expenses	<u>(750,646)</u>	<u>(974,951)</u>	<u>(250,391)</u>	<u>724,560</u>
Nonoperating revenues (expenses):				
Note issuance	1,000,000	1,000,000	1,000,000	-
Premium on sale of notes	-	-	12,310	12,310
Advances in	-	-	205,000	205,000
Advances out	-	-	(205,000)	(205,000)
Debt service:				
Principal retirement	(1,543,000)	(1,543,000)	(1,500,000)	43,000
Interest and fiscal charges	-	-	(30,000)	(30,000)
Note issuance costs	<u>-</u>	<u>-</u>	<u>(11,376)</u>	<u>(11,376)</u>
Total nonoperating revenues (expenses)	<u>(543,000)</u>	<u>(543,000)</u>	<u>(529,066)</u>	<u>13,934</u>
Net loss before capital contributions	(1,293,646)	(1,517,951)	(779,457)	738,494
Capital contributions	<u>500,000</u>	<u>280,000</u>	<u>280,396</u>	<u>396</u>
Net change in fund equity	(793,646)	(1,237,951)	(499,061)	738,890
Fund equity at beginning of year	1,841,596	1,841,596	1,841,596	-
Prior year encumbrances appropriated	<u>754,757</u>	<u>754,757</u>	<u>754,757</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,802,707</u>	<u>\$ 1,358,402</u>	<u>\$ 2,097,292</u>	<u>\$ 738,890</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GAS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 750,000	\$ 750,000	\$ 832,707	\$ 82,707
Expenses:				
Personal services	236,833	131,814	113,683	18,131
Contractual services	846,343	846,343	830,711	15,632
Capital outlay	150,000	615,000	382,928	232,072
Total expenses	<u>1,233,176</u>	<u>1,593,157</u>	<u>1,327,322</u>	<u>265,835</u>
Excess of revenues under expenses	(483,176)	(843,157)	(494,615)	348,542
Capital contributions	<u>200,000</u>	<u>291,140</u>	<u>293,119</u>	<u>1,979</u>
Net change in fund equity	(283,176)	(552,017)	(201,496)	350,521
Fund equity at beginning of year	490,060	490,060	490,060	-
Prior year encumbrances appropriated	<u>221,456</u>	<u>221,456</u>	<u>221,456</u>	<u>-</u>
Fund equity at end of year	<u>\$ 428,340</u>	<u>\$ 159,499</u>	<u>\$ 510,020</u>	<u>\$ 350,521</u>

VILLAGE OF OBETZ, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

REFUSE FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 295,000	\$ 295,000	\$ 304,681	\$ 9,681
Expenses:				
Contractual services	293,961	293,961	279,616	14,345
Net change in fund equity	1,039	1,039	25,065	24,026
Fund equity at beginning of year	40,480	40,480	40,480	-
Prior year encumbrances appropriated	21,468	21,468	21,468	-
Fund equity at end of year	<u>\$ 62,987</u>	<u>\$ 62,987</u>	<u>\$ 87,013</u>	<u>\$ 24,026</u>

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STATISTICAL SECTION

VILLAGE OF OBETZ, OHIO

**STATISTICAL SECTION
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This part of the Village of Obetz' 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 Village's overall financial health.

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Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	168-179
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue sources, the municipal income tax.	180-182
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	184-192
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	193-194
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	196-201

VILLAGE OF OBETZ, OHIO

NET POSITION BY COMPONENT
LAST SIX YEARS ⁽¹⁾
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities				
Net investment in capital assets	\$ 56,265,624	\$ 50,757,006	\$ 49,768,028	\$ 50,395,488
Restricted for:				
Debt service	1,911,016	1,419,938	-	-
Capital projects	845,940	43,806	94,134	89,292
Street construction, maintenance and repair	581,220	720,538	598,799	810,091
Police operations	745,545	15,103	8,417	13,110
Economic development programs	10,005	10,005	10,005	10,005
Court operations	93,491	95,758	89,598	84,894
Park improvements	6,994	6,994	6,994	6,994
Other purposes	36,703	60,879	1,367	2,879
Unrestricted	<u>9,762,613</u>	<u>9,094,584</u>	<u>6,442,925</u>	<u>5,654,909</u>
Total governmental activities net position	<u>\$ 70,259,151</u>	<u>\$ 62,224,611</u>	<u>\$ 57,020,267</u>	<u>\$ 57,067,662</u>
Business-type Activities				
Net investment in capital assets	\$ 20,886,999	\$ 19,680,703	\$ 16,374,423	\$ 15,691,591
Unrestricted	<u>8,835,403</u>	<u>8,213,460</u>	<u>5,982,855</u>	<u>4,835,611</u>
Total business-type activities net position	<u>\$ 29,722,402</u>	<u>\$ 27,894,163</u>	<u>\$ 22,357,278</u>	<u>\$ 20,527,202</u>
Total Primary Government				
Net investment in capital assets	\$ 77,152,623	\$ 70,437,709	\$ 66,142,451	\$ 66,087,079
Restricted	4,230,914	2,373,021	809,314	1,017,265
Unrestricted	<u>18,598,016</u>	<u>17,308,044</u>	<u>12,425,780</u>	<u>10,490,520</u>
Total primary government net position	<u>\$ 99,981,553</u>	<u>\$ 90,118,774</u>	<u>\$ 79,377,545</u>	<u>\$ 77,594,864</u>

⁽¹⁾ The Village presented GAAP starting in 2012.

Source: Village Finance Department.

<u>2013</u>	<u>2012</u>
\$ 51,573,697	\$ 48,312,169
-	-
64,348	458,364
897,377	-
13,336	-
10,005	-
73,364	-
6,994	-
2,879	899,697
<u>6,021,728</u>	<u>4,172,585</u>
<u>\$ 58,663,728</u>	<u>\$ 53,842,815</u>
\$ 15,164,188	\$ 14,936,950
5,263,989	3,914,868
<u>\$ 20,428,177</u>	<u>\$ 18,851,818</u>
\$ 66,737,885	\$ 63,249,119
1,068,303	1,358,061
<u>11,285,717</u>	<u>8,087,453</u>
<u>\$ 79,091,905</u>	<u>\$ 72,694,633</u>

VILLAGE OF OBETZ, OHIO

CHANGES IN NET POSITION
LAST SIX YEARS ⁽¹⁾
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Program Revenues:				
Governmental activities:				
Charges for services and sales:				
General government	\$ 802,580	\$ 712,243	\$ 607,768	\$ 527,264
Security of persons and property	11,922	12,028	6,543	3,604
Transportation	-	-	26,138	5,155
Leisure time activity	217,874	163,479	194,598	161,926
Subtotal - charges for services	<u>1,032,376</u>	<u>887,750</u>	<u>835,047</u>	<u>697,949</u>
Operating grants and contributions:				
General government	-	-	-	-
Security of persons and property	10,498	6,546	-	-
Transportation	628,070	252,995	236,340	235,213
Leisure time activity	-	7,450	-	-
Interest and fiscal charges	184,583	200,192	226,193	141,118
Subtotal - operating grants and contributions	<u>823,151</u>	<u>467,183</u>	<u>462,533</u>	<u>376,331</u>
Capital grants and contributions:				
Transportation	1,021,642	3,994,053	328,531	1,120,078
Leisure time activity	-	-	-	-
Subtotal - capital grants and contributions	<u>1,021,642</u>	<u>3,994,053</u>	<u>328,531</u>	<u>1,120,078</u>
Total governmental activities program revenues	<u>2,877,169</u>	<u>5,348,986</u>	<u>1,626,111</u>	<u>2,194,358</u>
Business-type activities:				
Charges for services and sales:				
Water	2,017,617	1,634,004	1,745,510	1,341,881
Sewer	1,900,908	1,872,809	1,680,017	1,570,741
Electric	5,842,778	5,927,664	5,485,518	3,762,431
Gas	1,068,001	987,841	814,159	1,224,385
Refuse	295,946	334,031	296,094	280,543
Subtotal - charges for services	<u>11,125,250</u>	<u>10,756,349</u>	<u>10,021,298</u>	<u>8,179,981</u>
Capital grants and contributions:				
Water	-	531,821	301,747	93,597
Sewer	-	1,682,998	5,600	16,550
Electric	280,396	607,406	39,708	485,168
Gas	293,119	146,554	90,100	58,530
Subtotal - capital grants and contributions	<u>573,515</u>	<u>2,968,779</u>	<u>437,155</u>	<u>653,845</u>
Total business-type activities program revenues	<u>11,698,765</u>	<u>13,725,128</u>	<u>10,458,453</u>	<u>8,833,826</u>
Total primary government	<u>\$ 14,575,934</u>	<u>\$ 19,074,114</u>	<u>\$ 12,084,564</u>	<u>\$ 11,028,184</u>

<u>2013</u>	<u>2012</u>
\$ 579,965	\$ 319,419
5,687	5,606
7,692	12,088
257,990	188,271
<u>851,334</u>	<u>525,384</u>
-	80,000
-	-
266,560	284,444
-	-
18,629	-
<u>285,189</u>	<u>364,444</u>
3,777,111	7,102,187
1,017,150	16,460
<u>4,794,261</u>	<u>7,118,647</u>
<u>5,930,784</u>	<u>8,008,475</u>
1,796,456	1,239,286
1,500,315	1,218,599
3,986,694	3,942,728
1,047,483	843,257
277,920	242,988
<u>8,608,868</u>	<u>7,486,858</u>
91,415	-
175,640	-
-	-
46,555	-
<u>313,610</u>	<u>-</u>
<u>8,922,478</u>	<u>7,486,858</u>
\$ 14,853,262	\$ 15,495,333

(Continued)

VILLAGE OF OBETZ, OHIO

CHANGES IN NET POSITION (CONTINUED)
 LAST SIX YEARS ⁽¹⁾
 (ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses:				
Governmental Activities:				
General government	\$ 1,660,347	\$ 1,551,273	\$ 1,540,466	\$ 1,355,977
Security of persons and property	2,731,880	2,539,515	1,976,222	1,643,779
Public health	36,840	31,395	28,245	23,373
Transportation	4,105,569	4,040,003	5,152,756	4,184,179
Community environment	3,478,107	3,225,397	2,791,350	1,833,880
Leisure time activity	2,179,499	1,697,055	1,489,719	1,478,732
Other	-	-	1,512	-
Interest and fiscal charges	874,920	647,561	295,593	311,035
Total governmental activities expenses	<u>15,067,162</u>	<u>13,732,199</u>	<u>13,275,863</u>	<u>10,830,955</u>
Business-type activities:				
Water	1,160,231	1,029,056	1,143,253	1,190,149
Sewer	2,059,694	1,482,944	1,661,148	1,361,163
Electric	5,256,793	4,612,841	4,715,324	4,263,768
Gas	1,013,960	820,682	824,879	1,351,598
Refuse	258,148	251,775	289,234	309,851
Total business-type activities expenses	<u>9,748,826</u>	<u>8,197,298</u>	<u>8,633,838</u>	<u>8,476,529</u>
Total primary government program expenses	<u>24,815,988</u>	<u>21,929,497</u>	<u>21,909,701</u>	<u>19,307,484</u>
Net (Expense) Revenue				
Governmental activities	(12,189,993)	(8,383,213)	(11,649,752)	(8,636,597)
Business-type activities	<u>1,949,939</u>	<u>5,527,830</u>	<u>1,824,615</u>	<u>357,297</u>
Total primary government net expense	<u>\$ (10,240,054)</u>	<u>\$ (2,855,383)</u>	<u>\$ (9,825,137)</u>	<u>\$ (8,279,300)</u>

<u>2013</u>	<u>2012</u>
\$ 1,410,120	\$ 1,564,295
1,680,829	1,594,516
23,200	22,121
3,514,602	3,010,245
1,744,525	1,427,328
1,272,339	1,068,583
-	-
326,341	536,225
9,971,956	9,223,313
923,159	981,650
1,627,769	1,212,641
3,587,150	3,427,118
955,546	717,357
255,296	311,499
7,348,920	6,650,265
17,320,876	15,873,578
(4,041,172)	(1,214,838)
1,573,558	836,593
\$ (2,467,614)	\$ (378,245)

(Continued)

VILLAGE OF OBETZ, OHIO

CHANGES IN NET POSITION (CONTINUED)
 LAST SIX YEARS ⁽¹⁾
 (ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes levied for:				
General purposes	\$ 199,013	\$ 179,584	\$ 159,783	\$ 168,938
Municipal income taxes levied for:				
General purposes	10,748,462	6,545,464	5,388,225	5,190,459
Police enforcement ⁽²⁾	2,939,447	1,763,568	1,455,575	-
Debt service	1,910,000	730,000	540,000	540,000
Other local taxes	338,230	354,113	332,966	423,323
Payments in lieu of taxes	958,367	925,111	945,217	431,106
Grants and entitlements not restricted to specific programs	2,557,155	2,762,892	2,749,231	2,227,625
Franchise taxes	-	-	-	-
Investment earnings	234,977	67,185	26,400	44,102
Increase (decrease) in fair value of investments	5,571	(34,179)	(7,580)	44,257
Gain on sale of capital assets	1,100	-	-	7,171
Miscellaneous	210,511	293,819	12,540	94,287
Transfers	121,700	-	-	-
Total governmental activities	<u>20,224,533</u>	<u>13,587,557</u>	<u>11,602,357</u>	<u>9,171,268</u>
Business-type activities:				
Investment earnings	-	5,652	5,461	2,863
Gain on sale of capital assets	-	-	-	841
Miscellaneous	-	3,403	-	1,742
Transfers	(121,700)	-	-	-
Total business-type activities	<u>(121,700)</u>	<u>9,055</u>	<u>5,461</u>	<u>5,446</u>
Total primary government	<u>20,102,833</u>	<u>13,596,612</u>	<u>11,607,818</u>	<u>9,176,714</u>
Change in Net Position				
Governmental activities	8,034,540	5,204,344	(47,395)	534,671
Business-type activities	1,828,239	5,536,885	1,830,076	362,743
Total primary government	<u>\$ 9,862,779</u>	<u>\$ 10,741,229</u>	<u>\$ 1,782,681</u>	<u>\$ 897,414</u>

⁽¹⁾ The Village presented GAAP starting in 2012.

⁽²⁾ Revenue collections for a voter approved 0.5% income tax increase for police enforcement services began in 2015.

Source: Village Finance Department.

<u>2013</u>	<u>2012</u>
\$ 153,982	\$ 167,396
4,851,419	4,429,012
-	-
585,000	-
185,686	36,300
355,330	545,085
2,366,558	1,588,440
-	29,744
31,218	27,208
(40,462)	-
-	-
205,692	592,401
-	-
8,694,423	7,415,586
-	-
-	-
2,801	350
-	-
2,801	350
8,697,224	7,415,936
4,653,251	6,200,748
1,576,359	836,943
\$ 6,229,610	\$ 7,037,691

VILLAGE OF OBETZ, OHIO

FUND BALANCES, GOVERNMENTAL FUNDS
LAST SIX YEARS ⁽¹⁾
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund				
Nonspendable	\$ 36,703	\$ 60,879	\$ 1,367	\$ 2,879
Restricted	719,759	-	-	-
Assigned	958,549	6,414,014	2,566,234	1,575,653
Unassigned	<u>8,269,622</u>	<u>3,352,056</u>	<u>4,851,097</u>	<u>5,341,562</u>
Total General Fund	<u>9,984,633</u>	<u>9,826,949</u>	<u>7,418,698</u>	<u>6,920,094</u>
All Other Governmental Funds				
Nonspendable	412	1,028	-	-
Restricted	3,380,418	14,190,751	711,582	921,965
Committed	2,838,662	2,283,481	1,608,434	817,644
Assigned	-	-	-	-
Unassigned (deficit)	<u>(1,598,069)</u>	<u>-</u>	<u>-</u>	<u>(124,512)</u>
Total all other governmental funds	<u>4,621,423</u>	<u>16,475,260</u>	<u>2,320,016</u>	<u>1,615,097</u>
Total governmental funds	<u>\$ 14,606,056</u>	<u>\$ 26,302,209</u>	<u>\$ 9,738,714</u>	<u>\$ 8,535,191</u>

⁽¹⁾ The Village presented GAAP starting in 2012.

Source: Village Finance Department.

<u>2013</u>	<u>2012</u>
\$ 2,879	\$ 2,879
-	-
868,484	758,680
<u>4,398,079</u>	<u>3,213,291</u>
<u>5,269,442</u>	<u>3,974,850</u>
-	-
974,951	2,961,621
741,971	625,617
-	15,090
<u>-</u>	<u>(844,359)</u>
<u>1,716,922</u>	<u>2,757,969</u>
<u>\$ 6,986,364</u>	<u>\$ 6,732,819</u>

VILLAGE OF OBETZ, OHIO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST SIX YEARS ⁽¹⁾
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues				
Municipal income taxes	\$ 15,557,199	\$ 9,073,901	\$ 7,520,090	\$ 5,748,322
Property taxes	200,077	178,679	168,906	164,466
Payments in lieu of taxes	564,545	925,111	945,217	383,386
Other local taxes	732,052	354,113	332,966	423,323
Charges for services	427,703	389,487	338,858	291,071
Fees, licenses and permits	538,271	431,509	378,265	304,720
Fines and forfeitures	66,319	67,291	93,977	96,057
Intergovernmental	4,204,759	3,027,537	3,321,570	3,281,202
Special assessments	-	-	26,138	5,155
Investment income	241,750	76,265	24,579	50,104
Contributions and donations	184,583	200,192	226,193	188,838
Increase (decrease) in fair value of investments	5,571	(34,179)	(7,580)	44,257
Other	209,151	290,918	12,540	94,287
Total revenues	<u>22,931,980</u>	<u>14,980,824</u>	<u>13,381,719</u>	<u>11,075,188</u>
Expenditures				
Current:				
General government	1,638,819	1,410,880	1,413,109	1,251,071
Security of persons and property	2,246,005	2,118,978	1,838,473	1,503,565
Public health	36,840	31,395	28,245	23,373
Transportation	653,126	475,960	516,223	617,799
Community environment	3,366,363	3,168,324	2,796,684	1,816,161
Leisure time activity	1,878,948	1,348,872	1,108,212	1,181,404
Other	-	-	1,512	-
Capital outlay	25,162,463	6,162,012	3,787,901	2,515,178
Debt service:				
Principal retirement	1,088,108	658,439	643,770	820,394
Interest and fiscal charges	964,769	283,707	296,866	312,228
Bond issuance costs	-	333,364	-	-
Note issuance cost	31,355	-	-	-
Total expenditures	<u>37,066,796</u>	<u>15,991,931</u>	<u>12,430,995</u>	<u>10,041,173</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,134,816)</u>	<u>(1,011,107)</u>	<u>950,724</u>	<u>1,034,015</u>
Other Financing Sources (Uses)				
Issuance of bonds	-	16,000,000	-	-
Premium on bonds issued	-	1,563,302	-	-
Note issuance	2,400,000	-	-	-
Premium on note issuance	37,563	-	-	-
Sale of capital assets	1,100	11,300	10,005	7,171
Transfers in	-	11,000	-	11,000
Transfers out	-	(11,000)	-	(11,000)
Issuance of loans	-	-	242,794	-
Total other financing sources (uses)	<u>2,438,663</u>	<u>17,574,602</u>	<u>252,799</u>	<u>7,171</u>
Net change in fund balances	<u>\$ (11,696,153)</u>	<u>\$ 16,563,495</u>	<u>\$ 1,203,523</u>	<u>\$ 1,041,186</u>
Capital expenditures	<u>\$ 26,073,043</u>	<u>\$ 6,561,131</u>	<u>\$ 2,650,771</u>	<u>\$ 2,427,953</u>
Debt service as a percentage of noncapital expenditures	18.67%	9.99%	9.62%	14.88%

⁽¹⁾ The Village presented GAAP starting in 2012.

Source: Village Finance Department.

<u>2013</u>	<u>2012</u>
\$ 5,230,061	\$ 4,679,392
162,041	166,616
355,330	545,085
213,201	48,388
332,337	347,925
436,442	118,490
74,988	72,051
7,242,300	8,269,340
7,692	-
40,887	20,511
186,291	-
(40,462)	-
205,692	670,501
<u>14,446,800</u>	<u>14,938,299</u>
1,203,277	1,213,600
1,562,032	1,591,447
23,200	22,121
317,562	319,287
1,736,831	1,416,840
1,063,804	1,076,944
-	-
7,054,215	8,295,036
903,919	7,401,658
328,415	542,128
-	-
-	-
<u>14,193,255</u>	<u>21,879,061</u>
<u>253,545</u>	<u>(6,940,762)</u>
-	-
-	6,240,000
-	2,500,000
-	-
-	8,500
184	-
(184)	-
-	-
<u>-</u>	<u>8,748,500</u>
<u>\$ 253,545</u>	<u>\$ 1,807,738</u>
<u>\$ 6,915,391</u>	<u>\$ 8,414,653</u>
16.93%	59.00%

VILLAGE OF OBETZ, OHIO

**INCOME TAX REVENUE BASE AND COLLECTIONS (CASH BASIS)
LAST TEN YEARS**

Tax Year	Tax Rate	Taxes from Withholding	Percentage of Taxes from Withholdings	Taxes from Net Profits	Percentage of Taxes from Net Profits	Taxes from Individuals
2017	2.50%	\$ 8,349,640	54.11%	\$ 6,999,032	45.36%	\$ 81,938
2016	2.50%	7,639,436	82.92%	1,487,006	16.14%	86,177
2015	2.50%	6,645,853	89.14%	736,568	9.88%	73,211
2014	2.00%	4,991,756	88.31%	592,861	10.49%	68,151
2013	2.00%	4,258,343	85.21%	679,294	13.59%	60,087
2012	2.00%	3,848,301	85.04%	622,882	13.76%	53,989
2011	2.00%	3,548,649	87.65%	445,376	11.00%	54,587
2010	2.00%	3,242,524	78.23%	848,273	20.47%	53,933
2009	2.00%	3,246,332	76.52%	930,687	21.94%	65,359
2008	2.00%	3,331,314	86.95%	416,005	10.86%	83,932

Source: Village Finance Department.

Percentage of Taxes from Individuals	Total Gross Tax Collected	Refunds	Total Net Tax Collected
0.53%	\$ 15,430,610	\$ (282,700)	\$ 15,147,910
0.94%	9,212,619	(112,946)	9,099,673
0.98%	7,455,632	(110,485)	7,345,147
1.21%	5,652,768	(59,635)	5,593,133
1.20%	4,997,724	(216,624)	4,781,100
1.19%	4,525,172	(46,285)	4,478,887
1.35%	4,048,612	(56,616)	3,991,996
1.30%	4,144,730	(155,450)	3,989,280
1.54%	4,242,378	(134,445)	4,107,933
2.19%	3,831,251	(93,602)	3,737,649

VILLAGE OF OBETZ, OHIO

PRINCIPAL INCOME TAXPAYERS - WITHHOLDING ACCOUNTS
CURRENT YEAR AND NINE YEARS AGO

Range of Withholding Amount	2017			2008		
	Number of Withholding Accounts	Income Tax Withheld	Percentage of Total Withholding Revenue	Number of Withholding Accounts	Income Tax Withheld	Percentage of Total Withholding Revenue
\$500,001 and higher	3	\$ 2,407,404	28.83%	-	\$ -	0.00%
\$400,001 - \$500,000	3	1,323,475	15.85%	1	426,633	12.81%
\$300,001 - \$400,000	1	381,184	4.57%	-	-	0.00%
\$200,001 - \$300,000	2	550,772	6.60%	2	499,913	15.01%
\$100,001 - \$200,000	4	521,280	6.24%	8	1,007,931	30.26%
\$50,001 - \$100,000	15	1,108,280	13.27%	4	312,535	9.38%
\$50,000 and lower	320	2,057,245	24.64%	165	1,084,303	32.54%
Total	348	\$8,349,640	100.00%	180	\$3,331,315	100.00%

Note: Due to confidentiality issues, the names of the 10 largest income tax payers are not available. The categories presented are included to provide alternative information regarding the sources of the Village's income tax revenues.

Source: City of Columbus, Division of Income Tax.

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VILLAGE OF OBETZ, OHIO

LEGAL DEBT MARGIN
LAST NINE YEARS ⁽¹⁾

	<u>2017</u>	<u>2016 ⁽²⁾</u>	<u>2015</u>	<u>2014</u>
Total Assessed Property Value	<u>\$ 133,878,410</u>	<u>\$ 114,783,710</u>	<u>\$ 110,860,440</u>	<u>\$ 106,124,200</u>
Overall Legal Debt Limit (10 1/2 % of assessed valuation)	14,057,233	12,052,290	11,640,346	11,143,041
Debt Subject to Limitation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 14,057,233</u>	<u>\$ 12,052,290</u>	<u>\$ 11,640,346</u>	<u>\$ 11,143,041</u>
Legal debt margin as a percentage of the debt limit	100.00%	100.00%	100.00%	100.00%
<hr/>				
Unvoted Debt Limitation (5 1/2 % of assessed valuation)	\$ 7,363,313	\$ 6,313,104	\$ 6,097,324	\$ 5,836,831
Debt Subject to Limitation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted legal debt margin within 5 1/2 % limitations	<u>\$ 7,363,313</u>	<u>\$ 6,313,104</u>	<u>\$ 6,097,324</u>	<u>\$ 5,836,831</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	100.00%	100.00%	100.00%	100.00%

⁽¹⁾ Information prior to 2009 is unavailable.

⁽²⁾ Assessed value of property revised based upon new information available.

Notes: The Village's bonds are supported by income taxes or tax increment financing (TIF) revenues.
None of the Village's bonds are general obligations of the Village.

Source: Village Finance Department.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>\$ 108,594,260</u>	<u>\$ 108,352,290</u>	<u>\$ 112,016,960</u>	<u>\$ 113,807,253</u>	<u>\$ 122,531,687</u>
11,402,397	11,376,990	11,761,781	11,949,762	12,865,827
-	-	-	-	-
<u>\$ 11,402,398</u>	<u>\$ 11,376,991</u>	<u>\$ 11,761,782</u>	<u>\$ 11,949,763</u>	<u>\$ 12,865,828</u>
100.00%	100.00%	100.00%	100.00%	100.00%
<hr/>				
\$ 5,972,684	\$ 5,959,376	\$ 6,160,933	\$ 6,259,399	\$ 6,739,243
-	-	-	-	-
<u>\$ 5,972,684</u>	<u>\$ 5,959,376</u>	<u>\$ 6,160,933</u>	<u>\$ 6,259,399</u>	<u>\$ 6,739,243</u>
100.00%	100.00%	100.00%	100.00%	100.00%

VILLAGE OF OBETZ, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS ⁽¹⁾

Year	Governmental Activities				Business-Type Activities	
	Notes Payable	Bonds Payable	Judgments	OPWC Loans	Total Governmental Activities	OWDA Loans
2017	\$ 2,400,000	\$ 25,400,790	\$ -	\$ 297,006	\$ 28,097,796	\$ -
2016	-	26,542,674	-	320,114	26,862,788	81,302
2015	-	9,645,000	-	338,553	9,983,553	239,272
2014	-	10,275,000	-	109,529	10,384,529	388,132
2013	-	10,890,000	191,624	123,299	11,204,923	528,407
2012	-	11,495,000	476,773	137,069	12,108,842	660,592
2011	-	8,565,000	669,661	150,839	9,385,500	785,154
2010	-	8,895,000	859,802	164,610	9,919,412	902,534
2009	-	9,220,000	1,037,309	185,266	10,442,575	1,013,143
2008	-	9,525,000	1,213,565	192,151	10,930,716	1,117,374

⁽¹⁾ Some information unavailable prior to 2009.

⁽²⁾ See notes to the financial statements regarding the Village's outstanding debt information. Includes unamortized bond premiums.

Note: Population and personal income data are presented on the Demographic and Economic Statistics statistical table.

Source: Village Finance Department.

	Total Primary Government ⁽²⁾	Percentage of Personal Income		Per Capita
\$	28,097,796	32.11%	\$	6,023
	26,944,090	29.23%		5,852
	10,222,825	10.88%		2,227
	10,772,661	11.64%		2,383
	11,733,330	12.65%		2,647
	12,769,434	13.25%		2,808
	10,170,654	10.84%		2,240
	10,821,946	13.33%		2,546
	11,455,718	13.58%		2,569
	12,048,090	-		-

VILLAGE OF OBETZ, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2017

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable ⁽¹⁾</u>	<u>Estimated Amount Applicable to Village</u>
Direct - Village of Obetz			
Bonds and Loans	\$ 28,097,796	100.00%	\$ 28,097,796
Overlapping Debt:			
Franklin County	221,125,000	0.49%	1,083,513
Groveport-Madison Local School District	37,309,022	5.46%	2,037,073
Hamilton Local School District	16,737,269	38.63%	6,465,607
Eastland-Fairfield Career and Technical Center	1,400,000	1.72%	24,080
Madison Township	2,290,000	4.46%	102,134
Solid Waste Authority of Central Ohio	83,650,000	0.47%	393,155
Total Overlapping Debt	<u>362,511,291</u>		<u>10,105,562</u>
Total Direct and Overlapping Debt	<u>\$ 390,609,087</u>		<u>\$ 38,203,358</u>

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

Source: Franklin County Auditor's Office.

VILLAGE OF OBETZ, OHIO

**PLEDGED REVENUE COVERAGE - TIF REVENUE BONDS
LAST EIGHT YEARS ⁽¹⁾**

Year	Payments in Lieu of Taxes ⁽²⁾	Contributions from Developer	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2017	\$ 153,997	\$ 184,583	\$ 338,580	\$ 165,000	\$ 173,580	1.00
2016	139,475	200,192	339,667	160,000	179,667	1.00
2015	109,147	226,193	335,340	150,000	185,340	1.00
2014	141,327	188,838	330,165	140,000	190,165	1.00
2013	143,973	186,291	330,264	135,000	195,264	1.00
2012	341,056	-	341,056	130,000	190,676	1.06
2011	48,503	276,806	325,309	120,000	205,309	1.00
2010	71,802	183,046	254,848	120,000	134,848	1.00

⁽¹⁾ Information prior to 2010 is unavailable.

⁽²⁾ Revenue bonds are supported by TIF revenues. To the extent the TIF revenues are not sufficient to support the debt service, the shortfall is supported by a line-of-credit maintained at Huntington National Bank by the developer.

Notes: Revenues and expenses for 2012-2017 prepared on a GAAP basis.
For years 2010-2011, information prepared on the cash basis.

Source: Village Finance Department.

VILLAGE OF OBETZ, OHIO

PLEDGED REVENUE COVERAGE - INCOME TAX REVENUE BONDS
LAST TWO YEARS ⁽¹⁾

Year	Income Taxes ⁽²⁾	Debt Service		Coverage
		Principal ⁽³⁾	Interest ⁽³⁾	
2017	\$ 12,658,462	\$ 445,000	\$ 694,164	11.11
2016	7,275,464	-	-	-

⁽¹⁾ The income tax revenue bonds were issued in 2016.

⁽²⁾ Revenue bonds are supported by municipal income tax revenues exclusive of the 0.5% income tax which is restricted to support police operations. Amount reflects municipal income tax revenues reported on the Statement of Activities.

⁽³⁾ During 2017, the Village deposited \$1,127,161 in an account held by Huntington National Bank for future principal and interest payments.

Source: Village Finance Department.

VILLAGE OF OBETZ, OHIO

**PLEDGED REVENUE COVERAGE - WATER FUND OWDA LOANS
LAST TEN YEARS ⁽¹⁾**

Year	Operating Revenues	Direct Operating Expenses ⁽²⁾	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2017	\$ 2,017,617	\$ 1,008,712	\$ 1,008,905	\$ 29,516	\$ 1,191	32.86
2016	1,637,407	886,062	751,345	57,349	2,259	12.60
2015	1,745,510	985,977	759,533	54,042	8,624	12.12
2014	1,343,623	1,059,467	284,156	50,925	11,740	4.53
2013	1,799,257	811,993	987,264	47,988	14,677	15.75
2012	1,239,286	872,110	367,176	45,221	17,445	5.86
2011	839,604	888,599	(48,995)	42,613	20,052	(0.78)
2010	844,445	706,529	137,916	40,156	22,510	2.20
2009	802,432	978,782	(176,350)	37,840	66,391	(1.69)
2008	811,501	620,462	191,039	35,657	27,008	3.05

⁽¹⁾ Information prior to 2008 is unavailable.

⁽²⁾ Operating expenses do not include depreciation.

Notes: Revenues and expenses for 2012-2017 prepared on a GAAP basis. For years 2008-2011, information prepared on the cash basis.

Source: Village Finance Department.

VILLAGE OF OBETZ, OHIO

**PLEDGED REVENUE COVERAGE - SEWER FUND OWDA LOANS
LAST TEN YEARS ⁽¹⁾**

Year	Operating Revenues	Direct Operating Expenses ⁽²⁾	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2017	\$ 1,900,908	\$ 1,797,038	\$ 103,870	\$ 51,786	\$ 2,090	1.93
2016	1,872,809	1,232,123	640,686	100,621	3,963	6.13
2015	1,680,017	1,409,107	270,910	94,818	15,130	2.46
2014	1,570,741	1,111,295	459,446	89,350	20,598	4.18
2013	1,500,315	1,374,115	126,200	84,197	25,751	1.15
2012	1,218,599	955,949	262,650	79,341	30,607	2.39
2011	849,885	930,396	(80,511)	74,766	35,182	(0.73)
2010	828,092	1,060,318	(232,226)	70,454	39,494	(2.11)
2009	788,366	827,886	(39,520)	66,391	43,557	(0.36)
2008	815,397	955,104	(139,707)	62,562	47,386	(1.27)

⁽¹⁾ Information prior to 2008 is unavailable.

⁽²⁾ Operating expenses do not include depreciation.

Notes: Revenues and expenses for 2012-2017 prepared on a GAAP basis. For years 2008-2011, information prepared on the cash basis.

Source: Village Finance Department.

VILLAGE OF OBETZ, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS⁽¹⁾

Year	Population ⁽²⁾	Total Personal Income ⁽³⁾	Per Capita Income ⁽²⁾	Unemployment Rate ⁽⁴⁾		
				Federal	State	Franklin County
2017	4,665	\$ 87,496,740	\$ 18,756	4.4%	4.9%	3.7%
2016	4,604	92,176,684	20,021	4.9%	4.9%	4.0%
2015	4,591	93,950,224	20,464	5.3%	4.9%	4.1%
2014	4,521	92,517,744	20,464	6.2%	5.8%	4.8%
2013	4,432	92,761,760	20,930	7.4%	7.5%	6.4%
2012	4,548	96,403,956	21,197	8.3%	8.7%	6.7%
2011	4,540	93,846,340	20,671	9.0%	8.6%	7.6%
2010	4,250	81,196,250	19,105	9.6%	10.0%	8.6%
2009	4,459	84,368,739	18,921	9.3%	10.1%	8.3%
2008	-	-	-	5.8%	6.5%	5.5%

⁽¹⁾ Some information unavailable prior to 2009.

⁽²⁾ **Source:** U.S. Census, American Community Survey.

Years 2009 - 2014 Federal Census Bureau and Years 2015 - 2017 Estimated by the Mid-Ohio Regional Planning Commission

⁽³⁾ Computation of per capita personal income multiplied by population.

⁽⁴⁾ **Source:** Ohio Job & Family Services, Office of Workforce Development.

VILLAGE OF OBETZ, OHIO

PRINCIPAL EMPLOYERS
BY NUMBER OF EMPLOYEES
CURRENT YEAR AND NINE YEARS AGO ⁽¹⁾

		2017		
Employer	Nature of Business	Estimated Number of Employees	Percentage of Total Village Employment	Rank
Company A	Withheld	1,265	11.55%	1
Company B	Withheld	965	8.81%	2
Company C	Withheld	917	8.37%	3
Company D	Withheld	627	5.73%	4
Company E	Withheld	559	5.11%	5
Company F	Withheld	544	4.97%	6
Company G	Withheld	498	4.55%	7
Company H	Withheld	386	3.53%	8
Company I	Withheld	333	3.04%	9
Company J	Withheld	246	2.25%	10
Total		6,340	57.90%	
All Other Employers		4,610	42.10%	
Total		10,950	100.00%	

		2008		
Employer	Nature of Business	Estimated Number of Employees	Percentage of Total Village Employment	Rank
Company A	Withheld	893	13.40%	1
Company B	Withheld	575	8.63%	2
Company C	Withheld	471	7.07%	3
Company D	Withheld	335	5.03%	4
Company E	Withheld	327	4.91%	5
Company F	Withheld	280	4.20%	6
Company G	Withheld	259	3.89%	7
Company H	Withheld	253	3.80%	8
Company I	Withheld	221	3.32%	9
Company J	Withheld	220	3.30%	10
Total		3,834	57.54%	
All Other Employers		2,829	42.46%	
Total		6,663	100.00%	

Note: Since many companies consider this data confidential, employee counts are estimated and are derived from income tax withholdings.

Source: Village of Obetz Finance Department.

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VILLAGE OF OBETZ, OHIO

**EMPLOYEES BY FUNCTION/PROGRAM ⁽¹⁾
LAST NINE YEARS ⁽²⁾**

Function/Program	2017		2016		2015		2014	
	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
General Government								
Council	-	6	-	6	-	6	-	6
Mayor's Office	-	1	-	1	-	1	-	1
Law	-	1	-	-	1	2	1	2
Finance	3	3	3	3	2	2	2	3
Administration	4	4	5	6	3	3	3	3
Lands and Buildings	3	6	1	2	1	2	1	1
Engineer	1	1	2	2	1	1	1	1
Building	2	2	1	1	1	1	2	2
Security of Persons and Property								
Police - Administration	2	2	2	2	2	2	2	2
Police - Officers	18	18	18	18	16	16	14	14
Leisure Time Activity								
Community Center	1	6	2	6	2	6	2	6
Recreation	5	21	2	15	1	10	1	14
Park Maintenance	1	2	1	2	1	2	2	3
Community Development								
Economic Development	1	1	1	1	1	1	1	1
Transportation								
Street Maintenance	8	8	5	5	4	4	4	4
Basic Utility Services								
Utilities Office	2	2	2	2	1	1	2	2
Utilities Service Department	3	3	3	3	3	3	3	3
Total	54	87	48	75	40	63	41	68

⁽¹⁾ Employed as of December 31.

⁽²⁾ Information prior to 2009 is unavailable.

Source: Village Finance Department.

2013		2012		2011		2010		2009	
<u>Full-Time</u>	<u>All</u>	<u>Full-Time</u>	<u>All</u>	<u>Full-Time</u>	<u>All</u>	<u>Full-Time</u>	<u>All</u>	<u>Full-Time</u>	<u>All</u>
-	6	-	6	-	6	-	6	-	6
1	2	1	2	1	2	1	2	1	2
1	2	-	1	-	1	-	1	-	1
2	3	2	2	2	2	2	2	2	2
3	3	3	4	3	3	3	3	2	2
1	1	2	2	1	2	2	2	2	2
1	1	1	1	-	-	-	-	-	-
-	-	-	-	1	1	1	1	1	1
2	2	2	2	2	2	2	2	2	2
14	14	14	14	15	15	16	16	17	17
2	5	2	6	3	5	2	4	2	4
1	10	1	6	1	7	2	9	2	3
2	4	3	4	2	4	2	5	2	3
-	-	-	-	-	-	-	-	-	-
3	3	3	3	2	2	2	2	3	3
2	2	1	1	1	1	1	1	1	1
3	3	3	3	3	3	4	4	4	4
<u>38</u>	<u>61</u>	<u>38</u>	<u>57</u>	<u>37</u>	<u>56</u>	<u>40</u>	<u>60</u>	<u>41</u>	<u>53</u>

VILLAGE OF OBETZ, OHIO

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2017	2016	2015	2014
General Government				
General government centers	1	1	1	1
Vehicles	8	6	6	5
Security of Persons and Property				
Police stations	1	1	1	1
Vehicles	17	16	13	11
Motorcycles	2	2	2	2
Leisure Time Activity				
Number of parks	10	10	7	7
Parks area (acres)	304	287	150	136
Number of community centers	1	1	1	1
Number of athletic centers	1	1	1	1
Number of playground sites	5	5	5	5
Number of basketball courts	4	5	5	5
Number of football/soccer fields	6	4	4	3
Number of baseball fields	4	4	4	4
Number of tennis courts	1	1	1	1
Number of volleyball courts	1	1	1	1
Number of archery ranges	1	1	1	1
Number of bocce ball courts	2	2	2	2
Number of splash pads/ice rinks	1	1	1	1
Number of shelter houses	4	4	4	3
Number of concession stands	3	3	3	3
Vehicles	4	3	3	4
Public Service Department				
Streets (miles)	33.38	33.38	32.60	32.60
Number of buildings	15	7	5	5
Vehicles	13	11	12	10
Utilities Department				
Water lines (miles)	29.53	29.28	28.03	27.70
Sanitary sewers (miles)	25.27	24.93	24.10	24.10
Electric distribution lines (miles)	15.94	13.15	10.20	10.20
Natural gas lines (miles)	4.85	4.60	4.21	4.04
Number of buildings	3	3	3	3
Vehicles	3	3	3	3

Source: Village of Obetz departments.

2013	2012	2011	2010	2009	2008
1	1	1	1	1	1
3	3	3	3	2	2
1	1	1	1	1	1
10	10	10	10	10	10
1	1	1	1	1	1
6	6	6	6	6	6
97	97	97	97	97	97
1	1	1	1	1	1
1	1	1	-	-	-
5	5	5	5	5	5
5	5	5	5	5	5
3	3	3	3	3	3
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
-	-	-	-	-	-
2	2	2	2	2	2
1	-	-	-	-	-
3	3	3	3	3	3
3	3	3	3	3	3
4	4	4	4	4	4
32.40	32.20	32.20	32.20	32.20	32.20
5	4	4	4	4	4
10	10	10	10	10	10
27.50	27.20	27.20	27.20	27.20	27.20
23.90	23.90	23.90	23.90	23.70	23.70
9.20	8.88	8.88	8.88	8.88	6.55
3.66	3.66	3.66	3.66	3.66	3.43
3	3	3	3	3	3
3	3	3	3	3	3

VILLAGE OF OBETZ, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS⁽¹⁾

Function/Program	2017	2016	2015	2014
General Government				
Number of ordinances passed	65	87	93	76
Number of checks/vouchers issued	5,093	4,438	4,075	4,048
Building Department				
Construction permits issued	187	136	137	95
Estimated value of construction	\$ 59,840,622	\$ 14,876,540	\$ 70,756,018	\$ 37,392,735
Security of Persons & Property				
Police				
Total calls for services	6,368	5,736	5,454	4,797
Traffic violations	1,347	1,137	2,945	1,776
Motor vehicle accidents	172	205	186	171
Total criminal arrests	282	283	320	219
Leisure Time Activity				
Recreation				
Obetz Athletic Club Check-ins	35,763	47,258	46,469	43,374
Obetz Athletic Club Receipts	\$58,877	\$94,138	\$82,758	\$97,951
Baseball/Softball Program Participants	76	91	89	70
Baseball/Softball Program Receipts	\$3,686	\$4,690	\$5,190	\$6,285
Football Program Participants	132	106	114	128
Football Program Receipts	\$10,235	\$7,950	\$10,980	\$9,080
Cheerleading Program Participants	55	40	47	46
Cheerleading Program Receipts	\$3,785	\$3,000	\$2,650	\$3,125
Splashpad/Ice Rink Receipts ⁽²⁾	\$5,491	\$8,759	-	-
Community Center				
Meals Served in House	1,214	1,070	1,826	1,650
Meals Delivered to Shut-ins	280	426	506	510
Senior Meal Donations	\$3,045	\$3,451	\$3,959	\$4,220
Senior Transportation Trips - Doctor Appointments/Grocery Shopping	85	108	102	124
Senior Transportation Leisure Trips	13	12	14	15
Community Center Rentals	\$10,031	\$4,757	\$3,735	\$2,723
Dixon Quarry Rentals	\$18,100	\$10,000	-	-
Utilities Department				
Water				
Average daily gallons sold per consumer	277	339	310	261
Number of customers (per year)	22,817	21,638	21,240	20,918
Average number of customers per month	1,901	1,803	1,770	1,743
Annual water collections	\$1,414,882	\$1,361,249	\$1,327,075	\$1,249,781
Gallons of water treated (thousands of gallons)	215,349	222,823	231,758	166,257
Sewer				
Residential sewer rate (flat monthly rate)	\$23.86	\$23.86	\$23.86	\$23.86
Average number of customers per month	1,808	1,670	1,766	1,738
Refuse				
Refuse collection rate (flat monthly rate)	\$14.77	\$14.77	\$14.77	\$14.77
Average number of customers per month	1,663	1,670	1,638	1,614
Electric				
Commercial electric billings (per year in millions)	\$6.03	\$5.89	\$6.24	\$4.86
Number of customers	94	80	71	66
Gas				
Commercial gas billings (per year in millions)	\$0.83	\$0.75	\$1.00	\$1.48
Number of customers	82	73	68	70

⁽¹⁾ Some information prior to 2011 is unavailable.

⁽²⁾ Splash Pad/Ice Rink Receipts were not tracked separately until 2016

Source: Village of Obetz departments.

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
	76	57	58	47	39	52
	3,944	2,700	2,696	2,301	-	-
	124	120	119	143	221	159
\$	\$ 37,457,000	\$ 6,155,059	\$ 10,507,606	\$ 5,776,025	\$ 20,802,970	\$ 17,595,066
	4,853	5,259	5,020	4,589	-	-
	1,154	1,112	1,138	1,544	2,623	2,150
	167	149	237	314	294	381
	195	247	326	425	688	537
	50,762	44,945	28,373	-	-	-
	\$122,204	\$99,901	\$58,410	-	-	-
	83	87	-	-	-	-
	\$14,559	\$16,785	\$11,925	-	-	-
	147	150	130	-	-	-
	\$12,950	\$11,260	\$9,285	-	-	-
	49	49	63	-	-	-
	\$3,675	\$5,935	\$4,710	-	-	-
	-	-	-	-	-	-
	1,872	2,100	2,256	-	-	-
	460	510	500	-	-	-
	\$5,084	\$5,343	\$5,942	-	-	-
	172	209	245	-	-	-
	15	14	18	-	-	-
	\$5,597	\$1,836	\$1,665	-	-	-
	-	-	-	-	-	-
	246	271	238	254	255	264
	20,860	20,919	20,780	20,632	20,572	20,453
	1,738	1,743	1,732	1,719	1,714	1,704
	\$1,191,062	\$1,211,091	\$766,588	\$878,258	\$803,792	\$757,989
	156,332	172,263	150,437	159,260	159,756	164,344
	\$23.86	\$16.86	\$16.86	\$16.86	\$15.91	\$15.91
	1,734	1,740	1,728	1,716	1,711	1,701
	\$14.41	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
	1,607	1,612	1,599	1,581	1,583	1,565
	\$4.04	\$3.82	\$3.39	\$2.97	\$2.63	\$2.34
	58	56	55	53	53	51
	\$1.07	\$0.80	\$0.81	\$0.84	\$0.88	\$1.25
	60	55	54	52	52	50

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**VILLAGE OF OBETZ
FRANKLIN COUNTY, OHIO**

SUPPLEMENTAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2017

**VILLAGE OF OBETZ
FRANKLIN COUNTY, OHIO**

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Village of Obetz
Franklin County
4175 Alum Creek Drive
Obetz, Ohio 43207

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Obetz, Franklin County, Ohio, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Village of Obetz's basic financial statements and have issued our report thereon dated June 25, 2018.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village of Obetz's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village of Obetz's internal control. Accordingly, we have not opined on it.

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

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

Members of Council and Mayor
Village of Obetz

Compliance and Other Matters

As part of reasonably assuring whether the Village of Obetz's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results and does not opine on the effectiveness of the Village of Obetz's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village of Obetz's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
June 25, 2018



Dave Yost • Auditor of State

VILLAGE OF OBETZ

FRANKLIN 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, 16 2018