



**CITY OF GRANDVIEW HEIGHTS
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2018

**CITY OF GRANDVIEW HEIGHTS
FRANKLIN COUNTY
DECEMBER 31, 2018**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	1

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

City of Grandview Heights
Franklin County
1016 Grandview Avenue
Grandview Heights, Ohio 43212

To the Members of City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Grandview Heights, Franklin County, (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 5, 2019, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

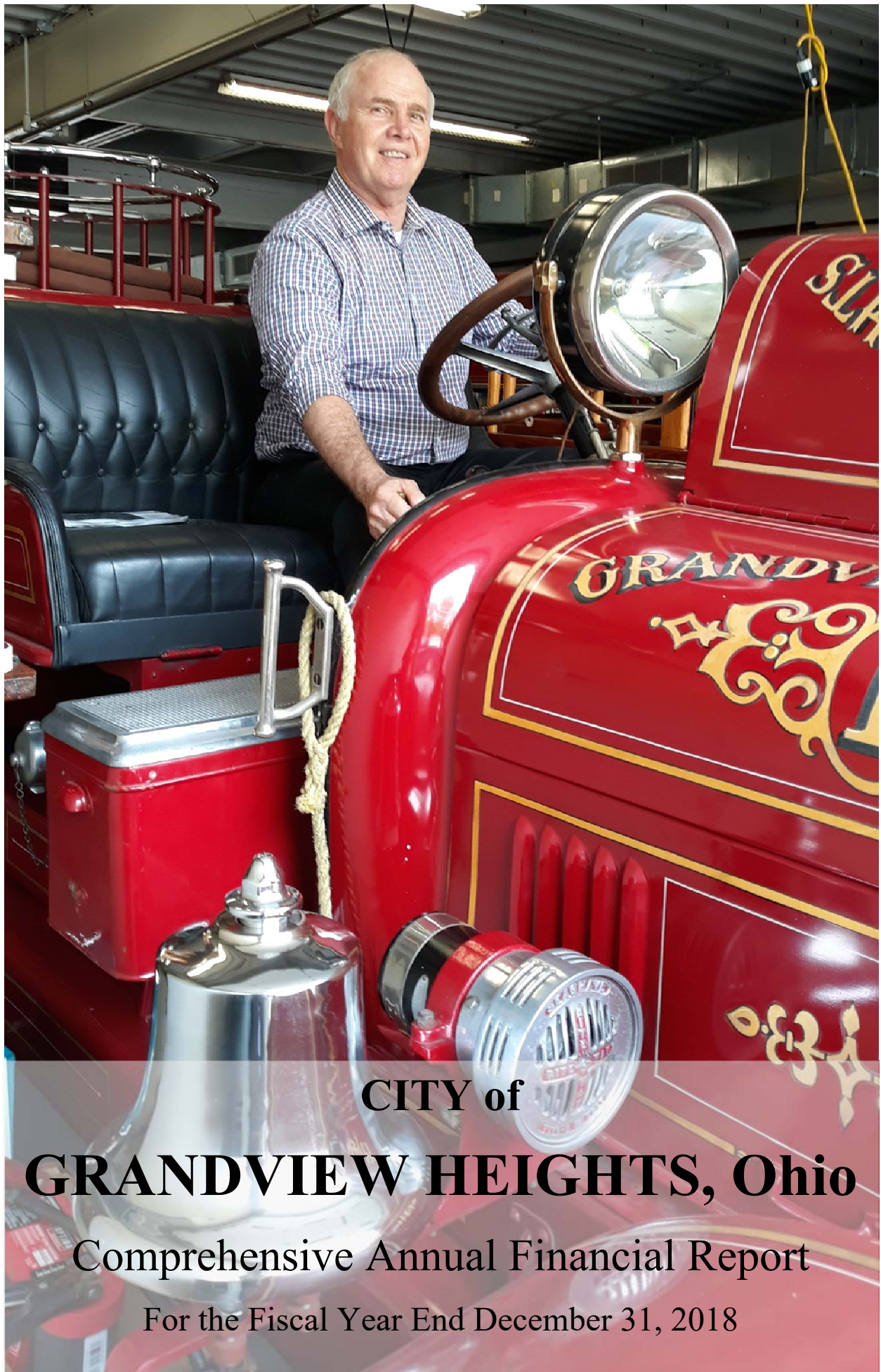
This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering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



Keith Faber
Auditor of State

Columbus, Ohio

June 5, 2019



CITY of
GRANDVIEW HEIGHTS, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year End December 31, 2018

Cover Picture

This year's cover of the City of Grandview Heights' Comprehensive Annual Financial Report features Mayor Ray DeGraw preparing to drive the City's historic 1924 Seagrave fire truck during the Memorial Day parade. The week leading to Memorial Day is very special to Mayor Ray DeGraw and Grandview Heights residents. It starts with solemnity at the Blue Star Mothers memorial service honoring Grandview Heights and Village of Marble Cliff military in all pillars of the Armed Forces who have given their lives in defending our freedom. The week continues with the popular Memorial Day parade and the opening of the pool and family friendly activities in the summer program.

The vehicle marked the start of the City's independent Fire Department when it stopped contracting with the City of Columbus. The silver bell near the front fender of the Seagrave vehicle recently returned to the City. It was first installed on the 1924 Seagrave fire truck 95 years ago. It was returned to the City in mid-December. The gift came from retired Chief Todd Hovermale whose late father John Hovermale had received the bell in 1966 to commemorate his retirement as captain with the Division of Fire. Todd Hovermale also retired from the Department in 1988. The original bell story goes that the 1924 truck was delivered without a bell. The Seagrave's representative who lived across the street from the fire station eventually got a bell which according to the story from Chief Hovermale, came from a horse pulled steam engine from New York that was traded into Seagraves for a new truck. The historic bell came off in 1953 when the truck was sold and hidden in the fire station's attic until it was given to Captain Hovermale when he retired in 1966. It was reinstalled on the truck this year.



The CITY of
GRANDVIEW HEIGHTS

Comprehensive Annual Financial Report

For the Year Ended December 31, 2018

Issued by:

Finance Department

Robert Dvoraczky, CPA - Director of Finance

Megan Miller, CPA - Assistant Director of Finance

James Barone – Accountant

Scott Gill, CPA – Tax Accountant

Joe Curtin, CPA – Tax Accountant

**CITY OF GRANDVIEW HEIGHTS, OHIO
FRANKLIN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
INTRODUCTORY SECTION	i
Letter of Transmittal	iii-vi
GFOA Certificate of Achievement for Excellence in Financial Reporting for the Year Ended December 31, 2017	vii
List of Principal Officials	viii
Organizational Chart	ix
Boards and Commissions	x
FINANCIAL SECTION	1
Independent Auditor's Report	3-6
Management's Discussion and Analysis	7-23
Basic Financial Statements:	25
Government-wide Financial Statements	
Statement of Net Position	26
Statement of Activities	27
Fund Financial Statements	
Balance Sheet - Governmental Funds	28-29
Reconciliation of the Total Governmental Funds Balances to the Net Position of Governmental Activities	31
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	32-33
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34
Statement of Fiduciary Assets and Liabilities - Fiduciary Funds	35
Notes to the Basic Financial Statements	37-93
Required Supplementary Information	95
Schedule of Revenues, Expenditures, and Change in Fund Balance Budget and Actual- General Fund	96-101
Schedule of Revenues, Expenditures, and Change in Fund Balance Budget and Actual- Grandview Yard TIF Fund	102

**CITY OF GRANDVIEW HEIGHTS, OHIO
FRANKLIN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Notes to Required Supplementary Information	103-104
Pension Trend Data	105-108
OPEB Trend Data	111-113
Supplementary Information	115
Description of Funds	116-118
Combining Statements and Individual Fund Schedules	119
Combining Balance Sheet - Nonmajor Governmental Funds	120
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	121
Combining Balance Sheet - Nonmajor Special Revenue Funds	122-124
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	126-128
Individual Fund Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Special Revenue Funds	130-152
Combining Balance Sheet - Nonmajor Debt Service Fund	153
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Fund	154
Individual Fund Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Debt Service Fund	155
Combining Balance Sheet - Nonmajor Capital Projects Funds	156
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	157
Individual Fund Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Capital Projects Funds	158-161
Fund Description - Agency Funds	163
Statement of Changes in Assets and Liabilities - Agency Funds	164

**CITY OF GRANDVIEW HEIGHTS, OHIO
FRANKLIN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
STATISTICAL SECTION	S1
Description of Contents	S3
Net Position By Component - Last Ten Years	S4-S5
Changes in Net Position - Last Ten Years	S6-S7
Fund Balances, Governmental Funds - Last Ten Years	S8-S9
Changes in Fund Balances, Governmental Funds - Last Ten Years	S10-S11
Assessed Valuation and Estimated True Values of Taxable Property - Last Ten Years	S12
Property Tax Rates - Direct and Overlapping Governments - Last Ten Years	S13
Top Principal Property Taxpayers - Current Year and Nine Years Ago	S14
Property Tax Levies and Collections - Last Ten Years	S15
Income Tax Collections - Last Ten Years	S16
Income Tax Collections - Current Year and Nine Years Ago	S17
Ratios of Outstanding Debt by Type - Last Ten Years	S18
Ratios of General Bonded Debt Outstanding - Last Ten Years	S19
Computation of Direct and Overlapping Governmental Activities Debt as of December 31, 2018	S20
Legal Debt Margin Information - Last Ten Years	S21
Demographic and Economic Statistics - Last Ten Years	S22
Principal Employers - Current Year and Nine Years Ago	S23
Full-Time Equivalent City Government Employees By Function/Program - Last Ten Years	S24
Construction Activity - Last Ten Years	S25
Operating Indicators by Function/Program - Last Ten Years	S26-27
Capital Asset Statistics by Function/Program - Last Ten Years	S28-29



The CITY of
GRANDVIEW HEIGHTS

INTRODUCTORY SECTION



The CITY of
GRANDVIEW HEIGHTS

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The CITY of
GRANDVIEW HEIGHTS

June 5, 2019

Honorable Mayor, Members of City Council
and Citizens of Grandview Heights, Ohio

We are pleased to issue the Comprehensive Annual Financial Report (CAFR) of the City of Grandview Heights, Ohio (City) for the year ended December 31, 2018. This report is prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). It is intended to provide all pertinent and necessary information that may be required by citizens and elected officials of Grandview Heights, investment banks and underwriters, and all other interested parties on the fiscal condition of the City.

City management assumes full responsibility for the completeness and reliability of the information contained in this report. To the best of our knowledge and belief, the financial and other data contained in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. The accounting system encompasses appropriations, encumbrances, expenditures, revenues, payroll and capital assets, and ensures the financial information generated is both accurate and reliable. All disclosures necessary to enable the citizens and other readers to gain an understanding of the City's financial activities are included in this report.

Internal Controls

City managers have established an internal control framework designed with a system of checks and balances to compile sufficient reliable information for preparation of the City financial statements. Internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets. The concept of reasonable assurance is based on the assumption that the cost of controls should not outweigh their benefits.

Independent Audit

The City is required by state law to have an annual audit performed by either the Auditor of State's Office or by an independent auditing firm. The City has engaged the services of the Auditor of State's Office, to audit the City's financial records. The Auditor of State's Office concluded that the City's financial statements ending December 31, 2018 are presented fairly in conformity with generally accepted accounting principles. The Independent Auditor's Report on the City's financial statements is included in the Financial Section of this report.

Management's Discussion and Analysis

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A as they are designed to complement each other. The City's MD&A can be found immediately following the independent auditor's report.

Profile of the Government

The City of Grandview Heights is located in central Ohio, adjacent to the city of Columbus. Incorporated in 1906, the City operates under a charter form of government, which was originally adopted on July 28, 1931. The voters adopted the current charter in November 2018. An elected Mayor and a seven-member City Council govern the City, each elected to four-year terms. The City covers an area of approximately 1.24 square miles, with a population estimated at 7,778 residents.

The City provides a full range of municipal services mandated by statute or charter, including police and fire protection, parks, recreation, street maintenance, refuse removal, planning, zoning and other general government services. Health services are contracted with, and provided by, the Franklin County Board of Health.

The Council is required to adopt a final budget no later than the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function and department for all funds except for the agency funds.

Long-Term Financial Planning

The City follows a conservative financial approach, limiting debt and utilizing a prioritized capital improvement plan, whereby capital purchases are thoroughly reviewed for necessity, with available funding alternatives evaluated before investments are made. Five percent (5%) of income tax receipts are designated as an ongoing funding source for capital improvements. The City's plan for the future is to continue economic development activities to bring more businesses to the City providing additional income tax dollars. The hiring of new employees and filling of vacancies is also aligned with our strategic vision on the service level that best meet the needs of our citizens.

Relevant Financial Policies

The City has a responsibility to its citizens to carefully account for public funds, manage municipal finances wisely, and to plan for the provision of services desired by the public. Sound financial policies are necessary to carry out that responsibility. To that end, City Council adopted updated Debt, Cash Reserve, Investment and Depository and Budgeting and Financial Planning policies in the Spring of 2016. These policies provide a summary of significant financial and budgetary policies required by state law, the City Charter, City ordinances, and accounting principles generally accepted in the United States and administrative practices.

The policies are designed to: (1) provide conceptual standards for financial decision making; (2) enhance consistency in financial decisions; and (3) establish parameters for the Administration and Finance Department to use in directing day-to-day financial affairs of the City. The scope of the policies includes budgeting, financial reporting, auditing, internal controls, asset management, risk management, capital improvement program, debt management and financial performance targets.

Economic Condition and Outlook

The City's primary revenue source is a local income tax on residents and on Grandview-based businesses and their employees working in the City. In May 2010, taxpayers approved a permanent increase in the income tax rate to 2.5% effective July 1, 2010. This rate change in conjunction with ongoing economic development efforts are a strong step forward for the City.

Overall, the economy of Grandview Heights continued to grow throughout 2018 as the City and surrounding area within the city of Columbus remains a very strong market for commercial and residential development.

By the end of 2018, nearly all of the public improvements to be funded by the Grandview Yard TIF have been completed ahead of the 10-year time frame established within a development agreement signed in 2009. The development agreement established a public/private partnership between Grandview Heights and Nationwide Realty Investors to redevelop over 100 acres of aging industrial property. The last public project to be completed, the widening of the Third Avenue railroad

bridge, will be completed by the end of the summer of 2019. The construction of a 1,550 car public parking garage was completed in the Spring of 2018. Streets and utilities for a single family and townhouse residential development were also completed in Fall of 2018.

On the private development side, all of the 194,000-sq. ft. of first class office space in Grandview Yard is leased. There are over 1,000 people working within this office space. The tenants include the Columbus offices of the Ernst & Young CPA firm and Northwestern Mutual Insurance Company, Willis of Ohio, Trinity Healthcare Architects, Ohio State Internal Medicine, FKP Architects and C. H. Robinson. The Nationwide Insurance Company campus at Grandview Yard is now complete. The campus contains four office buildings totaling approximately 750,000 sq. ft. of office space. Nationwide has 3,655 associates working at the Grandview campus. At the end of 2018 Nationwide Realty has invested \$372,771,000 in private projects.

The 135 room Courtyard by Marriott hotel and the 12,000-sq. ft. conference center called the Grand Event Center is in full operation. Both facilities are meeting fiscal expectations. The “bed tax” revenue generated by the Courtyard by Marriott along with the 126 room Hyatt Place hotels are the source of funds that was spent to revitalize Pierce Field, Wyman Woods Park and a portion of the community pool reconstruction.

Businesses along Goodale Boulevard and Grandview Avenue are also major contributors to the city’s economic development progress. There is over \$34M in payroll spread among the businesses that are located in renovated buildings along the Boulevard and another \$20M in payroll within the building around the corner at 855 Grandview Avenue.

Incentives assistance was provided to a startup company called ScriptPost to locate its new office within the City. The company has developed software programs that link pharmacies, delivery services and customers. The company already has large clients and expects to growth to 80 associates within a year.

In early 2019 City Council approved plans and incentives for two additional developments. One of the developments will extend the Grandview Yard Street grid south of Goodale Boulevard. The other development is located at the northeast corner of Dublin Road and Grandview Avenue. Approximately 15 acres of a 56 acre mixed use development is within Grandview Heights. These developments will be reported more comprehensively in next year’s report.

Major Initiatives

In 2018, City Council acted on its desire to use the City’s available bonding capacity and the current low interest rate environment to undertake capital projects. The City confirmed its AAA bond with Standard & Poor’s rating agency and in November 2018 issued \$6,000,000 in Bonds for a new Public Works Facility.

Grandview Heights demonstrated that it greatly exceeded the job creation requirement that was established to qualify for a low interest loan from the Franklin County Infrastructure Bank Fund. The loan was used to fund a \$1.7M improvement project that rehabbed W. Goodale Boulevard from Grandview Avenue to Northwest Boulevard. The loan application cited that 275 permanent full time jobs would be created. The city reported that 1,235 jobs were created.

The construction of a new Grandview Heights Public Works facility got underway in November of 2018. The facility is being built on McKinley Avenue in the city of Columbus. The land was purchased in 2017. The facility will house the entire Service department including both Street Maintenance and Sanitation. The Grandview Heights Building Department will also have its offices in the building. There is also storage space for the Fire and Police departments. The decision to build a new facility was based on the poor condition of the existing facility as well as the fact that the new location will free up valuable civic space. The facility is expected to be occupied at the end of 2019.

Throughout 2018, the community was engaged in preparing a Comprehensive Community Plan. The plan will serve as a policy document to guide the City’s growth and development for the next several years. Over 100 people participated in an informational gathering session held in late Spring. The citizens of today appear to want the same things out of their community as citizens did twenty years ago when the last plan was completed. The residents desire a high quality of

neighborhood life, small town community scale, continued investment in homes and businesses and high quality public services among other aspirations. The planning effort also incorporated a more focused plan for city facilities. The plan called Civic Spaces and Places studied and identified locations for city buildings including a fire and police station, administrative offices and a community recreation building. Both the community plan and the facilities plan will be completed by the spring of 2019.

The Grandview Heights City School District successfully passed a bond levy that will raise \$55 Million to fund the construction of a new middle school, substantially remodel the high school and to remodel an elementary school. The District intends to be under construction with the first phase at the end of 2019.

The twenty-fourth TOUR DE GRANDVIEW bike race attracted its usual crowd on a nice evening this year. Visitors and residents enjoy the unique opportunity to watch a professional bike race through residential streets at night. Along with several house parties on the route, Destination Grandview, the City's Parks and Recreation Department and many volunteers put together a great street party to entertain the crowds.

Awards

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grandview Heights for its comprehensive annual financial report for the fiscal year ended December 31, 2017. This was the fourteenth year that the City has achieved this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. To earn the Certificate of Achievement, the City publishes an easily readable and efficiently organized comprehensive annual financial report whose contents conformed to program standards and satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current 2018 report continues to meet the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

For the last seven years the City was recognized by the Auditor of State and presented with the Award of Distinction for excellence in financial reporting and accountability. Less than 5% of the 5,600 state and local agencies audited, received this prestigious award.

Acknowledgment

The publication of this report demonstrates the professionalism of the City of Grandview Heights government as a whole. Preparation of this report was achieved through the cooperation of the Mayor, members of City Council, each department head and many of our other colleagues. We are grateful for their assistance. Finally, the preparation of this report would not have been possible without the dedicated efforts of the Finance Department staff.

Most importantly, we are grateful to the citizens of the City of Grandview Heights for the opportunity to serve them and provide valuable information on the financial operations of the City.

Respectfully submitted,



Director of Finance
Robert Dvoraczky



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Grandview Heights
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

**CITY OF GRANDVIEW HEIGHTS, OHIO
PRINCIPAL OFFICIALS
DECEMBER 31, 2018**

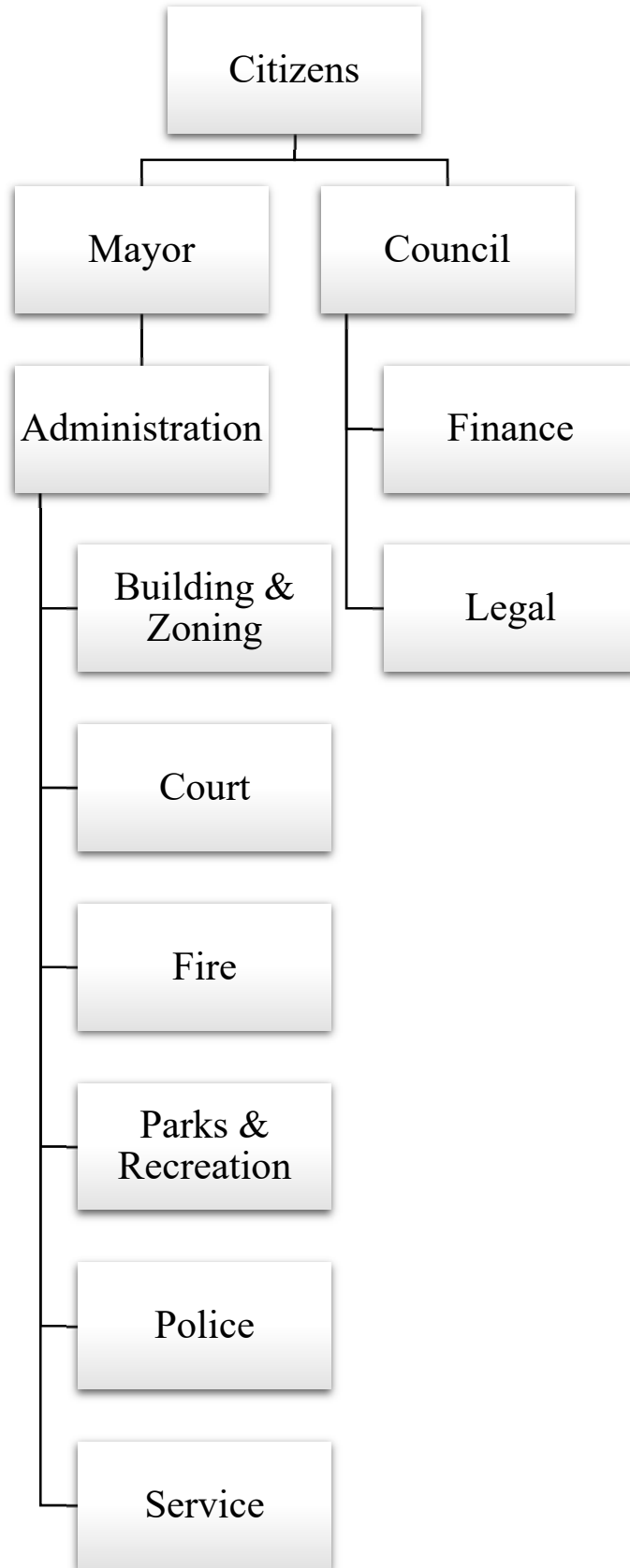
ELECTED OFFICIALS

Mayor	Ray E. DeGraw
President of Council	Greta Kearns
Vice President of Council	Chris Smith
Council Members	Steve Gladman
	Emily Keeler
	Anthony Panzera
	Melanie Houston
	Steve Reynolds

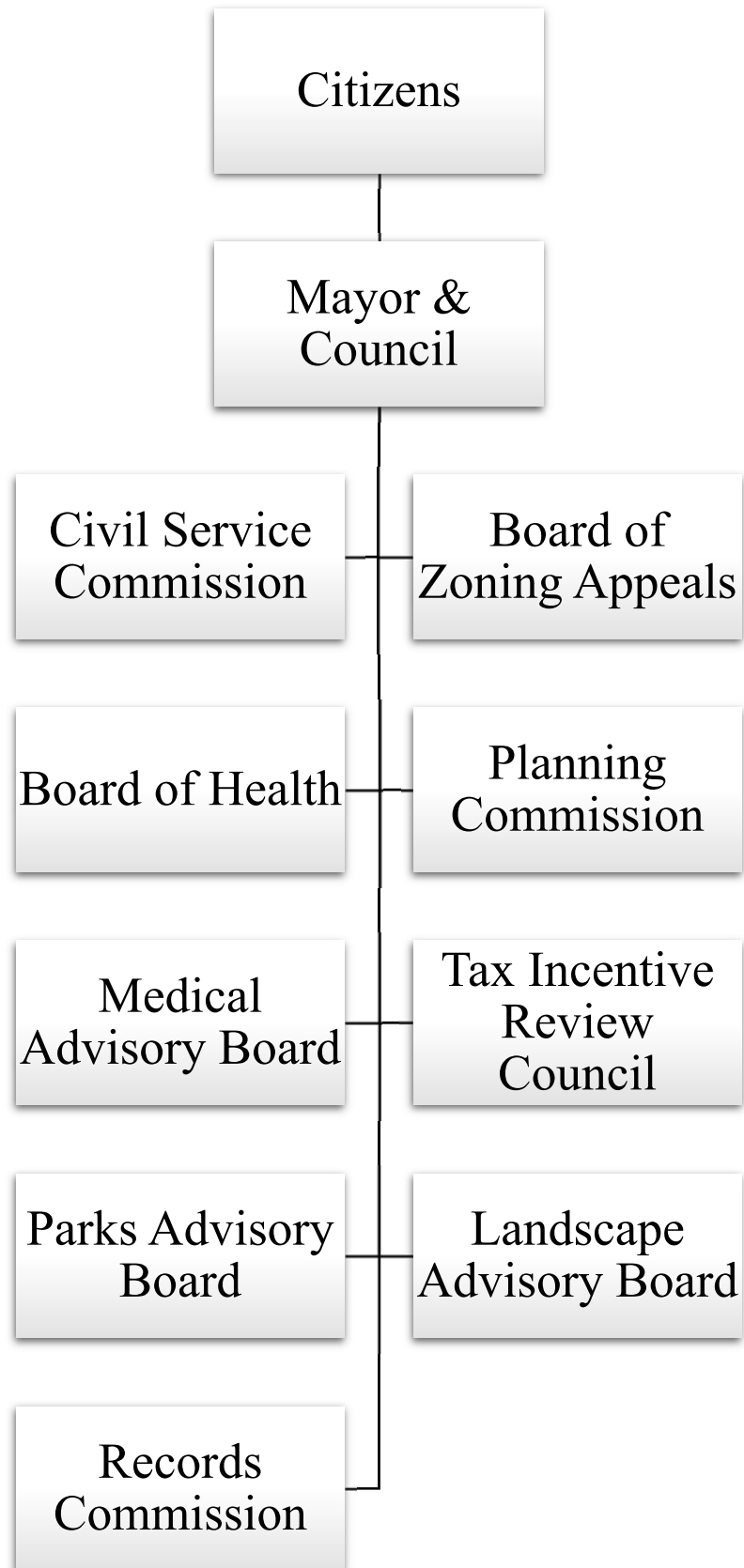
APPOINTED OFFICIALS

Director of Administration	Patrik G. Bowman
Director of Finance	Robert J. Dvoraczky, CPA
City Attorney	Joelle Khouzam
Chief of Police	Thomas McCann
Fire Chief	Steven J. Shaner
Director of Building & Zoning	Charles Boshane
Director of Parks & Recreation	Michael Patterson
Director of Service	Darryl Hughes

CITY OF GRANDVIEW HEIGHTS ORGANIZATIONAL CHART



CITY OF GRANDVIEW HEIGHTS BOARDS AND COMMISSIONS





The CITY of
GRANDVIEW HEIGHTS

FINANCIAL SECTION



The CITY of
GRANDVIEW HEIGHTS

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INDEPENDENT AUDITOR'S REPORT

City of Grandview Heights
Franklin County
1016 Grandview Avenue
Grandview Heights, Ohio 43212

To the Members of City Council:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no such 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, each major fund, and the aggregate remaining fund information of the City of Grandview Heights, Franklin County, Ohio, as of December 31, 2018, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 19 to the financial statements, during 2018, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

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

Supplementary and Other Information

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected 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 5, 2019, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

June 5, 2019

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CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

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

Financial Highlights

Key financial highlights for 2018 are as follows:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately \$63.0 million (net position), an increase of approximately \$8.8 million in comparison with the prior year.
- General revenues accounted for approximately \$27.1 million, or 63.3 percent of total governmental activities revenue. Program specific revenues accounted for the remaining 36.7 percent, or approximately \$15.7 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of approximately \$19.3 million, an approximately \$5.7 million increase in comparison with the prior year. Of this amount, approximately \$9.1 million is available for spending at the City's discretion (unassigned fund balance). This represents 58.8 percent of general fund expenditures.

The Comprehensive Annual Financial Report

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

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

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2018?" The statement of net position and the statement of activities answer this question. These statements include all assets, liabilities, deferred inflows/outflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

Governmental activities - All of the City's programs and services are reported here including police, fire and rescue, 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.

The City's statement of net position and statement of activities can be found on pages 26-27 of this report.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

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 year. Such information may be useful in evaluating a government's near-term financing requirements.

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the General Fund, Grandview Yard TIF Fund, General Improvement Fund, and Commerce District Grants Fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 28-34 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Both of the City's fiduciary funds are agency funds. The basic fiduciary fund financial statement can be found on page 35 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 start on page 37 of this report.

Government-Wide Financial Analysis

Statement of Net Position

Over time, net position can serve as a useful indicator of a government's financial position. At the end of the current fiscal year, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$63.0 million.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented approximately 70 percent of total assets. Capital assets include land, intangibles, land improvements, buildings and improvements, machinery, equipment and furniture, vehicles and infrastructure. Net investment in capital assets at December 31, 2018, was approximately \$70.7 million. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

The table below provides a comparative summary of the City’s net position at December 31, 2018 and December 31, 2017:

	<u>Net Position</u>	
	2018	Restated 2017
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
<u>Assets</u>		
Current and other assets	\$ 37,718,183	\$ 29,095,682
Capital assets, net	89,577,261	81,014,177
Total assets	<u>\$ 127,295,444</u>	<u>\$ 110,109,859</u>
 <u>Deferred Outflows of Resources</u>		
Total deferred outflows of resources	<u>4,104,477</u>	<u>3,538,465</u>
 <u>Liabilities</u>		
Current and other liabilities	6,983,554	5,749,049
Long-term liabilities:		
Net pension liability	12,791,922	13,779,668
Net OPEB liability	11,087,751	9,025,170
Other amounts	25,957,116	22,300,962
Total liabilities	<u>56,820,343</u>	<u>50,854,849</u>
 <u>Deferred Inflows of Resources</u>		
Total deferred inflows of resources	<u>11,613,496</u>	<u>8,609,049</u>
 <u>Net Position</u>		
Net investment in capital assets	\$ 70,689,320	\$ 61,657,151
Restricted	1,414,099	491,675
Unrestricted	(9,137,337)	(7,964,400)
Total net position	<u>\$ 62,966,082</u>	<u>\$ 54,184,426</u>

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

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

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

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

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

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from \$63,167,308 to \$54,187,518.

Current and other assets increased significantly in comparison with the prior year. This increase is primarily the result of issuance of bonds and an increase in collections related to payments in lieu of taxes.

Capital assets also increased significantly in comparison with the prior year. This increase represents the amount in which capital asset additions, consisting mostly of development of the Grandview Yard and Rail Street, exceeded current year depreciation and current year disposals.

Other long-term liabilities increased significantly in comparison with the prior year. This increase is primarily the result of the issuance of public works facility bonds.

Deferred inflows of resources and deferred outflows of resources both increased significantly. These increases are primarily the result of an increase in payments in lieu of taxes related to the approval of many new parcels that were pending in the prior fiscal year.

The net pension and net OPEB liabilities and related deferred outflows and inflows of resources all fluctuated significantly in comparison with the prior year. These fluctuations are primarily the result of the greater than expected returns on pension plan investments.

Net investment in capital assets increased significantly in comparison with the prior year. This increase is primarily the result of an increase in capital assets related to Grandview Yard and Rail Street. Approximately \$1.4 million of the City's net position, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

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CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

Statement of Activities

The table below provides a comparative analysis of changes in net position for 2018 and 2017:

	<u>Change in Net Position</u>	
<u>Revenues</u>	<u>2018</u>	<u>2017</u>
Program revenues:		
Charges for services	\$ 2,197,737	\$ 2,369,331
Operating grants and contributions	3,730,572	4,700,748
Capital grants and contributions	9,785,142	1,998,313
Total program revenues	<u>15,713,451</u>	<u>9,068,392</u>
General revenues:		
Property and other taxes	3,018,777	3,078,496
Payments in lieu of taxes	6,583,510	3,791,409
Income taxes	15,633,778	14,495,560
Unrestricted grants and entitlements	1,171,391	1,207,044
Investment earnings	267,149	132,437
Insurance Recoveries	20,076	17,949
Miscellaneous	414,268	377,413
Total general revenues	<u>27,108,949</u>	<u>23,100,308</u>
Total revenues	<u>42,822,400</u>	<u>32,168,700</u>
<u>Expenses</u>		
General government	5,091,360	4,436,675
Security of persons and property	7,570,560	6,677,344
Public health and welfare	65,318	59,232
Transportation	3,580,401	2,225,865
Leisure time activities	2,111,851	1,691,330
Utility services	992,590	976,432
Economic development	14,074,363	12,063,274
Interest and fiscal charges	554,301	589,219
Total expenses	<u>34,040,744</u>	<u>28,719,371</u>
Change in net position	8,781,656	3,449,329
Net position at beginning of year, as restated	54,184,426	N/A
Net position at end of year	<u>\$ 62,966,082</u>	<u>\$ 54,184,426</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

Capital grants and contributions increased significantly in comparison with the prior fiscal year. This increase is the result of an increase in contributions made to the City by the developer of the Grandview Yard and Rail Street.

Payments in lieu of taxes increased significantly in comparison with the prior fiscal year. This increase is the result of continued development of the Grandview Yard and increases in tax increment payments.

Economic development expenditures also increased significantly in comparison with the prior fiscal year. This increase is primarily the result of an increase in principal and interest payments to the Grandview Yard debt trustee.

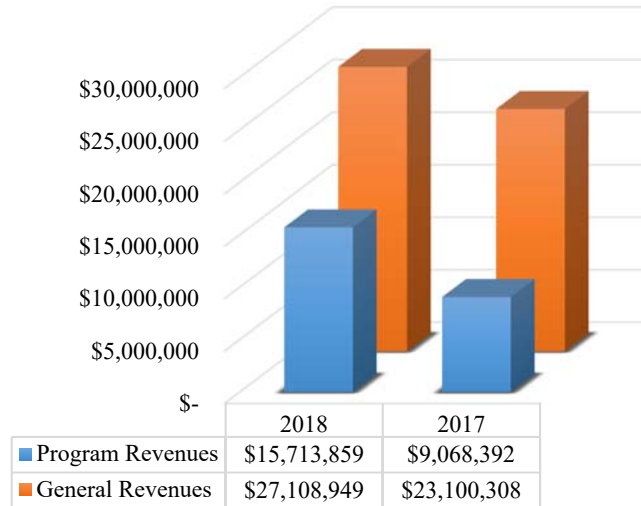
The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2018 and 2017. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As can be seen in the graph below, the City is highly dependent upon property and income taxes as well as unrestricted grants and entitlements to support its governmental activities.

	Total Cost of Services 2018	Net Cost of Services 2018	Total Cost of Services 2017	Net Cost of Services 2017
General government	\$ 5,091,360	\$ 4,343,987	\$ 4,436,675	\$ 3,476,921
Security of persons and property	7,570,560	7,060,166	6,677,344	6,136,544
Public health and welfare	65,318	(115,247)	59,232	(114,419)
Transportation	3,580,401	(6,573,464)	2,225,865	169,467
Leisure time activity	2,111,851	1,556,180	1,691,330	947,568
Utility services	992,590	720,359	976,432	715,481
Economic development	14,074,363	10,781,011	12,063,274	7,730,198
Interest and fiscal charges	554,301	554,301	589,219	589,219
Total program expenses	\$ 34,040,744	\$ 18,327,293	\$ 28,719,371	\$ 19,650,979

The total costs of services for public health and welfare and transportation were covered by program revenues. However, the program revenues related to security of person and property only covered 6.7 percent of the total costs. The expenses for security of persons and property account for 22.2 percent of total expense in 2018.

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

Governmental Activities - General and Program Revenues



General revenues accounted for approximately \$27.1 million, or 63.3 percent of total governmental activities revenue. Program specific revenues accounted for the remaining 36.7 percent, or approximately \$15.7 million.

Financial Analysis of the Government’s Funds

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

Governmental Funds

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

As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$19.3 million, an approximately \$5.7 million increase in comparison with the prior year. Of this amount, approximately \$9.1 million is available for spending at the City’s discretion (unassigned fund balance).

The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2018 and December 31, 2017 for all major and nonmajor governmental funds.

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

	Fund Balance 12/31/2018	Fund Balance 12/31/2017	Increase (Decrease)
General	\$ 10,912,010	\$ 9,541,323	\$ 1,370,687
Grandview Yard TIF	-	-	-
General Improvement	6,450,275	1,254,670	5,195,605
Commerce District Grants	(1,072,797)	-	(1,072,797)
Other Governmental	3,024,309	2,854,457	169,852
Total	<u>\$ 19,313,797</u>	<u>\$ 13,650,450</u>	<u>\$ 5,663,347</u>

The General Fund is the chief operating fund of the City. At the close of the current fiscal year, unassigned fund balance for the general fund was approximately \$10.2 million, or 58.8 percent of general fund expenditures.

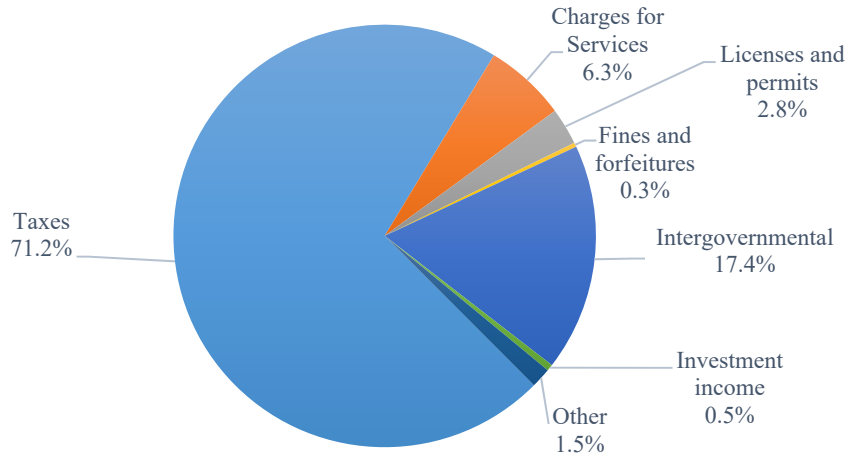
The table that follows assists in illustrating the revenues of the general fund:

<u>Revenues by Source</u>	<u>2018 Amount</u>	<u>2017 Amount</u>
Taxes	\$ 14,686,942	\$ 14,780,058
Charges for services	1,396,894	1,300,872
Licenses and permits	374,957	586,131
Fines and forfeitures	70,600	65,924
Intergovernmental	3,365,334	3,616,384
Investment income	225,541	102,980
Contributions and donations	35,041	30,565
Other	383,477	318,493
Total revenues - general fund	<u>\$ 20,538,786</u>	<u>\$ 20,801,407</u>

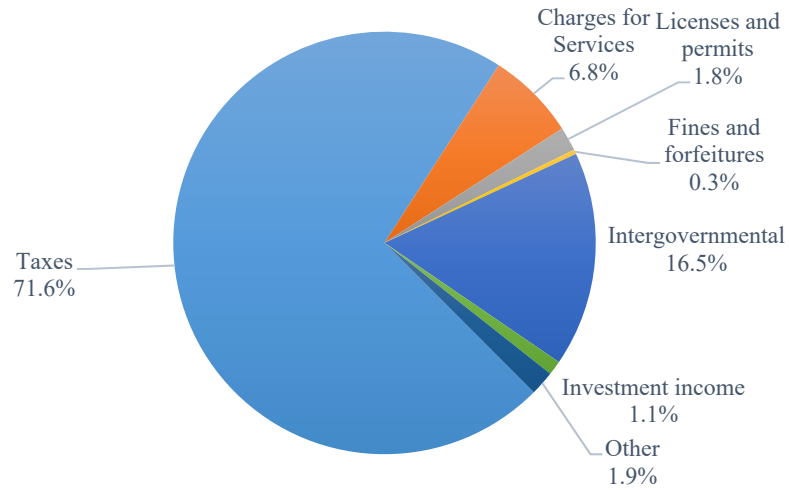
Tax revenue represents 71.5 percent of all general fund revenue. All revenues remained relatively consistent with the prior year.

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

Revenues by Source
December 31, 2017



Revenues
December 31, 2018

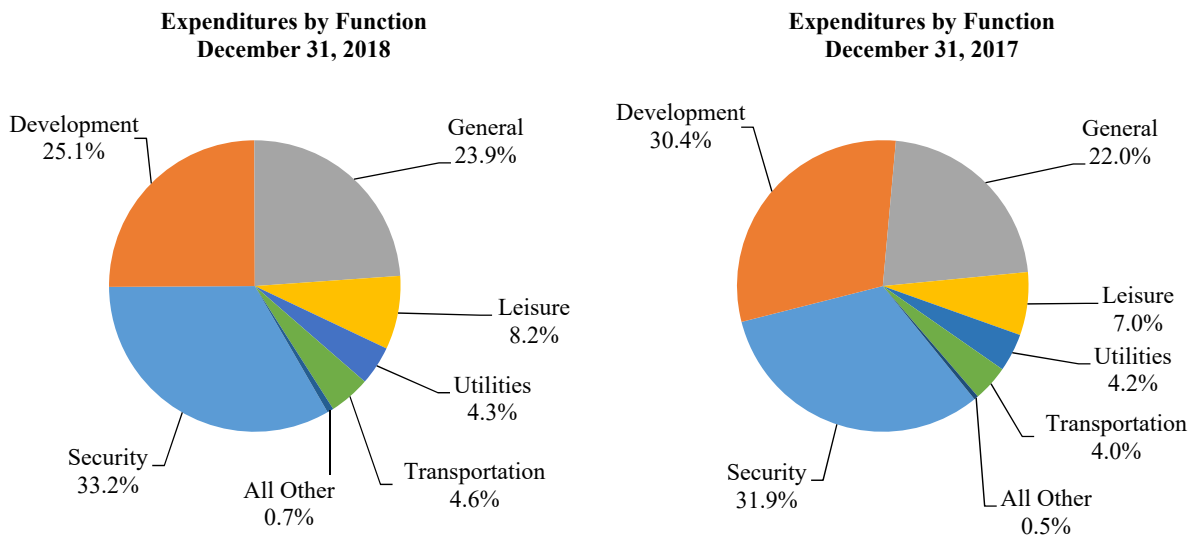


CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

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

<u>Expenditures by Function</u>	<u>2018</u> <u>Amount</u>	<u>2017</u> <u>Amount</u>
General government	\$ 4,138,491	\$ 3,835,747
Security of persons and property	5,745,895	5,548,748
Public health and welfare	65,318	59,232
Transportation	790,614	697,600
Leisure time activities	1,410,162	1,215,683
Economic development	4,330,934	5,294,419
Utility services	751,546	736,441
Capital outlay	55,732	23,620
Total expenditures - general fund	<u>\$ 17,288,692</u>	<u>\$ 17,411,490</u>

General government and security of persons and property expenditures account for approximately \$9.9 million, or 57.2 percent, of total expenditures.



The Grandview Yard TIF Fund was established in 2012 to account for all receipts and disbursements of assigned service and income tax payments in accordance with the Grandview Yard Development Agreement. At year-end, fund balance in the Grandview Yard TIF Fund was \$0.

The General Improvement Fund was established to account for revenues and expenditures for capital improvements. At year-end, fund balance for the General Improvement Fund was approximately \$6.5 million, an increase of approximately \$5.2 million. This increase represents the amount in which income taxes and proceeds from the issuance of bonds exceeded expenditures related to construction and debt service payments.

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

The Commerce District Grants Fund accounts for grants awarded to the City related to the rehabilitation and development of the Grandview Yard, except for the Clean Ohio Remediation Funds. At year-end, fund balance in the Commerce District Grants Fund was negative \$1,072,797, a decrease of approximately \$1.1 million. This decrease represents economic development expenditures.

The fund balance of the City's Other Governmental Funds increased \$169,852 during the year. This increase is primarily the result of property taxes, grant proceeds, and transfers in from the general fund.

Budgeting Highlights - General Fund

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations, which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City'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.

The most significant fund which budgetary information is presented for is the general fund. The original and final budgetary revenues and other financing sources was \$15,309,223. Actual revenues and other financing sources of \$15,972,636 were \$687,852 more than final budgeted revenues and other financing sources. This increase is primarily the result of higher than expected income tax receipts.

Actual expenditures and other financing uses of \$15,496,355 came in \$844,323 lower than the final budgeted amounts of \$16,340,678. The total variance is fairly evenly divided between budget categories and reflects the effects of the administration's expense control measures. The final budgeted expenditures and other financing uses increased \$793,914 from the original budgeted expenditures and other financing uses during the year. This increase is the result of higher than expected transfers out to other funds.

Capital Assets

At the end of 2018, the City had approximately \$89.6 million (net of accumulated depreciation) invested in land, intangibles, land improvements, buildings and improvements, machinery, equipment and furniture, vehicles, and infrastructure, an increase of approximately \$8.6 million in comparison with the prior year. This increase represents the amount in which capital outlays and contributions, totaling approximately \$12.1 million, exceeded net disposals of \$28,772 and depreciation expense of \$3.5 million. The following table shows December 31, 2018 balances compared to December 31, 2017:

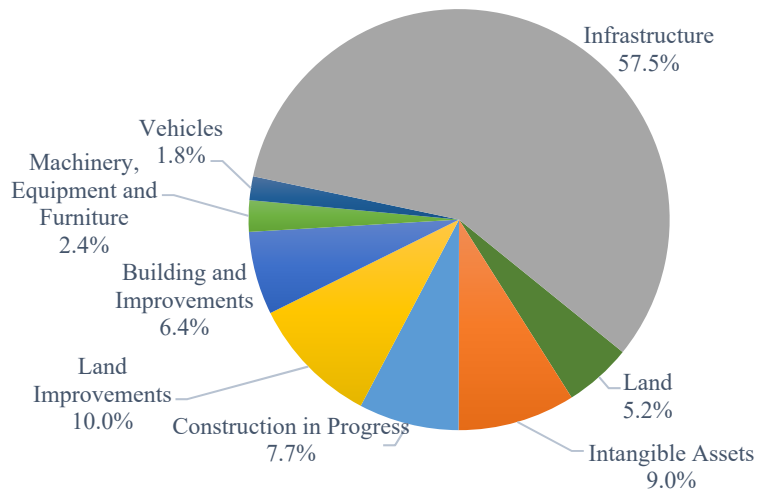
CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

Capital Assets (Net of Depreciation) at December 31

	Governmental Activities	
	2018	Restated 2017
Land	\$ 4,650,797	\$ 4,650,797
Intangible Assets	8,081,023	8,081,023
Construction in Progress - as restated	6,880,302	12,082,476
Land improvements	8,919,638	6,771,196
Buildings and improvements	5,724,621	2,273,378
Machinery, equipment and furniture	2,156,676	1,243,362
Vehicles	1,627,055	1,567,678
Infrastructure	51,537,149	44,344,267
Total capital assets - governmental	<u>\$ 89,577,261</u>	<u>\$ 81,014,177</u>

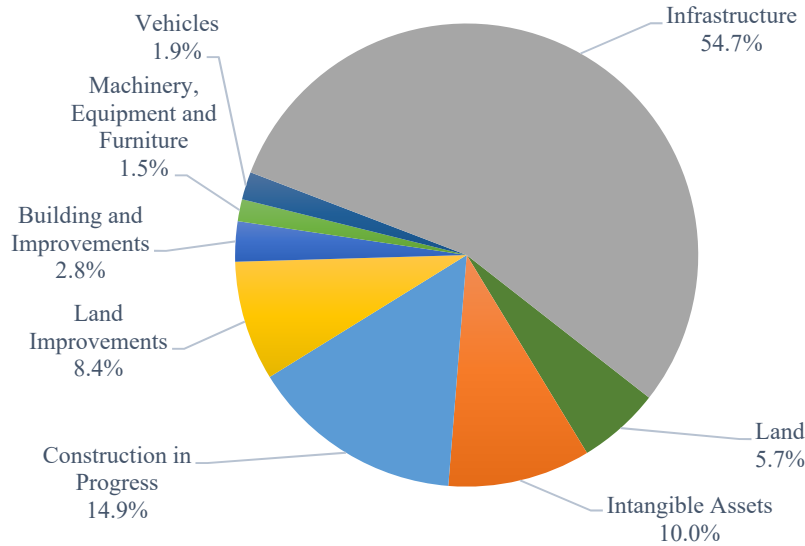
The following graphs show the breakdown of governmental capital assets, net of accumulated depreciation, by category at December 31, 2018 and December 31, 2017. See Note 11 in the notes to the financial statements for more detail on the City's capital assets.

Capital Assets
December 31, 2018



CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

Capital Assets
December 31, 2017



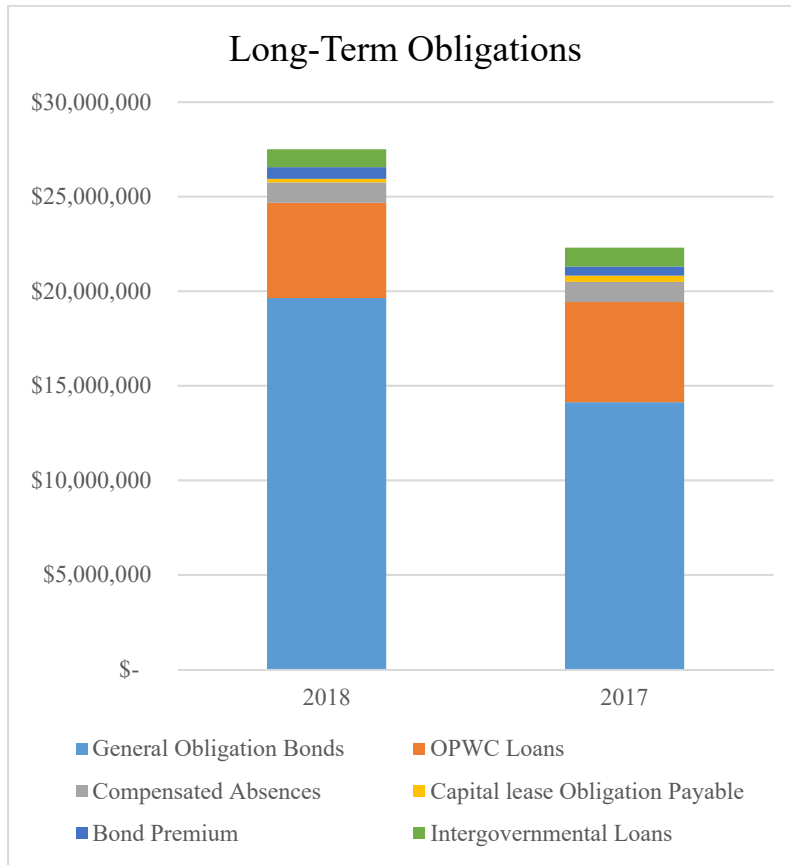
Debt Administration

The City had the following long-term obligations outstanding at December 31, 2018 and December 31, 2017.

	<u>2018</u>	<u>2017</u>
OPWC loans	\$ 5,037,580	\$ 5,299,494
General obligation bonds	19,635,000	14,130,000
Bond premium	617,023	478,830
Capital lease obligation payable	188,803	326,314
Intergovernmental Loan	948,796	1,000,000
Compensated absences	1,080,587	1,066,324
Total long-term obligations	<u>\$ 27,507,789</u>	<u>\$ 22,300,962</u>

A comparison of the long-term obligations at December 31, 2018 versus December 31, 2017 by category is depicted in the chart below. See Note 13 in the notes to the financial statements for more detail on the City's long-term obligations.

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)



Economic Conditions and Outlook

The City has experience significant growth in the past five years both in income tax base and property value. The City’s financial condition remains strong. The City’s General Fund unrestricted cash balance at December 31, 2018, was \$10,163,902, an amount sufficient to cover General Fund expenditures for approximately seven months.

The City’s elected officials considered many factors when establishing the fiscal year 2019 General Fund budget. While income tax revenue continues to increase due to new development, the City remains conservative with revenue estimates. Estimated General Fund revenue for 2019 is \$16.6 Million, an increase from the 2018 estimated revenue of \$15.3 Million.

Due to the favorable General Fund balance the City will continue to improve infrastructure and facilities making up for years when the financial resources were not available for all of the desired projects. Fiscal Year 2019 expenditures approved in the original 2019 Appropriation Ordinance totaled \$16.2 Million, which includes nearly \$1.8 Million in transfers.

CITY OF GRANDVIEW HEIGHTS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information please contact Mr. Robert Dvoraczky, Director of Finance, City of Grandview Heights, 1016 Grandview Avenue, Grandview Heights, Ohio 43212.

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GRANDVIEW HEIGHTS

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The CITY of
GRANDVIEW HEIGHTS

BASIC FINANCIAL STATEMENTS

**CITY OF GRANDVIEW HEIGHTS, OHIO
FRANKLIN COUNTY**

STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2018

	Governmental Activities
Assets	
Equity in pooled cash and investments	\$ 21,896,564
Receivables (net of allowances for uncollectibles):	
Income taxes	3,552,979
Property and other taxes	2,555,694
Payments in lieu of taxes	7,904,950
Accounts	91,717
Accrued interest	17,258
Intergovernmental	1,481,401
Prepayments	182,807
Materials and supplies inventory	8,594
Net Pension Asset	26,219
Capital assets	
Non-depreciable	19,612,122
Depreciable	69,965,139
Total assets	127,295,444
Deferred Outflows of Resources:	
Pension	2,661,722
OPEB	1,442,755
Total deferred outflows of resources	4,104,477
Liabilities	
Accounts payable	4,850,330
Accrued wages and benefits	296,150
Due to other governments	159,017
Retainage payable	63,293
Accrued interest payable	64,091
Long-term liabilities	
Due within one year	1,550,673
Due in more than one year	
Other amounts due in more than one year	25,957,116
Net pension liability	12,791,922
Net OPEB liability	11,087,751
Total liabilities	56,820,343
Deferred Inflows of Resources:	
Property and other local taxes	2,282,352
Payments in lieu of taxes	7,904,950
Pension	1,162,728
OPEB	263,466
Total deferred inflows of resources	11,613,496
Net Position	
Net investment in capital assets	70,689,320
Restricted for:	
Capital projects	796,420
Debt service	131,021
Street construction, maintenance and repairs	260,632
Fire/EMS	14,838
Parks and recreation	85,805
Court computer	5,566
Law enforcement	37,585
Other purposes	82,232
Unrestricted	(9,137,337)
Total net position	\$ 62,966,082

See accompanying notes to the basic financial statements.

**CITY OF GRANDVIEW HEIGHTS, OHIO
FRANKLIN COUNTY**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>		
Governmental activities:						
General government	\$ 5,091,360	\$ 710,869	\$ 36,504	\$ -	\$ (4,343,987)	
Security of persons and property	7,570,560	480,493	26,326	3,575	(7,060,166)	
Public health and welfare	65,318	180,565	-	-	115,247	
Transportation	3,580,401	60,188	312,110	9,781,567	6,573,464	
Leisure time activities	2,111,851	490,895	64,776	-	(1,556,180)	
Utility services	992,590	272,231	-	-	(720,359)	
Economic development	14,074,363	2,496	3,290,856	-	(10,781,011)	
Interest and fiscal charges	554,301	-	-	-	(554,301)	
Total governmental activities	<u>\$ 34,040,744</u>	<u>\$ 2,197,737</u>	<u>\$ 3,730,572</u>	<u>\$ 9,785,142</u>	<u>(18,327,293)</u>	
General Revenues:						
Property taxes levied for:						
General purposes						2,174,486
Police and fire pension						179,148
Parks and recreation improvements						74,637
Hotel and motel taxes						590,506
Payments in lieu of taxes						6,583,510
Income taxes for:						
General purposes						14,852,088
Capital improvements						781,690
Unrestricted grants and entitlements						1,171,391
Investment income						267,149
Insurance recoveries						20,076
Miscellaneous						414,268
Total general revenues						<u>27,108,949</u>
Change in net position						8,781,656
Net position at beginning of year, restated						<u>54,184,426</u>
Net position at end of year						<u>\$ 62,966,082</u>

See accompanying notes to the basic financial statements.

CITY OF GRANDVIEW HEIGHTS, OHIO
FRANKLIN COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2018

	General Fund	Grandview Yard TIF Fund	General Improvement Fund	Commerce District Grants Fund
Assets:				
Equity in pooled cash and investments	\$ 12,089,353	\$ 30,817	\$ 6,644,195	\$ -
Receivables (net of allowances):				
Income taxes	3,375,330	-	177,649	-
Property and other taxes	2,275,203	-	-	-
Payments in lieu of taxes	-	7,904,950	-	-
Accounts	44,213	-	36,051	-
Accrued interest	17,258	-	-	-
Intergovernmental	260,099	7,500	-	1,072,797
Prepayments	178,057	-	4,750	-
Materials and supplies inventory	-	-	-	-
Total assets	<u>\$ 18,239,513</u>	<u>\$ 7,943,267</u>	<u>\$ 6,862,645</u>	<u>\$ 1,072,797</u>
Liabilities:				
Accounts payable	\$ 3,259,755	\$ 30,817	\$ 327,192	\$ 1,072,797
Accrued wages and benefits	296,150	-	-	-
Due to other governments	159,017	-	-	-
Retainage payable	-	-	9,364	-
Total liabilities	<u>3,714,922</u>	<u>30,817</u>	<u>336,556</u>	<u>1,072,797</u>
Deferred Inflows of Resources:				
Property and other local taxes	2,048,206	-	-	-
Payments in lieu of taxes	-	7,904,950	-	-
Unavailable revenue	1,564,375	7,500	75,814	1,072,797
Total deferred inflows of resources	<u>3,612,581</u>	<u>7,912,450</u>	<u>75,814</u>	<u>1,072,797</u>
Fund Balances:				
Nonspendable:				
Inventory	-	-	-	-
Prepays	178,057	-	4,750	-
Unclaimed funds	753	-	-	-
Restricted:				
Capital Projects	-	-	6,445,525	-
Debt Service	-	-	-	-
Street construction, maintenance and repairs	-	-	-	-
Fire/EMS	-	-	-	-
Parks and recreation	-	-	-	-
Court computer	-	-	-	-
Law enforcement	-	-	-	-
Other purposes	-	-	-	-
Committed:				
Capital projects	-	-	-	-
Accrued leave payments	58,201	-	-	-
Assigned:				
Community events	48,173	-	-	-
General government	257,235	-	-	-
Security of Persons and Property	39,093	-	-	-
Transportation	106,365	-	-	-
Leisure Time Activities	39,506	-	-	-
Utility Services	11,312	-	-	-
Capital Outlay	9,413	-	-	-
Unassigned	10,163,902	-	-	(1,072,797)
Total fund balances	<u>10,912,010</u>	<u>-</u>	<u>6,450,275</u>	<u>(1,072,797)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,239,513</u>	<u>\$ 7,943,267</u>	<u>\$ 6,862,645</u>	<u>\$ 1,072,797</u>

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 3,132,199	\$ 21,896,564
-	3,552,979
280,491	2,555,694
-	7,904,950
11,453	91,717
-	17,258
141,005	1,481,401
-	182,807
8,594	8,594
<u>\$ 3,573,742</u>	<u>\$ 37,691,964</u>
\$ 159,769	\$ 4,850,330
-	296,150
-	159,017
53,929	63,293
<u>213,698</u>	<u>5,368,790</u>
234,146	2,282,352
-	7,904,950
101,589	2,822,075
<u>335,735</u>	<u>13,009,377</u>
8,594	8,594
-	182,807
-	753
519,622	6,965,147
123,521	123,521
1,519,858	1,519,858
7,557	7,557
77,093	77,093
5,566	5,566
30,304	30,304
23,644	23,644
708,550	708,550
-	58,201
-	48,173
-	257,235
-	39,093
-	106,365
-	39,506
-	11,312
-	9,413
-	9,091,105
<u>3,024,309</u>	<u>19,313,797</u>
<u>\$ 3,573,742</u>	<u>\$ 37,691,964</u>

See accompanying notes to the basic financial statements.



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GRANDVIEW HEIGHTS

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**CITY OF GRANDVIEW HEIGHTS, OHIO
FRANKLIN COUNTY**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2018

Total Governmental Fund Balances	\$ 19,313,797
<i>Amounts reported for governmental activities in the statement of net position are different due to the following :</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	89,577,261
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	
Income taxes receivable	1,348,272
Property taxes receivable	49,650
Intergovernmental receivable	1,391,952
Accounts receivable - ambulance	27,545
Interest receivable	4,656
In the statement of activities interest is accrued on outstanding loans payable, whereas in governmental funds, interest expenditures are reported when due.	(64,091)
The net pension/OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
Deferred outflows - pension	2,661,722
Deferred outflows - OPEB	1,442,755
Deferred inflows - pension	(1,162,728)
Deferred inflows - OPEB	(263,466)
Net pension asset	26,219
Net pension liability	(12,791,922)
Net OPEB liability	(11,087,751)
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 payable	(1,080,587)
General obligation debt	(26,238,399)
Capital leases payable	(188,803)
Net Position of Governmental Activities	<u><u>\$ 62,966,082</u></u>

See accompanying notes to the basic financial statements.

CITY OF GRANDVIEW HEIGHTS, OHIO
FRANKLIN COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	General Fund	Grandview Yard TIF Fund	General Improvement Fund
Revenues:			
Municipal income taxes	\$ 12,347,417	\$ 2,030,154	\$ 756,714
Property and other taxes	2,339,525	-	-
Payments in lieu of taxes	-	6,583,510	-
Charges for services	1,396,894	-	125,432
Licenses and permits	374,957	-	-
Fines and forfeitures	70,600	-	-
Intergovernmental	3,365,334	12,153	-
Investment income	225,541	-	18,675
Contributions and donations	35,041	-	-
Other	383,477	-	11,320
Total revenues	<u>20,538,786</u>	<u>8,625,817</u>	<u>912,141</u>
Expenditures:			
Current:			
General government	4,138,491	-	607,492
Security of persons and property	5,745,895	-	-
Public health and welfare	65,318	-	-
Transportation	790,614	-	-
Leisure time activities	1,410,162	-	-
Utility services	751,546	-	-
Economic development	4,330,934	8,625,817	-
Capital outlay	55,732	-	1,286,980
Debt service:			
Principal retirement	-	-	137,511
Interest and fiscal charges	-	-	6,560
Bond issuance costs	-	-	-
Total expenditures	<u>17,288,692</u>	<u>8,625,817</u>	<u>2,038,543</u>
Excess (deficiency) of revenues over (under) expenditures	3,250,094	-	(1,126,402)
Other Financing Sources (Uses):			
Sale of capital assets	1,517	-	19,007
Insurance recoveries	20,076	-	-
Issuance of bond	-	-	5,896,000
Premium on bond issuance	-	-	-
Transfers in	-	-	407,000
Transfers out	(1,901,000)	-	-
Total other financing sources (uses)	<u>(1,879,407)</u>	<u>-</u>	<u>6,322,007</u>
Net change in fund balances	1,370,687	-	5,195,605
Fund balance at beginning of year	9,541,323	-	1,254,670
Fund balance at end of year	<u>\$ 10,912,010</u>	<u>\$ -</u>	<u>\$ 6,450,275</u>

See accompanying notes to the basic financial statements.

Commerce District Grants Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 15,134,285
-	696,942	3,036,467
-	-	6,583,510
-	238,065	1,760,391
-	-	374,957
-	6,642	77,242
-	379,417	3,756,904
-	22,066	266,282
-	60,931	95,972
-	1,102	395,899
-	1,405,165	31,481,909
-	199,165	4,945,148
-	210,276	5,956,171
-	-	65,318
-	168,346	958,960
-	55,704	1,465,866
-	32,086	783,632
1,072,797	-	14,029,548
-	966,751	2,309,463
-	808,118	945,629
-	411,881	418,441
-	139,444	139,444
1,072,797	2,991,771	32,017,620
(1,072,797)	(1,586,606)	(535,711)
-	-	20,524
-	-	20,076
-	104,000	6,000,000
-	158,458	158,458
-	1,494,000	1,901,000
-	-	(1,901,000)
-	1,756,458	6,199,058
(1,072,797)	169,852	5,663,347
-	2,854,457	13,650,450
\$ (1,072,797)	\$ 3,024,309	\$ 19,313,797

See accompanying notes to the basic financial statements.

**CITY OF GRANDVIEW HEIGHTS, OHIO
FRANKLIN COUNTY**

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Net Change in Fund Balances - Total Governmental Funds	\$ 5,663,347
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital outlays	2,360,108
Depreciation expense	(3,509,592)
The effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations and disposals) is to increase net position.	
Loss on disposal	(28,772)
Contributions and donations	9,741,340
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
	1,558,551
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension	1,152,812
OPEB	17,502
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	
	(2,003,958)
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities.	
	(946,174)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Repayment of debt	945,629
Issuance of bond	(6,000,000)
Bond premium	(158,458)
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Amortization of premium on bonds	20,265
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Compensated absences	(14,263)
Accrued interest	(16,681)
Change in Net Position of Governmental Activities	<u>\$ 8,781,656</u>

See accompanying notes to the basic financial statements.

**CITY OF GRANDVIEW HEIGHTS, OHIO
FRANKLIN COUNTY**

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
AS OF DECEMBER 31, 2018

	Agency Funds
Assets	
Cash in segregated accounts	\$ 186,463
Income taxes receivable	501,686
Total assets	<u>\$ 688,149</u>
Liabilities	
Due to others	\$ 688,149
Total liabilities	<u>\$ 688,149</u>

See accompanying notes to the basic financial statements.



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CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 1 – REPORTING ENTITY

The City of Grandview Heights, Franklin County, Ohio, (the “City”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The City is a home rule municipal corporation established under the laws of the State of Ohio that operates under its own Charter. The current Charter, which provides for a mayor-council-administrator form of government, was adopted by the electorate March 7, 2000 and became effective July 1, 2000. It replaced the original Charter, which was adopted by the electorate July 28, 1931 and became effective January 1, 1932. The City provides the following services to its residents: public safety, public service, parks and recreation, and building and zoning. The City is also responsible for the construction, maintenance and repairs associated with the water and sewer lines, while the City of Columbus provides water and sewer treatment services. City Council and the Mayor have direct responsibility for these activities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Reporting Entity

For financial reporting purposes, the City’s basic financial statements include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization’s Governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s basic financial statements to be misleading or incomplete. Based on these criteria, the City has no component units.

The City provides various services including police and fire protection, emergency medical, recreation (including parks), planning, zoning, street maintenance and repair, trash removal, and general administrative services. The operation of each of these activities is directly controlled by the Council through the budgetary process. None of these services are provided by a legally separate organization; therefore, these operations are included in the primary government. Additionally, the Grandview Heights Mayor's Court and the Clinton-Grandview Heights Joint Economic Development Zone (JEDZ) have been included in the City's financial statements as agency funds. The Mayor is an elected City official who has a fiduciary responsibility for the collection and distribution of court fees and fines, and the City Finance Director is the fiscal agent for the Clinton-Grandview Heights JEDZ.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Based on the foregoing criteria, the financial activities of the following organizations have been reflected in the accompanying financial statements as follows:

JOINTLY GOVERNED ORGANIZATIONS

Franklin County General Health District: The Franklin County General Health District (the “District”) provides health services to citizens within the County, including the City. The Board of Health, with representatives from throughout the County, oversees the operation of the District. The City contributed \$60,312 during 2018 for the operation of the District. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority and the County Auditor and Treasurer serve as fiscal officers.

Mid-Ohio Regional Planning Commission: The Mid-Ohio Regional Planning Commission (MORPC) provides innovative solutions to 48 local governments. The City contributed \$4,362 to MORPC during 2018. The City does not have any financial interest in or responsibility for the Commission. The Board of MORPC is made up of representatives from its participating governments. The City had a council member serve on the Board in 2018.

Clinton-Grandview Heights Joint Economic Development Zone: The City and Clinton Township (Township) entered into a Contract to establish the Clinton- Grandview Heights Joint Economic Development Zone (JEDZ) to facilitate new and expanded growth for commercial and economic development in the State. The agreement became effective March 17, 2014, and will terminate on December 31, 2043, with an automatic renewal to terminate simultaneously with the JEDZ Contract if the JEDZ Contract is renewed by the Township and the City. The JEDZ is administered by a six-member Board consisting of three members appointed by the City and three members appointed by the Township for a term of two years. The JEDZ may sue and be sued, and has the power to enter into contracts for the provision of services within the JEDZ. The Board is allocated 2 percent of the net revenues for services and obligations each calendar year. The Board has entered into an Income Tax Agreement with the City to administer and collect the income tax on behalf of the JEDZ (see Note 8 for detail). Upon the termination or nonrenewal of this Contract, the JEDZ Board shall continue to exist for the sole purpose of winding up the business affairs of the JEDZ, collecting outstanding JEDZ income tax, and liquidating any property and assets of the JEDZ. Upon dissolution, funds and assets remaining will be divided 80 percent to the City and 20 percent to the Township.

(b) Basis of Presentation - Fund Accounting

The City’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental 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.

(c) Fund Accounting

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

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

General Fund - This fund accounts for all financial resources except those required to be accounted for in another fund.

Grandview Yard Tax Increment Equivalent (TIF) Fund - This fund accounts for all receipts and disbursements of assigned service and payments in lieu of taxes in accordance with the Grandview Yard Development Agreement.

General Improvement Fund - This fund accounts for revenues and expenditures for capital improvements.

Commerce District Grants Fund- This fund accounts for grants awarded to the City related to the rehabilitation and development of the Grandview Yard, except for Clean Ohio Remediation Funds.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other governmental funds of the City are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities; and (c) grants and other resources whose use is restricted to a particular purpose.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds are agency funds used to account for the Mayor's Court and the Clinton-Grandview Heights JEDZ.

(d) Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the 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 City are included on the statement of 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, deferred outflows of resources, liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds.

(e) 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. Agency funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unavailable revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days of year end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, payment in lieu of tax, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income tax, State-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), fines and forfeitures, licenses and permits and charges for services.

Deferred Outflows/Inflows of Resources - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pensions and other postemployment benefits (OPEB). The deferred outflows of resources related to pension and OPEB are explained in Notes 16 and 17.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, other postemployment benefits (OPEB) and unavailable revenue. Property taxes and payments lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, grants and entitlements, and other revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide Statement of Net Position (See Notes 16 and 17).

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

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

(f) Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. For all funds, Council appropriations are made at the object level within each department. This is known as the legal level of budgetary control. Budgetary modifications may only be made by resolution of the City Council at the legal level of budgetary control. All funds, other than the agency fund, are legally required to be budgeted and appropriated.

Tax Budget - Alternative tax budget information of estimated revenue and expenditures for all funds is submitted to the Franklin County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources.

The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include encumbrances and cash balances at December 31 of the preceding year. The certificate may be further amended during the year if the City Director of Finance determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statement reflect the amounts in the original and final amended official certificate of estimated resources issued during 2018.

Appropriations - A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the object level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The appropriations for a fund may only be modified during the year by an ordinance of Council. The amounts on the budgetary statement reflect the original and final appropriation amounts, including all amendments and modifications legally enacted by Council.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbrances are carried forward and are not reappropriated as part of the subsequent year appropriations.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Cash and Investments

Except for cash in segregated accounts, cash balances of the City's funds are pooled and invested in investments maturing within five years in order to provide improved cash management. Individual fund integrity is maintained through City records. Each fund's interest in the pooled bank account is presented as "equity in pooled cash and investments" on the financial statements.

During 2018, investments were limited to negotiable certificates of deposit, federal agency securities, and STAR Ohio. Negotiable certificates of deposit and federal agency securities are reported at fair value which is based on quoted market prices.

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

For the fiscal year 2018, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal year 2018 amounted to \$225,541 which includes \$82,564 assigned from the non-major special revenue funds.

The City has segregated bank accounts for the Mayor's Court and the Clinton-Grandview Heights JEDZ monies held separate from the City's central bank account. These interest-bearing depository accounts are presented in the financial statements as "cash in segregated accounts" since they are not required to be deposited into the City treasury. For purpose of presentation on the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered cash equivalents. Investments with an initial maturity of more than three months are reported as investments. An analysis of the City's investment account at year end is provided in Note 3.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Capital Assets

These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the governmental fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000 for land improvements, \$10,000 for buildings and improvements, \$2,500 for equipment and vehicles and \$15,000 for infrastructure. The City has determined all land will be capitalized regardless of the dollar amount. The City’s infrastructure consists of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. 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.

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

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	15 - 20 years
Buildings and improvements	10 - 50 years
Machinery and equipment	3 - 20 years
Vehicles	6 - 15 years
Infrastructure	20 - 75 years

(i) Compensated Absences

The liability for compensated absences is based on the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”. Vacation benefits and compensatory time are accrued as liabilities as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31, 2018 by those employees who are currently eligible to receive termination (severance) payments, as well as, the sick leave accumulated by those employees expected to become eligible to receive termination (severance) benefits in the future.

The total liability for vacation, compensatory time and sick leave payments has been calculated using pay rates in effect at the balance sheet date and reduced to the maximum payment allowed by city ordinance and/or policy, plus applicable additional salary related payments.

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

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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

(k) Inventories of Materials and Supplies

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

In the governmental funds, inventories are offset by a nonspendable fund balance account to indicate that they do not constitute available financial resources and therefore are not available for appropriation.

Inventory consists of expendable supplies held for consumption.

(l) Prepaid Items

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

(m) Interfund Activity

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

(n) Pensions/Other Postemployment Benefits (OPEB)

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

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Fund Balance

GASB Statement No. 54, *Fund Balance Reporting* became effective for years beginning after June 15, 2010. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

In accordance with this guidance, the City classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The City may use the following categories:

Nonspendable - resources that are not in a spendable form (inventory, prepaids, and advances) or have legal or contractual requirements to maintain the balance intact (unclaimed funds).

Restricted - resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed - resources that can be used only for specific purposes pursuant to constraints imposed by formal action (resolution) of the City's highest level of decision-making authority (City Council).

Assigned - resources that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. This includes the residual balance of all governmental funds other than the General Fund that were not classified elsewhere above. Assigned amounts represent intended uses established by City Council.

Unassigned - residual fund balance within the General Fund not classified elsewhere above and all other governmental fund balances which have a negative fund balance.

The City applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted fund balance/net position are available. The City considers committed, assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

(p) Estimates

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

(q) Contributed Capital

Contributions of capital arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as program revenue in the statement of activities.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Extraordinary and Special Items

Extraordinary items or transactions of events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City administration and are either unusual in nature or infrequent in occurrence. The City had no extraordinary or special items during the fiscal year.

(s) Net Position

Net position represents the difference between assets, liabilities, and deferred inflows/outflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The net position restricted for other purposes primarily represents monies restricted for the Grandview Center improvements.

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

NOTE 3 – DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury 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, and Government National Mortgage Association.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

The City may also invest any monies not required to be used for a period of six months or more in (1) Bonds of the State of Ohio; (2) Bonds of any municipal corporation, village, county, township, or other political subdivision of this state, as to which there is no default of principal, interest or coupons; and, (3) Obligations of the City.

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Director of Finance, 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 City had \$1,000 in undeposited cash on hand which is included on the financial statements of the City as part of "equity in pooled cash and investments".

(b) Cash in Segregated Accounts

At year end, the City had \$2,950 and \$183,513 deposited with financial institutions for monies related to the Mayor's Court and the Clinton-Grandview Heights JEDZ, respectively, which are reported as agency funds. This amount was covered by the FDIC and is included in the City's depository balance detailed in Note 3.C.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

(c) Deposits with Financial Institutions

At December 31, 2018, the carrying amount of all City deposits was \$1,768,863 and the bank balance was \$2,004,402. Of the City’s bank balance, \$694,720 was covered by the Federal Deposit Insurance Corporation (FDIC) and the remaining was uninsured and collateralized. The City’s financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System. In addition, as noted above, the City held \$1,000 in petty cash at year-end.

Custodial credit risk is the risk that, in the event of bank failure, the City’s deposits may not be returned. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute. Ohio law requires that deposits either be insured or be protected by:

1. Eligible securities pledged to the District 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 rate set by the Treasurer of State.

(d) Investments

As of December 31, 2018, the City had the following investments and maturities:

Investment Type	Amount	Investment Maturities		
		1 year or less	1 to 3 years	Greater than 3 years
Negotiable CD's	\$ 2,935,549	\$ 1,040,680	\$ 1,573,983	\$ 320,886
GNMA	66	-	-	66
STAR Ohio	17,377,549	17,377,549	-	-
Total	\$ 20,313,164	\$ 18,418,229	\$ 1,573,983	\$ 320,952

The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. The City measures all other investments at fair value. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the City’s investments reported at fair value are valued using quoted market prices (Level 1 inputs).

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the City’s investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The City’s investments in negotiable certificates of deposit are not rated. The City’s investment in federal agency securities is rated AAA by Standard & Poor’s. The City’s investment in STAR Ohio is rated AAAm by Standard & Poor’s. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2018:

<u>Investment Type</u>	<u>Amount</u>	<u>% of Total</u>
Negotiable CD's	\$ 2,935,549	14.45%
GNMA	66	0.00%
STAR Ohio	17,377,549	85.55%
Total	<u>\$ 20,313,164</u>	<u>100%</u>

(e) Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2018:

Cash and Investments Per Note

Carrying Amount of Deposits	\$ 1,768,863
Investments	20,313,164
Cash on Hand	1,000
Total	<u>\$ 22,083,027</u>

Cash and Investments Per Statements of Net Position

Governmental Activities	\$ 21,896,564
Agency Funds	186,463
Total	<u>\$ 22,083,027</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 4 – INTERFUND BALANCES AND TRANSFERS

(a) Interfund Balances

Interfund balances at December 31, 2018 as reported on the Governmental Funds Balance Sheet, consist of the following individual interfund loans receivable and payable:

<u>Fund</u>	<u>Beginning Balance</u>	<u>New Advances</u>	<u>Advance Repayments</u>	<u>Ending Balance</u>
General	\$ -	\$ 3,575	\$ (3,575)	\$ -
Fire EMS Grant	-	(3,575)	3,575	-

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received. These interfund balances were repaid once the anticipated revenues were received.

Interfund balances are expected to be repaid within one year. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

(b) Interfund Transfers

A schedule of interfund transfers during the year is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 1,901,000
Street Maintenance & Repair	491,000	-
Parks & Recreation Improvements	418,000	-
Safe Routes to School	68,000	-
General Improvement	407,000	-
Debt Service	517,000	-
Total Transfers	<u>\$ 1,901,000</u>	<u>\$ 1,901,000</u>

Transfers are used to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in accordance with Ohio Revised Code.

NOTE 5 – RECEIVABLES

Receivables at December 31, 2018 consisted of income taxes, real and other taxes, payments in lieu of taxes, accounts (billings for user charged services), accrued interest and intergovernmental receivables arising from grants, entitlements, and shared revenue. Receivables have been recorded to the extent that they are measurable at December 31, 2018.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 5 – RECEIVABLES (Continued)

A summary of the items of receivables reported on the statement of net position follows:

Governmental Activities:

Income taxes	\$ 3,552,989
Property and other local taxes	2,555,694
Payment in lieu of taxes	7,904,950
Accounts	91,717
Accrued Interest	17,258
Intergovernmental	1,481,401

Receivables have been separately identified on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

NOTE 6 – PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be 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 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. 2018 public utility property taxes became a lien December 31, 2017, are levied after October 1, 2018, 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 County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2018 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unavailable revenue since the current taxes were not levied to finance 2018 operations and the collection of delinquent taxes has been offset by unavailable revenue 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.

The full tax rate for all City operations for the year ended December 31, 2018 was \$10.15 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2018 property tax receipts were based were \$330,675,490 and \$10,515,830, respectively.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 7 – LOCAL INCOME TAXES

The City's primary revenue source is a local income tax on residents and on Grandview-based businesses and their employees working in the City. Residents voted in May 2005 to approve a temporary increase in the City's income tax rate from 2.0% to 2.5%. The temporary tax increase began to sunset in 2009 as voted, and a 2.25% rate was in effect for calendar year 2009. In May 2010, taxpayers voted to increase the income tax rate to 2.5% as of July 1, 2010. This rate change in conjunction with ongoing economic development effort is a strong step forward for the City. Residents of the City are granted a credit of 100% for taxes paid to other municipalities, not to exceed a maximum of 2.50% of earnings.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a final return annually. The Regional Income Tax Agency (RITA) administers and collects income taxes for the City. Payments, net of a 3% collection fee, are remitted monthly for tax revenues received by RITA in the prior month.

Income tax revenue is credited to the General fund, Grandview Yard TIF fund, and General Improvement fund and totaled \$12,347,417, \$2,030,154, and \$756,714 in 2018, respectively.

NOTE 8 – JOINT ECONOMIC DEVELOPMENT ZONE REVENUES

The City receives intergovernmental revenue from the Clinton-Grandview Height Joint Economic Development Zone (JEDZ). The Clinton-Grandview Heights JEDZ has adopted a current income tax rate of 2.5 percent, which is equal to the rate being levied by the City. The Clinton-Grandview Heights JEDZ is required to pay RITA a collection fee equal to 3% of gross revenues and the City an administration and collection fee equal to 2% of gross revenues. In addition, the Clinton-Grandview Heights JEDZ agrees to reimburse the City for any reasonable and necessary costs. The remaining net revenues will be allocated as follows: 10 percent to the Township and 90 percent to the City. The 90 percent allocated to the City will be allocated as follows: 77.78 percent to the Township and 22.22 percent to the City.

Administration and collection fees received by the City during the year totaled \$67,008 and intergovernmental revenue credited to the City's General Fund totaled \$2,826,442, of which \$2,198,406 was expended to Clinton Township.

NOTE 9 – GRANDVIEW YARD FINANCING AND DEVELOPMENT

The City, pursuant to the Ohio Revised Code and City ordinances, has established a Tax Increment Financing (TIF) District for the Grandview Yard site. A TIF District represents a geographic area wherein property values created after the commencement date of the TIF District are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as "payments in lieu of taxes (PILOT)", as though the TIF District had not been established.

These "PILOTS" are then dedicated to the payments for various public improvements within or adjacent to the TIF District. Property values existing before the commencement date of a TIF District continue to be subjected to property taxes.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 9 – GRANDVIEW YARD FINANCING AND DEVELOPMENT (Continued)

The TIF District has a longevity of the shorter period of 30 years or until the public improvements are paid for. The property tax exemption then ceases; PILOT’s cease and property taxes then apply to the increased property values. In exchange for approving this tax exemption, the City entered into an agreement with the Grandview Heights City School District to compensate for a portion of lost property tax revenue. These payments are to be made from the service payments received in lieu of property taxes.

On December 1, 2009, the City entered into a Cooperative Agreement with the Columbus-Franklin County Finance Authority (the “Issuer”) and NRI Equity Land Investments, LLC (the “Developer”), to finance and develop the Grandview Yard. Pursuant to the Cooperative Agreement, as amended, the Issuer has agreed to issue bonds up to an amount not to exceed \$145 million to finance costs of the public improvements and has appointed the Developer as its construction agent for the construction of the improvements. The public improvements generally consist of:

1. The construction of one or more surface parking lots or parking structures and related improvements, together with all appurtenances thereto;
2. The construction, reconstruction, extension, opening, improving, widening, grading, draining, curbing or changing of the lines and traffic patterns of roads, highways, streets, railways, bridges (including roadway, railway and pedestrian), existing roadways adjacent to and providing ingress and egress to the TIF Site or to the Grandview Yard Site, sidewalks, bikeways, medians and viaducts and providing lighting systems along with all other appurtenances therefore;
3. The construction or reconstruction of one or more public green spaces, including grading, trees, plantings, park accessories and related improvements, together with all appurtenances thereto;
4. The construction or installation of streetscape improvements including trees, tree grates, curbs, sidewalks, street and sidewalk lighting, trash receptacles, benches, newspaper racks, burial of overhead utility lines and related improvements, together with all appurtenances, thereto; design and traffic studies preliminary to the foregoing;
5. Designing, engineering, constructing, and improving the new infrastructure for electric, gas, telephone, and cable services, including aid to construction fees for gas, aid to construction fees for electric, with related site improvements and appurtenances thereto; and
6. The acquisition of real estate or interests in real estate, including right-of-ways, necessary to accomplish the improvements enumerated in numbers 2 through 5, above.

Cost estimates for these public improvements are as follows:

	Cost Estimate
Public improvements within the Grandview Yard Site	\$ 48,000,000
Public improvements - offsite	31,000,000
Parking structures	62,500,000
Right-of-way acquisition	12,500,000
Green space and other public improvements	4,000,000
Total public improvements	\$ 158,000,000

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 9 – GRANDVIEW YARD FINANCING AND DEVELOPMENT (Continued)

The estimated costs, above, include approximately \$14.8 million in public improvements related to a Tax Increment Financing District established by the City of Columbus related to the Third Avenue Widening Project (\$1.3 million), public infrastructure improvements in the Third Avenue/Olentangy River Road Corridor (\$11 million) and Third Avenue storm sewer improvements (\$2.5 million). The City of Columbus has consented to the issuance of bonds and has pledged service payments and property tax rollback payments to pay the costs of said improvements.

All other estimated costs relate to the City's TIF District. The City has also consented to the issuance of bonds and has pledged and assigned to the Issuer available income taxes generated by the Grandview Yard Site and Urban Renewal and TIF service payments (payments in lieu of property taxes) generated by the improvements. Assigned income taxes will continue to be pledged until the earlier of the date in which the debt service is paid in full or December 31, 2054 and assigned service payments will continue to be pledged until the earlier of date in which the debt service is paid in full or December 31, 2059.

On December 22, 2009, the Issuer issued \$12 million in Public Infrastructure TIF and Income Tax Revenue Bonds (Series 2009A) to finance Phase 1a and 1b of the Grandview Yard Project. The bonds bear an interest rate of 6.02% payable on June 1 and December 1 of each year. The bonds are subject to mandatory redemption, in whole or in part, on each interest payment date from assigned funds. Unless otherwise retired by earlier redemption, the bonds mature, together with interest on the unpaid principal balance thereof on December 21, 2039.

On July 23, 2014, the Issuer issued \$107 million in Public Infrastructure Revenue Obligation TIF and Income Tax Revenue Bonds (Series 2014A) to finance infrastructure improvements for the remaining phases of the Grandview Yard development. The bonds bear an interest rate of 6.17% payable on June 1 and December 1 of each year. The bonds are subject to mandatory redemption, in whole or in part, on each interest payment date from assigned funds. Unless otherwise retired by earlier redemptions, the bonds mature, together with interest on the unpaid principal balance thereof on July 23, 2044.

On August 28, 2017, the Issuer issued \$14.7 million in Public Infrastructure Revenue Obligation TIF and Income Tax Revenue Bonds (Series 2017A) to finance infrastructure improvements for the remaining phases of the Grandview Yard development. The bonds bear an interest rate of 4.84% payable on June 1 and December 1 of each year. The bonds are subject to mandatory redemption, in whole or in part, on each interest payment date from assigned funds. Unless otherwise retired by earlier redemptions, the bonds mature, together with interest on the unpaid principal balance thereof on August 28, 2047.

On May 30, 2018, the Issuer issued \$14.5 million in Public Infrastructure Revenue Obligation TIF and Income Tax Revenue Bonds (Series 2018A) to finance infrastructure improvements for the remaining phases of the Grandview Yard development. The bonds bear an interest rate of 5.49% payable on June 1 and December 1 of each year. The bonds are subject to mandatory redemption, in whole or in part, on each interest payment date from assigned funds. Unless otherwise retired by earlier redemptions, the bonds mature, together with interest on the unpaid principal balance thereof on December 31, 2047.

During 2018, the City received \$6,583,510 in PILOT revenue and \$12,153 in Homestead and Rollback related to the TIF District, of which \$1,084,992 was paid to the Grandview Heights City School District, \$5,386,242 was distributed to the Issuer for principal and interest payments, \$14,306 was distributed to the Grandview Public Library and \$110,123 was deducted by Franklin County for Auditor and Treasurer fees and refunds.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 9 – GRANDVIEW YARD FINANCING AND DEVELOPMENT (Continued)

The City has paid \$9,928,035 and \$3,919,380 in PILOTS and Income Tax, respectively, to the Debt Trustee as of December 31, 2018.

NOTE 10 – TAX ABATEMENTS

Economic Development Incentive Program

Description – Under the authority of Ordinance 2004-32, City Code Chapter 159 and City Code Section 181.131 / 183.03 (F)(9), the City established its Economic Development Incentive Program in 2004 to foster the growth, development and maintenance of economic activities within the City for the purpose of retaining and creating jobs and employment opportunities and improving the economic welfare of the City. The specific tax being abated is the income tax, which is rebated by the City via check. For this abatement, no intergovernmental revenue is related and the agreements will not be disclosed individually since there are currently 28 active agreements. Also, the City will not be disclosing individual company tax incentive payments pursuant to ORC 718.13.

The gross dollar amount for this abatement during 2018 is \$2,500,000. This is payable as of year-end.

Requirements for Eligibility – In order for a recipient to be eligible to receive this tax abatement, the following requirements must be met:

1. The business entity’s project is economically sound and will benefit the people of the community by increasing opportunities for employment and strengthening the economy of the community.
2. The business entity will effectively maximize or commit to maximize the density of employment at one or more of the community’s vacant or under-utilized buildings.
3. Application for the inducement is made before the business entity purchases or improves a property under consideration for an inducement, and receiving the inducement is a major factor in the business entity’s decision to go forward with the project.
4. The project will not result in unanticipated and unfunded public service needs.
5. The site from which the employment positions would be relocated is inadequate to meet market and industry conditions, expansion plans, consolidation plans, or business considerations affecting the business entity.
6. The legislative authority of the county, township or municipal corporation from which the employment positions would be relocated has been notified of the proposed relocation.

Recipient Commitment – The company is committed to increasing the City’s income tax revenue by expanding operations with the City or relocating to the City.

Provisions for recapturing abated taxes – Companies may be required to refund to the City all or part of the credits received pursuant to the agreement.

Other City Commitments – For the Grandview Yard properties, beginning in 2014, the City has also pledged an amount equal to 25 percent of net income tax from the Grandview Yard businesses for payment of debt service on TIF bonds. This percentage increased to 45 percent for 2018-2022, and then to 55 percent until the bonds are paid off.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 10 – TAX ABATEMENTS (Continued)

Grandview Heights CRA

Description – Under the authority of ORC 3735.65 – 3735.70 called “Grandview Heights CRA” the City implemented a community reinvestment area program in 1998. Further in 2010, the City implemented a community reinvestment area program within an area of the City generally known as “Grandview Yard”.

Legislation established that the remodeling of existing and construction of the new structures within these CRA’s constituted a public purpose for which real property tax exemptions may be granted.

The specific tax being abated is the property tax. These taxes are abated through a reduction in assessed value. For the Grandview Heights CRA, residential has a tax exemption on 50 percent of the increase in assessed valuation resulting from remodeling for a period of 10 years. Commercial and industrial under the Grandview Heights CRA require a negotiated agreement with City Council. For Grandview Yard, assessed values are reduced 50 percent, 25 percent, and 75 percent for Residential, Commercial Office, and Commercial Hotel, respectively.

There is no intergovernmental revenue related to this tax abatement. However, the City does have a revenue sharing agreement with the Grandview Heights City School District (the “District”) for one of the active abatements. As part of this agreement, the City pays the District their share of the abated taxes.

The abated market value of the parcels for tax year 2018 is \$82,005,800.

The City will not be disclosing these abatement agreements individually. The City will also not be disclosing the individual company tax incentive payments pursuant to ORC 718.13.

Requirements for Eligibility for Grandview Heights CRA – Exemptions from real property taxes for improvements to real property may be granted to the following classes for the following periods:

1. For the remodeling of residential structures containing at least four dwelling units upon which the cost of remodeling is at least \$25,000 per dwelling unit for maximum period of 10 years.
2. For the remodel of commercial or industrial structures upon which the cost of remodeling is at least \$100,000 for a maximum period of 12 years.
3. For the new construction of multi-family residential structures of at least 10 dwelling units, commercial or industrial structure for a maximum of 15 years.

Requirements for Eligibility for Grandview Yard CRA – Exemptions from real property taxes for improvements to real property may be granted to the following classes for the following periods:

1. For each parcel of real property on which a structure used or to be used as commercial office space is remodeled at a cost of at least \$100,000, an exemption for a maximum period of 12 years at a rate not to exceed 25 percent of the increase in assessed value of such parcel as a result of such remodeling.
2. For each parcel of real property on which a structure used or to be used as a commercial hotel is remodeled at a cost of at least \$100,000, an exemption for a maximum of period of 12 years at a rate not to exceed 75 percent of the increase in assessed value of such parcel as a result of such remodeling.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 10 – TAX ABATEMENTS (Continued)

3. For each parcel of real property on which a structure used or to be used as a commercial multiunit residential structure is remodeled at a cost of at least \$100,000, an exemption for a maximum period of 12 years at a rate not to exceed 50 percent of the increase in assessed value of such parcel as a result of such remodeling.
4. For each parcel of real property on which a structure to be used as commercial office space is constructed, an exemption for a maximum period of 15 years at a rate not to exceed 25 percent of the increased value of such parcel as a result of such construction.
5. For each parcel of real property on which a structure to be used as a commercial hotel is constructed, an exemption for a maximum period of 15 years at a rate not to exceed 75 percent of the increase in assessed value of such parcel as a result of such construction.
6. For each parcel of real property on which a structure used or to be used as a commercial multiunit residential structure is constructed, an exemption for a maximum period of 15 years at a rate not to exceed 50 percent of the increase in assessed value of such parcel as a result of such construction.

Recipient Commitment – The company is committed to purchasing, remodeling, and/or constructing properties within the CRA that will improve property value and bring jobs to the City.

Provisions for recapturing abated taxes – There are no provisions for recapturing abated taxes as each abatement is reviewed by the Tax Incentive Review Council on an annual basis. Abatements may be cancelled if property owners are not in compliance with their Reinvestment Area Agreement.

Other City Commitments – For the Grandview Yard properties, beginning in 2014, the City has also pledged an amount equal to 25% of net income tax from the Grandview Yard businesses for payment of debt service on TIF bonds. This percentage increased to 45% for 2018-2022, and then to 55% until the bonds are paid off.

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CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 11 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

<i>Governmental Activities</i>	Beginning Balance	Prior Period Adjustment	Beginning Balance	Additions	Deductions	Transfers	Ending Balance
Nondepreciable Capital Assets							
Land	\$ 4,650,797	\$ -	\$ 4,650,797	\$ -	\$ -	\$ -	\$ 4,650,797
Intangible	8,081,023	-	8,081,023	-	-	-	8,081,023
Construction in Progress	12,085,568	(3,092)	12,082,476	11,487,343	-	(16,689,517)	6,880,302
Total Nondepreciable Assets	24,817,388	(3,092)	24,814,296	11,487,343	-	(16,689,517)	19,612,122
Depreciable Capital Assets							
Land Improvements	7,513,382	-	7,513,382	84,744	-	2,754,897	10,353,023
Buildings and Improvements	3,842,446	-	3,842,446	35,448	-	3,592,381	7,470,275
Machinery, Equipment and Furniture	2,121,391	-	2,121,391	157,656	(42,124)	1,017,640	3,254,563
Vehicles	3,365,210	-	3,365,210	336,257	(87,661)	-	3,613,806
Infrastructure	48,504,664	-	48,504,664	-	-	9,324,599	57,829,263
Total Depreciable Assets	65,347,093	-	65,347,093	614,105	(129,785)	16,689,517	82,520,930
Less accumulated depreciation							
Land Improvements	(742,186)	-	(742,186)	(691,199)	-	-	(1,433,385)
Building and Improvements	(1,569,068)	-	(1,569,068)	(176,586)	-	-	(1,745,654)
Machinery, Equipment and Furniture	(878,029)	-	(878,029)	(261,982)	42,124	-	(1,097,887)
Vehicles	(1,797,532)	-	(1,797,532)	(248,108)	58,889	-	(1,986,751)
Infrastructure	(4,160,397)	-	(4,160,397)	(2,131,717)	-	-	(6,292,114)
Total accumulated depreciation	(9,147,212)	-	(9,147,212)	(3,509,592)	101,013	-	(12,555,791)
Depreciable Capital Assets, Net of accumulated depreciation	56,199,881	-	56,199,881	(2,895,487)	(28,772)	16,689,517	69,965,139
Total Capital Assets, Net	\$ 81,017,269	\$ (3,092)	\$ 81,014,177	\$ 8,591,856	\$ (28,772)	\$ -	\$ 89,577,261

Depreciation expense was charged to the governmental functions as follows:

General Government	\$ 23,280
Security of Persons and Property	266,825
Transportation	2,552,262
Leisure Activities	513,599
Utility Services	108,811
Economic Development	44,815
Total depreciation expense	\$ 3,509,592

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CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 12 – CAPITALIZED LEASES – LESSEE DISCLOSURE

During 2014, the City entered into a capitalized lease for the purchase of a fire truck, which was accounted for in the general improvement major governmental fund. The lease has an interest rate of 2.1 percent and will be repaid in full in 2019. The lease is paid from the City’s general improvement fund.

A capital asset for the fire truck has been capitalized in the amount of \$449,012. This amount represents the present value of minimum lease payments at the time of acquisition plus \$1,753 in additional expenses. Accumulated depreciation as of December 31, 2018 was \$127,220, leaving a current book value of \$321,792. A corresponding liability was recorded in the government-wide financial statement.

During 2016, the City entered into a capitalized lease for the purchase of an ambulance, which was accounted for in the general improvement nonmajor governmental fund. The lease has an interest rate of 2.23 percent and will be repaid in full in 2020. The lease is paid from the City’s general improvement fund.

A capital asset for the ambulance has been capitalized in the amount of \$234,018. This amount represents the present value of minimum principal payments at the time of the acquisition. Accumulated depreciation as of December 31, 2018 was \$100,758, leaving a current book value of \$133,260. A corresponding liability was recorded in the government-wide financial statement.

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

Year	Governmental Activities
2019	\$ 144,071
2020	49,412
Total Minimum Lease Payments	193,483
Less Amount Representing Interest	(4,680)
Present Value of Minimum Lease Payments	\$ 188,803

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CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 13 – LONG TERM LIABILITIES

(a) Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities of the governmental activities for the year ended December 31, 2018:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
OPWC Loans:					
CC12B OPWC Loan 0%	\$ 50,732	\$ -	\$ (14,495)	\$ 36,237	\$ 14,495
CC10C OPWC Loan 3%	71,067	-	(19,555)	51,512	20,146
CC03C OPWC Loan 0%	132,985	-	(22,164)	110,821	22,164
CC05I OPWC Loan 2%	355,887	-	(32,487)	323,400	33,140
CC04N OPWC Loan 0%	184,310	-	(8,991)	175,319	8,991
CC17Q OPWC Loan 0%	1,571,360	-	(56,120)	1,515,240	56,120
CC11Q OPWC Loan 0%	918,640	-	(30,621)	888,019	30,621
CC12R OPWC Loan 0%	2,014,513	-	(77,481)	1,937,032	77,481
Franklin County Infrastructure					
Intergovernmental Loan 1.9%	1,000,000	-	(51,204)	948,796	103,871
General Obligation Bonds:					
Park Improvement Bonds,					
series 2012- 2%-4%	2,415,000	-	(85,000)	2,330,000	85,000
Bond premium	82,820	-	(3,764)	79,056	-
Various Purpose Improvement Bonds,					
series 2016- 2%-3%	6,370,000	-	(265,000)	6,105,000	265,000
Bond premium	187,306	-	(7,805)	179,501	-
Pool Construction Bonds,					
Series 2017-3%-4%	5,345,000	-	(145,000)	5,200,000	150,000
Bond premium	208,704	-	(8,696)	200,008	-
Public Works Facility Bonds					
series 2018-3.25%-5%	-	6,000,000	-	6,000,000	200,000
Bond premium	-	158,458	-	158,458	-
Total loans and bonds	20,908,324	6,158,458	(828,383)	26,238,399	1,067,029
Fire Truck Lease	184,453	-	(91,263)	93,190	93,190
Medic Lease	141,861	-	(46,248)	95,613	47,279
Net Pension Liability					
OPERS	4,338,421	-	(1,238,617)	3,099,804	-
OP&F	9,441,247	250,871	-	9,692,118	-
Net OPEB Liability					
OPERS	1,949,674	190,687	-	2,140,361	-
OP&F	7,075,496	1,871,894	-	8,947,390	-
Compensated Absences	1,066,324	370,422	(356,159)	1,080,587	343,175
Total Long Term Liabilities	<u>\$ 45,105,800</u>	<u>\$ 8,842,332</u>	<u>\$ (2,560,670)</u>	<u>\$ 51,387,462</u>	<u>\$ 1,550,673</u>

Compensated absences: Compensated absences reported in the "compensated absences payable" account will be paid from the fund from which the employees' salaries are paid, which is the general fund for all employees.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 13 – LONG TERM LIABILITIES (Continued)

Net pension liability and net OPEB liability: There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the General Fund. For additional information related to the net pension liability and net OPEB liability see Notes 16 and 17.

OPWC loans: The City has entered into eight debt financing arrangements through the Ohio Public Works Commission (OPWC). The CC12B, CC03C and CC17Q loans are to fund Goodale Boulevard street improvements. The CC10C and CC05I loans are to fund the sewer rehabilitation project. The CC04N loan is for the Oakland Avenue Reconstruction. The CC11Q loan is to fund the Grandview Yard Infrastructure Improvement. The CC12R loan is to finance the Grandview Yard Infrastructure Improvements Phase IV.

The amounts due to the OPWC are payable solely from general revenues. The loan agreements function similar to a line-of-credit agreement. The OPWC loans are being repaid from nonmajor governmental funds. The loan agreements require semi-annual payments based on the actual amount loaned.

The OPWC loans for the street improvements are interest free as long as payments remain current and the sewer project loans have interest rates of 3% and 2%, respectively.

Franklin County Infrastructure Intergovernmental Loan: On May 10, 2016, the Board of Commissioners of Franklin County, Ohio approved and entered into a loan agreement with the City for \$1,000,000 for the purpose of financing the Goodale Boulevard Improvement Project. The loan was entered for a ten-year period with final maturity at January 1, 2026. Payments of principal and interest are recorded as disbursements of the Street Construction, Maintenance, and Repair Fund.

General Obligation Bonds: On December 20, 2012, the City issued \$2,800,000 in unvoted general obligation bonds for the purpose of financing improvements, including acquisition and construction of facilities and equipment, at the City’s various parks. The bond issue included serial and term bonds, in the amounts of \$470,000 and \$2,330,000, respectively. The bonds were issued for a twenty-eight year period with final maturity at December 1, 2039. Payments of principal and interest are recorded as disbursements of the Parks and Recreation Improvement Fund.

The term bonds were issued at \$2,330,000. \$350,000 of the term bonds that mature on December 1, 2022, are subject to mandatory sinking fund redemption on December 1, 2019, and on each December 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to the date of redemptions according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2019	\$ 85,000
2020	85,000
2021	90,000
2022	90,000

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 13 – LONG TERM LIABILITIES (Continued)

The \$490,000 term bonds maturing on December 1, 2027, are subject to mandatory sinking fund redemption on December 1, 2023, and on each December 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to date of redemption according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2023	\$ 95,000
2024	95,000
2025	100,000
2026	100,000
2027	100,000

The \$325,000 term bonds maturing on December 1, 2030, are subject to mandatory sinking fund redemption on December 1, 2028, and on each December 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to date of redemption according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2028	\$ 105,000
2029	110,000
2030	110,000

The \$610,000 term bonds maturing on December 1, 2035, are subject to mandatory sinking fund redemption on December 1, 2031, and on each December 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to date of redemption according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2031	\$ 115,000
2032	120,000
2033	120,000
2034	125,000
2035	130,000

The \$555,000 term bonds maturing on December 1, 2039, are subject to mandatory sinking fund redemption on December 1, 2036, and on each December 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to date of redemption according to the following schedule:

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 13 – LONG TERM LIABILITIES (Continued)

Fiscal Year	Principal Amount to be Redeemed
2036	\$ 135,000
2037	135,000
2038	140,000
2039	145,000

On June 7, 2016, the City issued \$6,630,000 in unvoted general obligation bonds for the purpose of financing improvements, including various streets, water, and sewer system improvement projects. The bonds issue included serial and term bonds, in the amounts of \$5,925,000 and \$705,000, respectively. The bonds were issued for a twenty-five-year period with final maturity at December 1, 2041. Payments of principal and interest are recorded as disbursements of the Debt Service Fund.

The term bonds were issued at \$705,000. \$340,000 of the term bonds that mature on December 1, 2038, are subject to mandatory sinking fund redemption on December 1, 2036, and on each December 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2036	\$ 110,000
2037	115,000
2038	115,000

The \$365,000 term bonds maturing on December 1, 2041, are subject to mandatory sinking fund redemption on December 1, 2039, and on each December 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemptions according to the following schedule:

Fiscal Year	Principal Amount to be Redeemed
2039	\$ 120,000
2040	120,000
2041	125,000

On January 5, 2017, the City issued \$5,500,000 in pool construction bonds for the purpose of financing the pool construction project. The bonds issue included serial and term bonds, in the amounts of \$1,880,000 and \$3,620,000, respectively. The bonds were issued for a twenty-five year period with final maturity at December 1, 2041. Payments of principal and interest are recorded as disbursements of the Parks and Recreation Improvement Fund.

The term bonds were issued at \$3,620,000. \$430,000 of the term bonds that mature on December 1, 2029, are subject to mandatory sinking fund redemption on December 1, 2028, and on each December 1 thereafter at 100 percent of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 13 – LONG TERM LIABILITIES (Continued)

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2028	\$ 210,000
2029	220,000

The \$455,000 term bonds maturing on December 1, 2031, are subject to mandatory sinking fund redemption on December 1, 2030, and on each December 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemptions according to the following schedule:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2030	\$ 225,000
2031	230,000

The \$485,000 term bonds maturing on December 1, 2033, are subject to mandatory sinking fund redemption on December 1, 2032, and on each December 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemptions according to the following schedule:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2032	\$ 240,000
2033	245,000

The \$510,000 term bonds maturing on December 1, 2035, are subject to mandatory sinking fund redemption on December 1, 2034, and on each December 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemptions according to the following schedule:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2034	\$ 250,000
2035	260,000

The \$540,000 term bonds maturing on December 1, 2037, are subject to mandatory sinking fund redemption on December 1, 2036, and on each December 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemptions according to the following schedule:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2036	\$ 265,000
2037	275,000

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 13 – LONG TERM LIABILITIES (Continued)

The \$1,200,000 term bonds maturing on December 1, 2041, are subject to mandatory sinking fund redemption on December 1, 2038, and on each December 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemptions according to the following schedule:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2038	\$ 285,000
2039	295,000
2040	305,000
2041	315,000

On November 5, 2018, the City issued \$6,000,000 in public works facility bonds for the purpose of financing the construction of a new facility for the departments servicing the community in a public works capacity, along with equipment, furnishings, and site improvements. The bonds issue included serial and term bonds, in the amounts of \$5,325,000 and \$675,000, respectively. The bonds were issued for a twenty-year period with final maturity at December 1, 2038. Payments of principal and interest are recorded as disbursements of the General Improvement Fund.

The term bonds mature on December 1, 2033 and are subject to mandatory sinking fund redemption on December 1, 2032 at 100 percent of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2032	\$ 330,000
2033	345,000

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CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 13 – LONG TERM LIABILITIES (Continued)

(b) Future Debt Service Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2018 are as follows:

	OPWC Loans		General Obligation Bonds		Intergovernmental Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 263,158	\$ 7,699	\$ 700,000	\$ 602,763	\$ 103,871	\$ 17,536
2020	264,432	6,423	735,000	567,667	105,854	15,553
2021	247,722	5,117	760,000	543,055	107,875	13,532
2022	230,556	4,265	785,000	519,830	109,934	11,473
2023	231,264	3,557	805,000	498,105	112,033	9,374
2024-2028	1,016,971	6,870	4,380,000	2,121,546	409,229	15,698
2029-2033	866,068	-	5,070,000	1,449,183	-	-
2034-2038	861,567	-	4,975,000	708,851	-	-
2039-2043	821,116	-	1,425,000	87,976	-	-
2044-2048	234,726	-	-	-	-	-
Total	<u>\$ 5,037,580</u>	<u>\$ 33,931</u>	<u>\$ 19,635,000</u>	<u>\$ 7,098,976</u>	<u>\$ 948,796</u>	<u>\$ 83,166</u>

(c) Debt Limitation

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006.

In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. At December 31, 2018, the City's total and unvoted debt limits were \$35,825,089 and \$19,635,000, respectively. The City's debt was within these limits.

NOTE 14 – OTHER EMPLOYEE BENEFITS

(a) Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and state laws. Employees earn ten to thirty days of vacation per year, depending upon length of service. Vacation accumulation is typically limited to two to three years based on years of service. All accumulated unused vacation time is paid upon termination of employment.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 14 – OTHER EMPLOYEE BENEFITS (Continued)

Employees that were eligible for sick leave for an entire year have the option of receiving payments in cash for a portion of unused sick leave hours, which is to be paid in the first month following the end of that year. The remaining sick leave not paid out will continue to be carried forward.

Vacation and compensatory time are available to full time employees after one year of service with the City. The rates of accrual, total number of hours paid per year and accrual limit varies with years of service. Part time, temporary or seasonal employees are not entitled to vacation leave or compensatory time. Permanent part time employees accrue vacation leave based on the number of hours worked. Permanent part time employees include the Clerk of Courts and three maintenance workers.

Full time and permanent part time employees earn sick leave at a rate of 4.6 hours per 80 regular hours worked. Fire employees who work 56-hour weeks earn sick leave at a rate of 6.5 hours per pay period. There is no limit to the amount an employee can accumulate. Part time, temporary or seasonal employees are not entitled to sick leave. At the time of resignation, if an employee is in good standing and has at least 10 years of public service, OPERS employees and police are entitled to receive one-fourth of their accrued but unused sick leave, up to a maximum accrual of 2,400 and 2,800 hours, respectively, and fire employees are entitled to receive up to one-fourth of their first 2,000 hours (2,800 hours for employees working 56-hour weeks) and one-third of their remaining hours with a maximum total accrual of 2,800 (3,920 for employees working 56-hour weeks).

(b) Health Care Benefits

The City provides health, prescription, dental, vision and employee assistance program (EAP) insurance coverage purchased through the Franklin County Cooperative for all eligible employees. Health is provided by United Healthcare, prescription is provided by Catamaran, dental is provided by Aetna, vision is provided by Vision Service Plan and EAP is provided by United Behavioral Health. The employees share the cost of the monthly premium. The City also provides life insurance and accidental death and dismemberment insurance to eligible employees through The Standard Insurance Company.

NOTE 15 – RISK MANAGEMENT

(a) Central Ohio Risk Management Agency Self Insurance Pool, Inc. (CORMA)

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Central Ohio Risk Management Agency Self Insurance Pool, Inc. (CORMA) was formed pursuant to Section 2744.081 of the Ohio Revised Code. Members of CORMA are the cities of Dublin, Canal Winchester, Grandview Heights, Grove City, Groveport, Pickerington, Powell, Upper Arlington, and Westerville. Each member has two representatives on the Board of Trustees. Membership in CORMA enables the City to take advantage of any economics to be realized from an insurance pool with other cities and also provides the City with more control over claims than what is normally available with traditional insurance coverage. In 2018, the City paid \$63,224 to CORMA for insurance services.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 15 – RISK MANAGEMENT (Continued)

As part of participating in CORMA, coverage is provided for up to \$15,000,000 per occurrence and \$20,000,000 annual total limit for liability claims and \$14,817,780 limit for property claims. Coverage is provided on an aggregate basis for General Liability (\$1,000,000/\$2,000,000), Law Enforcement Liability (\$1,000,000/\$2,000,000), Public Officer Liability including Employment Practices Liability (\$1,000,000/\$2,000,000), and Automobile Liability (\$1,000,000). Pool retentions are \$25,000 for property/crime and \$150,000 for liability.

CORMA, in turn, has re-insured itself, and its members as additional insured, for a portion of its insurance risk. There is, however, no assurance that the claim from all members will not exceed CORMA's assets and re-insurance coverage. A third party administrator processes and pays the claims. The City reports a liability when it's probable that a loss has occurred and the amount can be estimated.

Any member may withdraw from CORMA at any term anniversary date upon ninety days' prior written notice. Such notice shall be addressed to the President of the Association and shall be accompanied by resolution or ordinance of the governing body of the Member determining to withdraw from the Association. To the extent that there are surplus funds in the Association that are allocable to the withdrawing Member, the surplus funds shall be distributed to the withdrawing Member (after taking into account reserves for future liabilities pursuant to this Agreement).

(b) Ohio Bureau of Worker's Compensation

The City insures against injuries to employees through Ohio Bureau of Worker's Compensation.

NOTE 16 – DEFINED BENEFIT PENSION PLANS

Net Pension (Asset)/Liability

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

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

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

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 16 – DEFINED BENEFIT PENSION PLANS (Continued)

GASB 68 assumes the (asset)/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 (assets)/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 (asset)/liability. Resulting adjustments to the net pension (asset)/liability would be effective when the changes are legally enforceable.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features.

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

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

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 16 – DEFINED PENSION BENEFITS (Continued)

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan 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	Traditional Plan 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	Traditional Plan 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
Combined Plan Formula: 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1.0% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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. For members retiring under the Combined Plan, an annual COLA will be provided on the defined benefit portion of their benefit. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 16 – DEFINED PENSION BENEFITS (Continued)

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

2018 Statutory Maximum Contribution Rates

Employer	14.0 %
Employee	10.0 %

2018 Actual Contribution Rates

Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0 %
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$411,157 for 2018. Of this amount, \$18,859 is reported as due to other governments.

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

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

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced.

Each type has different eligibility guidelines and is calculated using the member’s average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 16 – DEFINED PENSION BENEFITS (Continued)

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

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

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

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$741,655 for 2018. Of this amount \$34,264 is reported as a due to other governments.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 16 – DEFINED PENSION BENEFITS (Continued)

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

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

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Proportionate Share of the Net Pension Liability/(Asset)	\$ 3,099,804	\$ (26,219)	\$ 9,692,118	\$ 12,765,703
2017 Proportion of the Net Pension Liability/(Asset)	0.0197590%	0.0192600%	0.15791763%	
2016 Proportion of the Net Pension Liability/(Asset)	0.0191050%	0.0140960%	0.14905900%	
2017 Change in Proportionate Share	<u>0.0006540%</u>	<u>0.0051640%</u>	<u>0.00885863%</u>	
Pension Expense	\$ 758,083	\$ 915	\$ 1,244,960	\$ 2,003,958

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

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	\$ 3,166	\$ -	\$ 147,086	\$ 150,252
Changes of assumptions	370,446	2,292	422,336	795,074
Change in proportionate share	79,816	-	483,768	563,584
City contributions subsequent to the measurement date	399,101	12,056	741,655	1,152,812
Total Deferred Outflows of Resources	<u>\$ 852,529</u>	<u>\$ 14,348</u>	<u>\$ 1,794,845</u>	<u>\$ 2,661,722</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$ 61,087	\$ 7,810	\$ 17,534	\$ 86,431
Change in proportionate share	-	6,928	64,472	71,400
Net difference between projected and actual earnings on pension plan investments	665,488	4,136	335,273	1,004,897
Total Deferred Inflows of Resources	<u>\$ 726,575</u>	<u>\$ 18,874</u>	<u>\$ 417,279</u>	<u>\$ 1,162,728</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 16 – DEFINED PENSION BENEFITS (Continued)

\$1,152,812 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension (asset)/liability in the year ending December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OPERS	OP&F	Total
	Traditional Plan	Combined Plan		
2019	\$ 323,600	\$ (2,251)	\$ 327,519	\$ 648,868
2020	(30,243)	(2,366)	239,377	206,768
2021	(293,044)	(3,291)	(125,183)	(421,518)
2022	(273,460)	(3,196)	(40,950)	(317,606)
2023	-	(1,742)	189,647	187,905
Thereafter	-	(3,736)	45,501	41,765
Total	\$ (273,147)	\$ (16,582)	\$ 635,911	\$ 346,182

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, 2017, using the following actuarial assumptions and methods applied to all prior periods included in the measurement:

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

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 16 – DEFINED PENSION BENEFITS (Continued)

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

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

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension (asset)/liability			
Traditional Plan	\$ 5,504,462	\$ 3,099,804	\$ 1,095,044
Combined Plan	(14,252)	(26,219)	(34,475)

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.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 16 – DEFINED PENSION BENEFITS (Continued)

The following table displays the OPERS Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	100.00 %	5.66 %

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 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017 and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 16 – DEFINED PENSION BENEFITS (Continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below:

Valuation Date	January 1, 2017 with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumption	
Experience Study Date	5 year period ended December 31, 2016
Investment Rate of Return	8.00 percent
Cost of Living Increases (COLA)	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3.00 percent
Salary Increases	3.75 percent to 10.50 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.50 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates as follows, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent. For ages 67 or less, rates for police and fire are 77 percent and 68 percent, respectively. For ages 68 to 77, rates for police and fire are 105 percent and 87 percent, respectively. For ages 78 and up, rates for police and fire are 115 percent and 120 percent, respectively. Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the following rates and projected with the Conduit Modified 2016 Improvement Scale. Rates for ages 59 or less for police and fire are 35 percent. Rates for ages 60 to 69 for police and fire are 60 percent and 45 percent, respectively. Rates for ages 70 to 79 for police and fire are 75 percent and 70 percent, respectively. Rates for ages 80 and up for police and fire are 100 percent and 90 percent, respectively.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017 are summarized below:

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 16 – DEFINED PENSION BENEFITS (Continued)

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

* levered 2x

OP&F’s Board of Trustees has incorporated the “risk parity” concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
City's proportionate share of the net pension liability	\$ 13,435,817	\$ 9,692,118	\$ 6,638,789

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 17 – DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

For 2018, Governmental Accounting Standards Board (GASB) Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” was effective. The net OPEB liability has been disclosed below.

OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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

The proportionate share of each plan’s unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year would be 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 - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 17 – DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.00 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2018.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 17 – DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

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

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

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 17 – DEFINED BENEFIT OPEB PLANS (Continued)

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City’s contractually required contribution to OP&F was \$17,502 for 2018.

Net OPEB Liability

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F’s total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Current Measurement Date	0.0197100%	0.15791760%	
Prior Measurement Date	0.0193031%	0.14905900%	
Change in Proportionate Share	<u>0.0004069%</u>	<u>0.00885860%</u>	
Proportionate Share of the Net OPEB Liability	\$ 2,140,361	\$ 8,947,390	\$ 11,087,751
OPEB Expense	\$ 192,940	\$ 753,234	\$ 946,174

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CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 17 – DEFINED BENEFIT OPEB PLANS (Continued)

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 1,667	\$ -	\$ 1,667
Changes of assumptions	155,841	873,075	1,028,916
Change in proportionate share	27,808	366,862	394,670
City contributions subsequent to the measurement date	-	17,502	17,502
Total Deferred Outflows of Resources	<u>\$ 185,316</u>	<u>\$ 1,257,439</u>	<u>\$ 1,442,755</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 45,128	\$ 45,128
Net difference between projected and actual earnings on OPEB plan investments	159,442	58,896	218,338
Total Deferred Inflows of Resources	<u>\$ 159,442</u>	<u>\$ 104,024</u>	<u>\$ 263,466</u>

\$17,502 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2019	\$ 48,739	\$ 159,957	\$ 208,696
2020	48,739	159,957	208,696
2021	(31,745)	159,957	128,212
2022	(39,859)	159,957	120,098
2023	-	174,681	174,681
Thereafter	-	321,404	321,404
Total	<u>\$ 25,874</u>	<u>\$ 1,135,913</u>	<u>\$ 1,161,787</u>

Actuarial Assumptions - OPERS

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

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 17 – DEFINED BENEFIT OPEB PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

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

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

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

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

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 17 – DEFINED BENEFIT OPEB PLANS (Continued)

The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

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

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

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

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

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 17 – DEFINED BENEFIT OPEB PLANS (Continued)

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$ 2,843,562	\$ 2,140,361	\$ 1,571,478

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

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 2,047,869	\$ 2,140,361	\$ 2,235,902

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 17 – DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

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

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

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 17 – DEFINED BENEFIT OPEB PLANS (Continued)

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F’s target asset allocation as of December 31, 2017, are summarized below:

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

Note: Assumptions are geometric.

* levered 2x

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

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 17 – DEFINED BENEFIT OPEB PLANS (Continued)

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

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

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$ 11,184,345	\$ 8,947,390	\$ 7,226,151

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

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

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 17 – DEFINED BENEFIT OPEB PLANS (Continued)

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

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability	\$ 6,950,493	\$ 8,947,390	\$ 11,638,531

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

NOTE 18 – CONTINGENCIES

(a) Grants - The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2018.

(b) Litigation - The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations. The City’s management and legal counsel is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material adverse effect on the financial condition of the City.

NOTE 19 – CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

For fiscal year 2018, the City implemented GASB Statement No. 75 “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*” improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB) and improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities by establishing new accounting and financial reporting requirements for OPEB plans.

The City’s 2017 financial statements were also restated due to the expensing of assets previously recorded as construction in progress.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 19 – CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION (Continued)

The implementation of GASB Statement No. 75 and the expensing of assets previously reported as construction in progress had the following effects on net position as reported December 31, 2017:

	Governmental Activities
Net Position December 31, 2017	63,167,308
Adjustments:	
Net OPEB Liability	(9,025,170)
Deferred Outflows - Payments Subsequent to Measurement Date	45,380
Non-depreciable Capital Assets	(3,092)
Restated Net Position December 31, 2017	54,184,426

For fiscal year 2018, the City implemented GASB Statement No. 85 “*Omnibus 2017*” addresses practice issues that have been identified during implementation and application of certain GASB Statements. Specific issues discussed relate to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). The implementation of this statement did not have a significant effect on the financial statements of the City.

For fiscal year 2018, the City implemented GASB Statement No. 86 “*Certain Debt Extinguishment Issues*” improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of this statement did not have an effect on the financial statements of the City’s.

For fiscal year 2018, the City early implemented GASB Statement No. 89 “*Accounting for Interest Cost Incurred before the End of a Construction Period*” which addresses capitalizing interest. The implementation of this statement did not have an effect on the financial statements of the City’s.

NOTE 20 – SUBSEQUENT EVENT

On January 22, 2019, the City entered into an Economic Development Agreement with Wagenbrenner Development for the redevelopment of approximately 16 acres of real property located at the northeast corner of Dublin Road and Grandview Avenue. This allows the City to accept title to certain real property known as a portion of the Grandview Crossing Project and to subsequently transfer title to such property to Wagenbrenner Development to create a new community authority.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

NOTE 20 – SUBSEQUENT EVENT (Continued)

On February 4, 2019, in connection with the continued development of Grandview Yard and the proposed development of the South of Goodale Area, the City amended the compensation agreement with Grandview Heights City School District to increase the amount that the City will pay Grandview Heights City School District.

The City also amended and revised the Grandview Yard TIF site by removing certain parcels and created a tax increment financing area encompassing those parcels of real property located south of Goodale Boulevard within the community reinvestment area. The City declared the improvements to the South of Goodale parcels to be for public purpose and exempt from real property taxation. This requires the owners of the parcels to make service payments in lieu of taxes with an applicable portion of the payments going to Grandview Heights City School District.

On March 4, 2019, the City created a tax increment financing area encompassing certain parcels of real property for Grandview Crossing and declares the improvements to those parcels to be for public purpose and exempt from real property taxation. This requires the owners of the parcels to make service payments in lieu of taxes with an applicable portion of the payments going to Grandview Heights City School District.



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GRANDVIEW HEIGHTS

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GRANDVIEW HEIGHTS

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GRANDVIEW HEIGHTS, 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, 2018

	Original Budget	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>				
Municipal income taxes	\$ 9,481,000	\$ 9,481,000	\$ 9,989,046	\$ 508,046
Property and other taxes	2,295,385	2,295,385	2,339,533	44,148
Charges for services	1,413,026	1,413,026	1,386,649	(26,377)
Licenses and permits	481,200	481,200	374,957	(106,243)
Fines and forfeitures	73,750	73,750	70,406	(3,344)
Intergovernmental	1,222,884	1,222,884	1,168,453	(54,431)
Investment Income	136,703	136,703	258,911	122,208
Contributions and donations	-	-	450	450
Other	205,275	205,275	384,052	178,777
Total revenues	<u>15,309,223</u>	<u>15,309,223</u>	<u>15,972,457</u>	<u>663,234</u>
<u>Expenditures:</u>				
Current:				
General Government				
Administration				
Personal services	380,059	384,559	380,797	3,762
Contractual services	70,702	101,002	86,877	14,125
Materials and supplies	10,000	9,966	8,501	1,465
Other	14,200	14,234	10,668	3,566
Total Administration	<u>474,961</u>	<u>509,761</u>	<u>486,843</u>	<u>22,918</u>
City Hall				
Contractual services	38,609	38,609	31,815	6,794
Materials and supplier	7,200	7,200	6,267	933
Other	230,922	215,922	204,460	11,462
Total City Hall	<u>276,731</u>	<u>261,731</u>	<u>242,542</u>	<u>19,189</u>
General Administration				
Personal services	167,400	155,400	152,086	3,314
Contractual services	155,952	145,952	141,983	3,969
Materials and supplies	51,138	53,138	49,911	3,227
Other	95,413	95,413	76,830	18,583
Capital outlay	60,000	60,000	58,980	1,020
Total General Administration	<u>529,903</u>	<u>509,903</u>	<u>479,790</u>	<u>30,113</u>
Economic Development				
Other	45,200	80,200	77,725	2,475
Total Economic Development	<u>45,200</u>	<u>80,200</u>	<u>77,725</u>	<u>2,475</u>

CITY OF GRANDVIEW HEIGHTS, 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, 2018

	Original Budget	Final Budget	Actual	Variance Over/(Under)
Civil Service				
Contractual services	4,500	4,500	1,269	3,231
Materials and supplies	18,200	18,200	15,750	2,450
Other	5,000	5,000	3,768	1,232
Total Civil Service	27,700	27,700	20,787	6,913
Finance				
Personal services	637,234	641,734	634,335	7,399
Contractual services	69,571	94,571	73,460	21,111
Materials and supplies	6,050	6,050	5,445	605
Other	32,505	36,840	31,070	5,770
Total Finance	745,360	779,195	744,310	34,885
Income Tax				
Other	797,640	826,305	775,292	51,013
Total Income Tax	797,640	826,305	775,292	51,013
Building				
Personal services	409,352	416,852	414,214	2,638
Contractual services	245,641	210,341	100,980	109,361
Materials and supplies	7,900	7,900	5,403	2,497
Other	15,896	30,896	22,466	8,430
Total Building	678,789	665,989	543,063	122,926
Engineering				
Contractual services	117,000	117,000	82,727	34,273
Total Engineering	117,000	117,000	82,727	34,273
Mayors Court				
Personal services	160,613	155,713	138,642	17,071
Contractual services	27,761	27,761	13,636	14,125
Materials and supplies	4,104	4,104	2,744	1,360
Other	250	250	210	40
Total Mayors Court	192,728	187,828	155,232	32,596
Legal				
Personal services	500	500	85	415
Contractual services	240,000	475,000	469,741	5,259
Materials and supplies	1,500	1,475	207	1,268
Other	40,775	40,800	32,840	7,960
Total Legal	282,775	517,775	502,873	14,902

CITY OF GRANDVIEW HEIGHTS, 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, 2018

	Original Budget	Final Budget	Actual	Variance Over/(Under)
Legislative				
Personal services	63,184	63,584	61,951	1,633
Contractual services	4,850	4,850	4,843	7
Materials and supplies	1,800	3,500	3,193	307
Other	56,900	55,200	32,266	22,934
Total Legislative	126,734	127,134	102,253	24,881
Service Administration				
Personal services	229,360	237,385	223,066	14,319
Contractual services	23,723	20,751	16,596	4,155
Materials and supplies	3,200	4,112	3,702	410
Other	13,150	12,238	8,780	3,458
Total Service Administration	269,433	274,486	252,144	22,342
Unclaimed Funds				
Other	275	275	275	-
Total Unclaimed Funds	275	275	275	-
Total General Government	4,565,229	4,885,282	4,465,856	419,426
Security of Persons and Property				
Fire Administration				
Personal services	277,515	276,935	269,579	7,356
Contractual services	35,410	35,410	24,665	10,745
Materials and supplies	4,500	4,500	2,636	1,864
Total Fire Administration	317,425	316,845	296,880	19,965
Fire Prevention				
Personal services	279,219	286,180	282,946	3,234
Other	7,000	7,000	4,282	2,718
Total Fire Prevention	286,219	293,180	287,228	5,952
Fire Emergency Service				
Personal services	1,987,543	2,011,162	1,972,448	38,714
Contractual services	49,632	49,632	34,969	14,663
Materials and supplies	60,921	60,921	41,456	19,465
Other	12,300	12,300	6,128	6,172
Total Fire Emergency Service	2,110,396	2,134,015	2,055,001	79,014
Haz-Mat				
Personal services	12,584	12,584	11,263	1,321
Materials and supplies	500	500	131	369
Other	2,000	2,000	2,000	-
Total Haz-Mat	15,084	15,084	13,394	1,690

CITY OF GRANDVIEW HEIGHTS, 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, 2018

	Original Budget	Final Budget	Actual	Variance Over/(Under)
Police Administration				
Personal services	227,249	227,399	227,213	186
Other	1,600	1,600	513	1,087
Total Police Administration	228,849	228,999	227,726	1,273
Crossing Guards				
Personal services	26,276	25,976	18,475	7,501
Total Crossing Guards	26,276	25,976	18,475	7,501
Police Patrol				
Personal services	2,425,394	2,425,641	2,317,105	108,536
Contractual services	84,646	81,546	66,173	15,373
Materials and supplies	25,892	26,192	21,772	4,420
Other	35,350	38,150	27,783	10,367
Total Police Patrol	2,571,282	2,571,529	2,432,833	138,696
Police Communications				
Personal services	417,845	417,748	411,531	6,217
Contractual services	70,802	70,802	43,893	26,909
Materials and supplies	3,000	3,000	1,619	1,381
Other	700	700	344	356
Total Police Communications	492,347	492,250	457,387	34,863
Total Security of Persons and Property	6,047,878	6,077,878	5,788,924	288,954
Transportation				
Street				
Personal services	428,025	416,300	398,094	18,206
Contractual services	344,446	381,618	373,119	8,499
Materials and supplies	17,050	17,050	11,805	5,245
Other	194,134	194,134	176,230	17,904
Total Street	983,655	1,009,102	959,248	49,854
Total Transportation	983,655	1,009,102	959,248	49,854
Utility Services				
Sanitation				
Personal services	575,107	578,807	563,184	15,623
Contractual services	185,550	171,350	165,259	6,091
Materials and supplies	2,500	2,500	2,299	201
Other	48,554	48,554	43,070	5,484
Capital Outlay	10,000	10,000	10,000	-
Total Sanitation	821,711	811,211	783,812	27,399

CITY OF GRANDVIEW HEIGHTS, 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, 2018

	Original Budget	Final Budget	Actual	Variance Over/(Under)
Leisure Time Activity				
Parks and Recreation Administration				
Personal services	228,914	231,264	225,029	6,235
Contractual services	30,548	26,504	24,075	2,429
Materials and supplies	21,900	22,620	22,418	202
Other	10,800	10,900	10,896	4
Total Parks and Recreation Admin.	292,162	291,288	282,418	8,870
General Recreation				
Personal services	88,362	99,412	91,455	7,957
Materials and supplies	5,200	6,450	6,252	198
Other	45,850	45,850	45,769	81
Total General Recreation	139,412	151,712	143,476	8,236
Senior Center				
Personal services	131,356	135,456	131,234	4,222
Other	10,500	11,800	11,401	399
Total Senior Center	141,856	147,256	142,635	4,621
Parks Maintenance				
Personal services	449,226	433,301	396,856	36,445
Contractual services	-	14,000	14,000	-
Materials and supplies	45,020	45,840	45,196	644
Other	87,945	95,125	94,844	281
Total Parks Maintenance	582,191	588,266	550,896	37,370
Pool				
Personal services	17,161	-	-	-
Contractual services	221,002	237,926	237,327	599
Materials and supplies	19,507	18,257	16,818	1,439
Other	47,000	64,000	62,870	1,130
Total Pool	304,670	320,183	317,015	3,168
Total Leisure Time Activity	1,460,291	1,498,705	1,436,440	62,265
Total Expenditures	13,878,764	14,282,178	13,434,280	847,898
Excess of Revenues Over Expenditures	1,430,459	1,027,045	2,538,177	1,511,132

CITY OF GRANDVIEW HEIGHTS, 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, 2018

	Original Budget	Final Budget	Actual	Variance Over/(Under)
Other Financing Sources (Uses):				
Sale of Assets	-	-	1,517	1,517
Insurance Recoveries	-	-	19,526	19,526
Transfer Out	-	(2,058,500)	(2,058,500)	-
Advances In	-	-	3,575	3,575
Advances Out	-	-	(3,575)	(3,575)
Total Other Financing Sources (Uses)	-	(2,058,500)	(2,037,457)	21,043
Net Change in Fund Balance	1,430,459	(1,031,455)	500,720	1,532,175
Fund Balances at Beginning of Year	8,547,348	8,547,348	8,547,348	-
Prior Year Encumbrances Appropriated	534,688	534,688	534,688	-
Fund Balance at End of Year	<u>\$ 10,512,495</u>	<u>\$ 8,050,581</u>	<u>\$ 9,582,756</u>	<u>\$ 1,532,175</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GRANDVIEW YARD TIF FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>				
Municipal income taxes	\$ 2,500,000	\$ 2,000,000	\$ 2,030,154	\$ 30,154
Payments in lieu of taxes	7,000,000	6,583,510	6,583,510	-
Charges for services	600,000	-	-	-
Intergovernmental	-	12,153	12,153	-
Total revenues	<u>10,100,000</u>	<u>8,595,663</u>	<u>8,625,817</u>	<u>30,154</u>
<u>Expenditures:</u>				
Economic Development				
Other	<u>10,100,000</u>	<u>8,595,000</u>	<u>8,595,000</u>	<u>-</u>
Total expenditures	<u>10,100,000</u>	<u>8,595,000</u>	<u>8,595,000</u>	<u>-</u>
Net change in fund balance	-	663	30,817	30,154
Fund balance - January 1	-	-	-	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ 663</u>	<u>\$ 30,817</u>	<u>\$ 30,154</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - BUDGETARY PROCESS

The City follows procedures prescribed by State law in establishing the budgetary data reflected in the financial statements as follows:

- (1) The City must submit a tax budget of estimated cash receipts and disbursements for all funds to the County Budget Commission by July 20 of each year for the following year, January 1 through December 31.
- (2) The County Budget Commission certifies its actions by September 1 and issues an Official Certificate of Estimated Resources, (the "Certificate") limiting the maximum amount the City may expend from a given fund during the year to the estimated resources available.
- (3) About January 1, the Certificate is amended to reflect the actual unencumbered balances from the preceding year. The City must prepare its appropriations so that the total contemplated expenditures from any fund will not exceed the amount stated in the initial or amended Certificate.
- (4) A temporary appropriation measure may be passed to control cash disbursements for the period January 1 through March 31. Before April 1, a permanent appropriation measure must be passed for the period January 1 through December 31. The budget identifies specific expenditure amounts by object for each division within each fund.
- (5) Unencumbered appropriations lapse at year end. State Statute provides that no contract, agreement or other obligation involving the expenditure of money shall be entered into unless the Director of Finance first certifies that the money required for such contract, agreement, obligation or expenditure is in the treasury, or is anticipated to come into the treasury, before the maturity of such contract.
- (6) The City adopts budgets amendments for all governmental funds and budget is approved by City Council.

The Finance Director acts as budget officer for the City and submits a proposed operating budget to the City Council on an annual basis. Public hearings are held to obtain taxpayer comments. The Council enacts the budget through passage of an ordinance. The appropriation ordinance controls expenditures at the object level. Council can amend the budget at functional expense lines, through the passage of supplemental ordinances. Management can amend appropriations below this level without council approval. Supplemental appropriations to the original appropriations ordinance were made during the year.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the governmental funds. Encumbrances outstanding at year end are reported as an assigned fund balance, since they do not constitute expenditures or liabilities.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - BUDGETARY PROCESS (Continued)

While reporting financial position, results of operations and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts and disbursements. Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis are presented on the budgetary basis in the Required Supplementary Information to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (1) Revenues are recorded when received in cash (budget) as opposed to when they are both measurable and available (GAAP).
- (2) Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- (3) Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to an assignment of fund balance (GAAP).
- (4) Due to the implementation of GASB 54, some funds were reclassified to the General Fund. These funds are not required to be included in the General Fund Budgetary Schedule. Therefore, the activity from these funds is excluded with an adjustment for their change in fund balance.

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

Net Change in Fund Balance

	General Fund	Grandview Yard TIF Fund	Commerce District Grants Fund
Budget Basis	\$ 500,720	\$ 30,817	\$ -
Board of Health Fund Change	4,732	-	-
Community Events Fund Change	26,625	-	-
Tax Abatement Fund Change	189,318	-	-
Accrued Leave Reserve Fund Change	20,586	-	-
JEDZ Fund Change	(9,020)	-	-
Unclaimed Funds Change	(258)	-	-
Net Adjustment for Revenue Accruals	9,196	-	(1,914,904)
Net Adjustment for Expenditure Accruals	2,834	(30,817)	842,107
Net Adjustment for Other Financing Sources/Uses	550	-	-
Adjustment for Encumbrances	625,404	-	-
GAAP Basis	<u>\$ 1,370,687</u>	<u>\$ -</u>	<u>\$ (1,072,797)</u>

City of Grandview Heights, Ohio
Required Supplementary Information
Schedule of City's Proportionate Share of the Net Pension (Asset)/Liability
Ohio Public Employees Retirement System

Last Five Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension (Asset)/Liability					
Traditional Plan	0.0197590%	0.019105%	0.018982%	0.018022%	0.018022%
Combined Plan	0.019260%	0.014096%	0.004650%	0.000000%	0.000000%
City's Proportionate Share of the Net Pension (Asset)/Liability					
Traditional Plan	\$ 3,099,804	\$ 4,338,421	\$ 3,287,922	\$ 2,173,655	\$ 2,124,559
Combined Plan	\$ (26,219)	\$ (7,845)	\$ (2,263)	\$ -	\$ -
City's Covered Payroll	\$ 2,812,584	\$ 2,697,259	\$ 2,507,479	\$ 2,301,250	\$ 2,112,900
City's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Payroll	109.28%	160.55%	131.03%	94.46%	100.55%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability					
Traditional Plan	84.66%	77.25%	81.08%	86.45%	86.36%
Combined Plan	137.28%	116.55%	116.90%	114.83%	104.56%

(1) This schedule is intended to show information for ten years. Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

City of Grandview Heights, Ohio
Required Supplementary Information
Schedule of City's Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund

Last Five Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability	0.15791763%	0.149059%	0.150834%	0.1485849%	0.1485849%
City's Proportionate Share of the Net Pension Liability	\$ 9,692,118	\$ 9,441,247	\$ 9,703,257	\$ 7,697,317	\$ 7,236,551
City's Covered Payroll	\$ 3,450,822	\$ 3,219,023	\$ 3,041,933	\$ 2,957,108	\$ 2,815,254
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	280.86%	293.30%	318.98%	260.30%	257.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	72.20%	73.00%

(1) This schedule is intended to show information for ten years. Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

**City of Grandview Heights, Ohio
Required Supplementary Information
Schedule of City Pension Contributions
Ohio Public Employees Retirement System**

Last Six Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 411,157	\$ 365,636	\$ 323,671	\$ 300,898	\$ 276,150	\$ 274,677
Contributions in Relation to the Contractually Required Contribution	\$ 411,157	\$ 365,636	\$ 323,671	\$ 300,898	\$ 276,150	\$ 274,677
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 2,936,839	\$ 2,812,584	\$ 2,697,259	\$ 2,507,479	\$ 2,301,250	\$ 2,112,900
Contributions as a Percentage of Covered Payroll	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

(1) This schedule is intended to show information for ten years. Information prior to 2013 is not available.

See accompanying notes to the required supplementary information.

**City of Grandview Heights, Ohio
Required Supplementary Information
Schedule of City Pension Contributions
Ohio Police and Fire Pension Fund**

Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually Required Contribution	\$ 741,655	\$ 733,674	\$ 684,607	\$ 648,880	\$ 624,758	\$ 514,860	\$ 374,226	\$ 380,904	\$ 390,031	\$ 385,327
Contributions in Relation to the Contractually Required Contribution	\$ 741,655	\$ 733,674	\$ 684,607	\$ 648,880	\$ 624,758	\$ 514,860	\$ 374,226	\$ 380,904	\$ 390,031	\$ 385,327
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 3,500,404	\$ 3,450,822	\$ 3,219,023	\$ 3,041,933	\$ 2,957,108	\$ 2,815,254	\$ 2,618,697	\$ 2,551,056	\$ 2,624,191	2,592,542
Contributions as a Percentage of Covered Payroll	21.19%	21.26%	21.27%	21.33%	21.13%	18.29%	14.29%	14.93%	14.86%	14.86%

See accompanying notes to the required supplementary information.

City of Grandview Heights, Ohio
Required Supplementary Information
Schedule of City's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System

Last Two Years (1)

	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.0197100%	0.0193031%
City's Proportionate Share of the Net OPEB Liability	\$ 2,140,361	\$ 1,949,674
City's Covered Payroll	\$ 2,812,584	\$ 2,697,259
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	76.10%	72.28%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.05%

(1) This schedule is intended to show information for ten years. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

City of Grandview Heights, Ohio
Required Supplementary Information
Schedule of City's Proportionate Share of the Net OPEB Liability
Ohio Police and Fire Pension Fund

Last Two Years (1)

	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.15791760%	0.14905900%
City's Proportionate Share of the Net OPEB Liability	\$ 8,947,390	\$ 7,075,496
City's Covered Payroll	\$ 3,450,822	\$ 3,219,023
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	259.28%	219.80%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.13%	18.96%

(1) This schedule is intended to show information for ten years. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

**City of Grandview Heights, Ohio
Required Supplementary Information
Schedule of City OPEB Contributions
Ohio Public Employees Retirement System**

Last Six Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ -	\$ 28,126	\$ 53,945	\$ 50,150	\$ 46,003	\$ 21,120
Contributions in Relation to the Contractually Required Contribution	\$ -	\$ 28,126	\$ 53,945	\$ 50,150	\$ 46,003	\$ 21,120
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 2,936,839	\$ 2,812,584	\$ 2,697,259	\$ 2,507,479	\$ 2,301,250	\$ 2,112,900
Contributions as a Percentage of Covered Payroll	0.00%	1.00%	2.00%	2.00%	2.00%	1.00%

(1) This schedule is intended to show information for ten years. Information prior to 2013 is not available.

See accompanying notes to the required supplementary information.

**City of Grandview Heights, Ohio
Required Supplementary Information
Schedule of City OPEB Contributions
Ohio Police and Fire Pension Fund**

Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually Required Contribution	\$ 17,502	\$ 17,254	\$ 16,095	\$ 15,210	\$ 14,898	\$ 95,397	\$ 169,716	\$ 171,573	\$ 177,072	\$ 174,822
Contributions in Relation to the Contractually Required Contribution	\$ 17,502	\$ 17,254	\$ 16,095	\$ 15,210	\$ 14,898	\$ 95,397	\$ 169,716	\$ 171,573	\$ 177,072	\$ 174,822
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 3,500,404	\$ 3,450,822	\$ 3,219,023	\$ 3,041,933	\$ 2,957,108	\$ 2,815,254	\$ 2,618,697	\$ 2,551,056	\$ 2,624,191	2,592,542
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%	3.39%	6.48%	6.73%	6.75%	6.74%

See accompanying notes to the required supplementary information.

CITY OF GRANDVIEW HEIGHTS, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

Ohio Public Employees Retirement System

Changes of benefit terms. There were no significant changes of benefit terms in 2018.

Changes of assumptions. There were no significant changes of benefit terms in 2018.

Ohio Police and Fire Pension System

Changes of benefit terms. There were no significant changes of benefit terms in 2018.

Changes of assumptions. Amounts reported in 2018 reflect changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.25% down to 8.00%, for the defined benefit investments.



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GRANDVIEW HEIGHTS

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GRANDVIEW HEIGHTS

SUPPLEMENTARY INFORMATION

CITY OF GRANDVIEW HEIGHTS, OHIO
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

The special revenue funds are used to account for all specific financial resources (other than major capital projects) that are legally restricted for specified expenditure purposes. The following are the special revenue funds which the City operates:

Street Construction, Maintenance and Repair Fund

This fund accounts for the portion of State gasoline tax and motor vehicle registration fees designated for the maintenance of the streets within the City.

State Highway Improvement Fund

This fund accounts for the portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of state highways within the City.

Police Pension Fund

This fund accounts for property taxes levied and other monies for the payment of the accrued liability for police disability and pension benefits.

Fire Pension Fund

This fund accounts for property taxes levied and other monies for the payment of the accrued liability for fire disability and pension benefits.

Motor Vehicle Permissive Tax Fund

This fund accounts for local vehicle license fees designated for the maintenance of streets in the City.

Law Enforcement Trust Fund

This fund accounts for proceeds from the sale of contraband that are restricted to subsidize law enforcement efforts.

DUI Enforcement and Education Fund

This fund accounts for fees and fines to be used to enforce the DUI law and informing the public of laws governing the operation of a vehicle while under the influence of alcohol, the dangers of the operation of a vehicle under the influence of alcohol, and other information relating to operation of a vehicle under the influence of alcohol and the consumption of alcoholic beverages.

Mayor's Court Computer Fund

This fund accounts for additional court fees designated for the computerization of the Mayor's court and the acquisition and maintenance of legal research services for the Mayor's court.

Community Events and Projects Fund

This fund accounts for revenues and expenses associated with community events such as sporting events, festivals, parades, concerts and entertainment to promote the quality of life in the City for its residents and visitors. This fund is classified as part of the General Fund for financial statement presentation, in accordance with GASB 54.

Tax Abatement Fund

This fund accounts for the distribution of income tax incentive payments. This fund is classified as part of the General Fund for financial statement presentation, in accordance with GASB 54.

CITY OF GRANDVIEW HEIGHTS, OHIO
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

Fire EMS Grant Fund

This fund accounts for state and federal grants awarded to the City for the purpose of supporting and enhancing the City's fire and emergency medical services.

Grandview Center Improvement Fund

This fund accounts for donations and contributions used for maintenance and improvement of the Grandview Center.

Wyman Woods Fund

This fund accounts for monies received through charitable donations which are designated for the maintenance and improvement of the Wyman Woods Park in the City.

Municipal Swimming Pool Fund

This fund accounts for monies received through charitable donations which are designated for the maintenance and improvement of the pool in the City.

Convention and Visitor's Bureau Fund

This fund accounts for the portion of the City imposed hotel bed tax that is designated for the promotion on tourism in the City.

Safe Routes to School Fund

This fund accounts for monies received through the Ohio Department of Transportation which are designated for the Safe Routes to School projects.

JEDZ CEDA Fund

This fund accounts for the receipts and expenses related to the Joint Economic Development Zone Cooperative Economic Development Agreement with Clinton Township. This fund is classified as part of the General Fund for financial statement presentation, in accordance with GASB 54.

CMAQ Improvement Grant Fund

This fund accounts for monies received through the Ohio Department of Transportation which are designated for the Congestion Mitigation and Air Quality Improvement Program.

Coronary Care Fund

This fund accounts for monies received through charitable donations which are designated for the acquisition and maintenance of the equipment related to the EMS cardiac care functions.

Youth DARE Trust Fund

This fund accounts for monies received through charitable donations which are designated for the support of the Drug Abuse Resistance Educations (DARE) program in the City.

C. Ray Buck Sports Park Fund

This fund accounts for monies received through charitable donations which are designated for the maintenance and improvement of the C. Ray Buck Sports Park in the City.

Pierce Field Park Trust

This fund accounts for monies received through charitable donations which are designated for the maintenance and improvement of the Pierce Field Park in the City.

CITY OF GRANDVIEW HEIGHTS, OHIO
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

Accrued Leave Reserve Fund

This fund accounts for resources accumulated for the payment of accumulated sick leave and vacation leave and for payments in lieu of taking compensatory time off, upon the termination of employment or retirement of employees of the City. This fund is classified as part of the General Fund for financial statement presentation, in accordance with GASB 54.

NONMAJOR DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources and the payments of general obligation principal, interest, and related costs.

Debt Service Fund

This fund accounts for the resources that are used for the payment of principal, interest, and other fiscal charges on debt.

NONMAJOR CAPITAL PROJECTS FUNDS

The capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary fund types. Following is a description of the capital project funds:

Sewer Improvement Fund

This fund accounts for revenues and expenditures for sewer improvements.

Parks and Recreation Improvement Fund

This fund accounts for monies received for improvements to parks and recreational facilities.

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

**CITY OF GRANDVIEW HEIGHTS, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2018**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 1,763,848	\$ 123,521	\$ 1,244,830	\$ 3,132,199
Receivables (net of allowances):				
Property and other taxes	190,095	-	90,396	280,491
Accounts	440	-	11,013	11,453
Intergovernmental	136,436	-	4,569	141,005
Materials and supplies inventory	8,594	-	-	8,594
Total assets	<u>\$ 2,099,413</u>	<u>\$ 123,521</u>	<u>\$ 1,350,808</u>	<u>\$ 3,573,742</u>
Liabilities:				
Accounts payable	\$ 136,243	\$ -	\$ 23,526	\$ 159,769
Retainage payable	29,752	-	24,177	53,929
Total liabilities	<u>165,995</u>	<u>-</u>	<u>47,703</u>	<u>213,698</u>
Deferred Inflows of Resources:				
Property and other local taxes	165,280		68,866	234,146
Unavailable revenue	95,522		6,067	101,589
Total deferred inflows of resources	<u>260,802</u>		<u>74,933</u>	<u>335,735</u>
Fund Balances:				
Nonspendable:				
Inventory	8,594	-	-	8,594
Restricted:				
Capital Projects	-	-	519,622	519,622
Debt Service	-	123,521	-	123,521
Street construction, maintenance and repairs	1,519,858	-	-	1,519,858
Fire/EMS	7,557	-	-	7,557
Parks and recreation	77,093	-	-	77,093
Court computer	5,566	-	-	5,566
Law enforcement	30,304	-	-	30,304
Other purposes	23,644	-	-	23,644
Committed:				
Capital projects	-	-	708,550	708,550
Total fund balances	<u>1,672,616</u>	<u>123,521</u>	<u>1,228,172</u>	<u>3,024,309</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,099,413</u>	<u>\$ 123,521</u>	<u>\$ 1,350,808</u>	<u>\$ 3,573,742</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and other taxes	\$ 327,175	\$ -	\$ 369,767	\$ 696,942
Charges for services	-	-	238,065	238,065
Fines and forfeitures	6,642	-	-	6,642
Intergovernmental	370,278	-	9,139	379,417
Investment income	22,066	-	-	22,066
Contributions and donations	35,931	-	25,000	60,931
Other	778	-	324	1,102
Total revenues	<u>762,870</u>	<u>-</u>	<u>642,295</u>	<u>1,405,165</u>
Expenditures:				
Current:				
General government	199,165	-	-	199,165
Security of persons and property	210,276	-	-	210,276
Transportation	168,346	-	-	168,346
Leisure time activities	8,422	-	47,282	55,704
Utility services	-	-	32,086	32,086
Capital outlay	590,000	-	376,751	966,751
Debt service:				
Principal retirement	80,665	424,306	303,147	808,118
Interest and fiscal charges	-	150,963	260,918	411,881
Bond issuance costs	-	139,444	-	139,444
Total expenditures	<u>1,256,874</u>	<u>714,713</u>	<u>1,020,184</u>	<u>2,991,771</u>
Deficiency of revenues under expenditures	(494,004)	(714,713)	(377,889)	(1,586,606)
Other Financing Sources:				
Issuance of bond	-	104,000	-	104,000
Premium on bond issuance	-	158,458	-	158,458
Transfers in	559,000	517,000	418,000	1,494,000
Total other financing sources	<u>559,000</u>	<u>779,458</u>	<u>418,000</u>	<u>1,756,458</u>
Net change in fund balances	64,996	64,745	40,111	169,852
Fund balance at beginning of year	1,607,620	58,776	1,188,061	2,854,457
Fund balance at end of year	<u>\$ 1,672,616</u>	<u>\$ 123,521</u>	<u>\$ 1,228,172</u>	<u>\$ 3,024,309</u>

**CITY OF GRANDVIEW HEIGHTS, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2018**

	Street Construction Maintenance and Repair	State Highway Improvement	Police Pension	Fire Pension	Motor Vehicle Permissive Tax	Law Enforcement
Assets:						
Equity in pooled cash and investments	\$ 1,432,838	\$ 35,411	\$ 481	\$ 481	\$ 103,467	\$ 17,015
Receivables (net of allowances):						
Property and other taxes	-	-	91,514	91,514	-	-
Accounts	-	-	-	-	-	-
Intergovernmental	114,448	9,280	5,483	5,483	1,358	-
Materials and supplies inventory	8,594	-	-	-	-	-
Total assets	<u>\$ 1,555,880</u>	<u>\$ 44,691</u>	<u>\$ 97,478</u>	<u>\$ 97,478</u>	<u>\$ 104,825</u>	<u>\$ 17,015</u>
Liabilities:						
Accounts payable	\$ 133,532	\$ -	\$ -	\$ -	\$ -	\$ -
Retainage payable	29,752	-	-	-	-	-
Total liabilities	<u>163,284</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:						
Property and other local taxes	-	-	82,640	82,640	-	-
Unavailable revenue	74,888	6,072	7,281	7,281	-	-
Total deferred inflows of resources	<u>74,888</u>	<u>6,072</u>	<u>89,921</u>	<u>89,921</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Nonspendable:						
Inventory	8,594	-	-	-	-	-
Restricted:						
Street construction, maintenance and repairs	1,309,114	38,619	-	-	104,825	-
Fire/EMS	-	-	-	7,557	-	-
Parks and recreation	-	-	-	-	-	-
Court computer	-	-	-	-	-	-
Law enforcement	-	-	7,557	-	-	17,015
Other purposes	-	-	-	-	-	-
Total fund balances	<u>1,317,708</u>	<u>38,619</u>	<u>7,557</u>	<u>7,557</u>	<u>104,825</u>	<u>17,015</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,555,880</u>	<u>\$ 44,691</u>	<u>\$ 97,478</u>	<u>\$ 97,478</u>	<u>\$ 104,825</u>	<u>\$ 17,015</u>

DUI Enforcement and Education	Mayor's Court Computer	Fire/EMS Grant	Grandview Center Improvement	Wyman Woods	Municipal Swimming Pool	Convention and Visitors Bureau	Safe Routes to School	CMAQ Improvement Grant
\$ 5,682	\$ 5,176	\$ -	\$ 13,252	\$ 1,922	\$ 4,048	\$ 1,645	\$ 67,300	\$ -
-	-	-	-	-	-	7,067	-	-
50	390	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	384
-	-	-	-	-	-	-	-	-
<u>\$ 5,732</u>	<u>\$ 5,566</u>	<u>\$ -</u>	<u>\$ 13,252</u>	<u>\$ 1,922</u>	<u>\$ 4,048</u>	<u>\$ 8,712</u>	<u>\$ 67,300</u>	<u>\$ 384</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 384
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	384
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	67,300	-
-	-	-	-	-	-	-	-	-
-	-	-	-	1,922	4,048	-	-	-
-	5,566	-	-	-	-	-	-	-
5,732	-	-	-	-	-	-	-	-
-	-	-	13,252	-	-	8,712	-	-
<u>5,732</u>	<u>5,566</u>	<u>-</u>	<u>13,252</u>	<u>1,922</u>	<u>4,048</u>	<u>8,712</u>	<u>67,300</u>	<u>-</u>
<u>\$ 5,732</u>	<u>\$ 5,566</u>	<u>\$ -</u>	<u>\$ 13,252</u>	<u>\$ 1,922</u>	<u>\$ 4,048</u>	<u>\$ 8,712</u>	<u>\$ 67,300</u>	<u>\$ 384</u>

(Continued)

**CITY OF GRANDVIEW HEIGHTS, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AS OF DECEMBER 31, 2018**

	Coronary Care	Youth DARE Trust	C. Ray Buck Sports Park	Pierce Field Park Trust	Total Non-major Special Revenue Funds
Assets:					
Equity in pooled cash and investments	\$ 1,680	\$ -	\$ 1,362	\$ 72,088	\$ 1,763,848
Receivables (net of allowances):					
Property and other taxes	-	-	-	-	190,095
Accounts	-	-	-	-	440
Intergovernmental	-	-	-	-	136,436
Materials and supplies inventory	-	-	-	-	8,594
Total assets	<u>\$ 1,680</u>	<u>\$ -</u>	<u>\$ 1,362</u>	<u>\$ 72,088</u>	<u>\$ 2,099,413</u>
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 2,327	\$ 136,243
Retainage payable	-	-	-	-	29,752
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,327</u>	<u>165,995</u>
Deferred Inflows of Resources:					
Property and other local taxes	-	-	-	-	165,280
Unavailable revenue	-	-	-	-	95,522
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,802</u>
Fund Balances:					
Nonspendable:					
Inventory	-	-	-	-	8,594
Restricted:					
Street construction, maintenance and repairs	-	-	-	-	1,519,858
Fire/EMS	-	-	-	-	7,557
Parks and recreation	-	-	1,362	69,761	77,093
Court computer	-	-	-	-	5,566
Law enforcement	-	-	-	-	30,304
Other purposes	1,680	-	-	-	23,644
Total fund balances	<u>1,680</u>	<u>-</u>	<u>1,362</u>	<u>69,761</u>	<u>1,672,616</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,680</u>	<u>\$ -</u>	<u>\$ 1,362</u>	<u>\$ 72,088</u>	<u>\$ 2,099,413</u>



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GRANDVIEW HEIGHTS

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CITY OF GRANDVIEW HEIGHTS, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Street Construction Maintenance and Repair	State Highway Improvement	Police Pension	Fire Pension	Motor Vehicle Permissive Tax	Law Enforcement
Revenues:						
Property and other taxes	\$ -	\$ -	\$ 89,866	\$ 89,866	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	635
Intergovernmental	265,505	21,528	10,980	10,980	17,483	-
Investment income	17,903	1,041	-	-	3,122	-
Contributions and donations	-	-	-	-	-	4,000
Other	-	-	389	389	-	-
Total revenues	<u>283,408</u>	<u>22,569</u>	<u>101,235</u>	<u>101,235</u>	<u>20,605</u>	<u>4,635</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Security of persons and property	-	-	102,585	102,585	-	5,090
Transportation	138,802	-	-	-	29,544	-
Leisure time activities	-	-	-	-	-	-
Capital outlay	545,498	-	-	-	-	-
Debt service:						
Principal retirement	58,501	22,164	-	-	-	-
Total expenditures	<u>742,801</u>	<u>22,164</u>	<u>102,585</u>	<u>102,585</u>	<u>29,544</u>	<u>5,090</u>
Excess (deficiency) of revenues over (under) expenditures	(459,393)	405	(1,350)	(1,350)	(8,939)	(455)
Other Financing Sources:						
Transfers in	491,000	-	-	-	-	-
Total other financing sources	<u>491,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	31,607	405	(1,350)	(1,350)	(8,939)	(455)
Fund balance at beginning of year	1,286,101	38,214	8,907	8,907	113,764	17,470
Fund balance at end of year	<u>\$ 1,317,708</u>	<u>\$ 38,619</u>	<u>\$ 7,557</u>	<u>\$ 7,557</u>	<u>\$ 104,825</u>	<u>\$ 17,015</u>

DUI Enforcement and Education	Mayor's Court Computer	Fire/EMS Grant	Grandview Center Improvement	Wyman Woods	Municipal Swimming Pool	Convention and Visitors Bureau	Safe Routes to School	CMAQ Improvement Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 147,443	\$ -	\$ -
450	5,557	-	-	-	-	-	-	-
-	-	3,575	-	-	-	-	-	40,227
-	-	-	-	-	-	-	-	-
-	-	-	1,463	-	1,901	-	-	-
-	-	-	-	-	-	-	-	-
<u>450</u>	<u>5,557</u>	<u>3,575</u>	<u>1,463</u>	<u>-</u>	<u>1,901</u>	<u>147,443</u>	<u>-</u>	<u>40,227</u>
-	9,165	-	-	-	-	190,000	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	3,575	-	-	-	-	700	40,227
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>9,165</u>	<u>3,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,000</u>	<u>700</u>	<u>40,227</u>
450	(3,608)	-	1,463	-	1,901	(42,557)	(700)	-
-	-	-	-	-	-	-	68,000	-
-	-	-	-	-	-	-	68,000	-
450	(3,608)	-	1,463	-	1,901	(42,557)	67,300	-
5,282	9,174	-	11,789	1,922	2,147	51,269	-	-
<u>\$ 5,732</u>	<u>\$ 5,566</u>	<u>\$ -</u>	<u>\$ 13,252</u>	<u>\$ 1,922</u>	<u>\$ 4,048</u>	<u>\$ 8,712</u>	<u>\$ 67,300</u>	<u>\$ -</u>

(Continued)

CITY OF GRANDVIEW HEIGHTS, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Coronary Care	Youth DARE Trust	C. Ray Buck Sports Park	Pierce Field Park Trust	Total Non-major Special Revenue Funds
Revenues:					
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ 327,175
Fines and forfeitures	-	-	-	-	6,642
Intergovernmental	-	-	-	-	370,278
Investment income	-	-	-	-	22,066
Contributions and donations	-	-	-	28,567	35,931
Other	-	-	-	-	778
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,567</u>	<u>762,870</u>
Expenditures:					
Current:					
General government	-	-	-	-	199,165
Security of persons and property	-	16	-	-	210,276
Transportation	-	-	-	-	168,346
Leisure time activities	-	-	-	8,422	8,422
Capital outlay	-	-	-	-	590,000
Debt service:					
Principal retirement	-	-	-	-	80,665
Total expenditures	<u>-</u>	<u>16</u>	<u>-</u>	<u>8,422</u>	<u>1,256,874</u>
Excess (deficiency) of revenues over (under) expenditures	-	(16)	-	20,145	(494,004)
Other Financing Sources:					
Transfers in	-	-	-	-	559,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>559,000</u>
Net change in fund balances	-	(16)	-	20,145	64,996
Fund balance at beginning of year	1,680	16	1,362	49,616	1,607,620
Fund balance at end of year	<u>\$ 1,680</u>	<u>\$ -</u>	<u>\$ 1,362</u>	<u>\$ 69,761</u>	<u>\$ 1,672,616</u>



The CITY of
GRANDVIEW HEIGHTS

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CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>			
Intergovernmental	\$ 255,000	\$ 266,507	\$ 11,507
Investment income	141	17,903	17,762
Total revenues	<u>255,141</u>	<u>284,410</u>	<u>29,269</u>
<u>Expenditures:</u>			
Transportation			
Contractual services	101,384	83,243	18,141
Materials and supplies	22,000	13,981	8,019
Other operating	50,000	40,535	9,465
Capital outlay	1,590,597	1,590,589	8
Debt service			
Loan payments	58,501	58,501	-
Total expenditures	<u>1,822,482</u>	<u>1,786,849</u>	<u>35,633</u>
Excess of expenditures over revenues	(1,567,341)	(1,502,439)	64,902
<u>Other Financing Sources:</u>			
Transfers in	491,000	491,000	-
Total other financing sources	<u>491,000</u>	<u>491,000</u>	<u>-</u>
Net change in fund balance	(1,076,341)	(1,011,439)	64,902
Fund balance - January 1	384,832	384,832	-
Prior year encumbrances appropriated	1,098,981	1,098,981	-
Fund balance - December 31	<u>\$ 407,472</u>	<u>\$ 472,374</u>	<u>\$ 64,902</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
STATE HIGHWAY IMPROVEMENT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Intergovernmental	\$ 20,500	\$ 21,609	\$ 1,109
Investment income	423	1,041	618
Total revenues	<u>20,923</u>	<u>22,650</u>	<u>1,727</u>
<u>Expenditures:</u>			
Debt service			
Principal retirement	<u>22,165</u>	<u>22,164</u>	<u>1</u>
Total expenditures	<u>22,165</u>	<u>22,164</u>	<u>1</u>
Net change in fund balance	(1,242)	486	1,728
Fund balance - January 1	<u>34,925</u>	<u>34,925</u>	<u>-</u>
Fund balance - December 31	<u>\$ 33,683</u>	<u>\$ 35,411</u>	<u>\$ 1,728</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
POLICE PENSION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Property and other taxes	\$ 91,377	\$ 91,378	\$ 1
Intergovernmental	10,980	10,980	-
Other Revenue	389	389	-
Total revenues	<u>102,746</u>	<u>102,747</u>	<u>1</u>
<u>Expenditures:</u>			
Security of Persons and Property			
Personal services	101,174	101,174	-
Other	1,500	1,411	89
Total expenditures	<u>102,674</u>	<u>102,585</u>	<u>89</u>
Net change in fund balance	72	162	90
Fund balance - January 1	319	319	-
Fund balance - December 31	<u>\$ 391</u>	<u>\$ 481</u>	<u>\$ 90</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
FIRE PENSION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Property and other local taxes	\$ 91,377	\$ 91,378	\$ 1
Intergovernmental	10,980	10,980	-
Other Revenue	389	389	-
Total revenues	<u>102,746</u>	<u>102,747</u>	<u>1</u>
<u>Expenditures:</u>			
Security of Persons and Property			
Personal services	101,174	101,174	-
Other	1,500	1,411	89
Total expenditures	<u>102,674</u>	<u>102,585</u>	<u>89</u>
Net change in fund balance	72	162	90
Fund balance - January 1	319	319	-
Fund balance - December 31	<u>\$ 391</u>	<u>\$ 481</u>	<u>\$ 90</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
MOTOR VEHICLE PERMISSIVE TAX
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Intergovernmental	\$ 17,000	\$ 17,545	\$ 545
Investment income	1,269	3,122	1,853
Total revenues	<u>18,269</u>	<u>20,667</u>	<u>2,398</u>
<u>Expenditures:</u>			
Transportation			
Materials and supplies	89,132	54,544	34,588
Total expenditures	<u>89,132</u>	<u>54,544</u>	<u>34,588</u>
Net change in fund balance	(70,863)	(33,877)	36,986
Fund balance - January 1	83,212	83,212	-
Prior year encumbrances appropriated	29,132	29,132	-
Fund balance - December 31	<u>\$ 41,481</u>	<u>\$ 78,467</u>	<u>\$ 36,986</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
LAW ENFORCEMENT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Fines and forfeitures	\$ -	\$ 635	\$ 635
Contributions and donations	-	4,000	4,000
Other revenue	-	7,240	7,240
Total revenues	<u>-</u>	<u>11,875</u>	<u>11,875</u>
<u>Expenditures:</u>			
Security of Persons and Property			
Materials and supplies	8,694	5,090	3,604
Total expenditures	<u>8,694</u>	<u>5,090</u>	<u>3,604</u>
Net change in fund balance	(8,694)	6,785	15,479
Fund balance - January 1	10,230	10,230	-
Fund balance - December 31	<u>\$ 1,536</u>	<u>\$ 17,015</u>	<u>\$ 15,479</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
DUI ENFORCEMENT AND EDUCATION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Fines and forfeitures	\$ 450	\$ 450	\$ -
Total revenues	<u>450</u>	<u>450</u>	<u>-</u>
<u>Expenditures:</u>			
Security of Persons and Property			
Capital Outlay	<u>5,590</u>	<u>-</u>	<u>5,590</u>
Total expenditures	<u>5,590</u>	<u>-</u>	<u>5,590</u>
Net change in fund balance	(5,140)	450	5,590
Fund balance - January 1	<u>5,232</u>	<u>5,232</u>	<u>-</u>
Fund balance - December 31	<u>\$ 92</u>	<u>\$ 5,682</u>	<u>\$ 5,590</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
MAYOR’S COURT COMPUTER
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Fines and forfeitures	\$ 4,300	\$ 5,397	\$ 1,097
Total revenues	<u>4,300</u>	<u>5,397</u>	<u>1,097</u>
<u>Expenditures:</u>			
General Government			
Contractual services	7,000	5,037	1,963
Materials and supplies	4,400	4,128	272
Total expenditures	<u>11,400</u>	<u>9,165</u>	<u>2,235</u>
Net change in fund balance	(7,100)	(3,768)	3,332
Fund balance - January 1	8,944	8,944	-
Fund balance - December 31	<u>\$ 1,844</u>	<u>\$ 5,176</u>	<u>\$ 3,332</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
COMMUNITY EVENTS AND PROJECTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Charges for services	\$ -	\$ 11,293	\$ 11,293
Contributions and donations	37,500	34,591	(2,909)
Total Revenues	<u>37,500</u>	<u>45,884</u>	<u>8,384</u>
<u>Expenditures:</u>			
Leisure Time Activity			
Other operating	\$ 29,000	\$ 26,759	\$ 2,241
Total expenditures	<u>29,000</u>	<u>26,759</u>	<u>2,241</u>
Excess of Expenditures Over Revenues	8,500	19,125	10,625
<u>Other Financing Sources:</u>			
Transfer in	7,500	7,500	-
Total other financing sources	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Net change in fund balance	16,000	26,625	10,625
Fund balance - January 1	21,548	21,548	-
Fund balance - December 31	<u>\$ 37,548</u>	<u>\$ 48,173</u>	<u>\$ 10,625</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
TAX ABATEMENT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>			
Municipal income taxes	\$ 2,118,500	\$ 2,232,823	\$ 114,323
Property and other taxes	75,000	77,709	2,709
Charges for services	2,500	2,496	(4)
Total revenues	<u>2,196,000</u>	<u>2,313,028</u>	<u>117,028</u>
<u>Expenditures:</u>			
General Government			
Other	2,822,488	2,579,193	243,295
Total expenditures	<u>2,822,488</u>	<u>2,579,193</u>	<u>243,295</u>
Net change in fund balance	(626,488)	(266,165)	360,323
Fund balance - January 1	1,002,667	1,002,667	-
Prior Year Encumbrances Appropriated	247,488	247,488	-
Fund balance - December 31	<u>\$ 623,667</u>	<u>\$ 983,990</u>	<u>\$ 360,323</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
FIRE EMS GRANT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>			
Intergovernmental	\$ 3,575	\$ 3,575	\$ -
Total revenues	<u>3,575</u>	<u>3,575</u>	<u>-</u>
<u>Expenditures:</u>			
Security of Persons and Property			
Capital Outlay	3,575	3,575	-
Total expenditures	<u>3,575</u>	<u>3,575</u>	<u>-</u>
Excess (Deficiency) of revenues over (under) expenditures	-	-	-
<u>Other Financing Sources (Uses):</u>			
Advance in	-	3,575	3,575
Advance out	-	(3,575)	(3,575)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance - January 1	-	-	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
GRANDVIEW CENTER IMPROVEMENT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Contributions and donations	\$ 2,000	\$ 1,463	\$ (537)
Total revenues	<u>2,000</u>	<u>1,463</u>	<u>(537)</u>
<u>Expenditures:</u>			
Leisure Time Activity			
Capital outlay	<u>9,700</u>	<u>1,818</u>	<u>7,882</u>
Total expenditures	<u>9,700</u>	<u>1,818</u>	<u>7,882</u>
Net change in fund balance	(7,700)	(355)	7,345
Fund balance - January 1	<u>11,789</u>	<u>11,789</u>	<u>-</u>
Fund balance - December 31	<u>\$ 4,089</u>	<u>\$ 11,434</u>	<u>\$ 7,345</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
WYMAN WOODS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>			
Contributions and donations	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>			
Leisure Time Activity			
Capital outlay	\$ 1,922	\$ -	1,922
Total expenditures	<u>1,922</u>	<u>-</u>	<u>1,922</u>
Net change in fund balance	(1,922)	-	1,922
Fund balance - January 1	1,922	1,922	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ 1,922</u>	<u>\$ 1,922</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
MUNICIPAL SWIMMING POOL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Contributions and donations	\$ 1,000	\$ 1,900	\$ 900
Total revenues	<u>1,000</u>	<u>1,900</u>	<u>900</u>
<u>Expenditures:</u>			
Leisure Time Activity			
Materials and supplies	<u>2,345</u>	<u>2,345</u>	<u>-</u>
Total expenditures	<u>2,345</u>	<u>2,345</u>	<u>-</u>
Net change in fund balance	(1,345)	(445)	900
Fund balance - January 1	2,148	2,148	-
Prior Year Encumbrances Appropriated	<u>2,345</u>	<u>2,345</u>	<u>-</u>
Fund balance - December 31	<u>\$ 3,148</u>	<u>\$ 4,048</u>	<u>\$ 900</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
CONVENTION AND VISITOR’S BUREAU
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>			
Property and other local taxes	\$ 150,000	\$ 148,177	\$ (1,823)
Total revenues	<u>150,000</u>	<u>148,177</u>	<u>(1,823)</u>
<u>Expenditures:</u>			
General Government			
Other	190,000	190,000	-
Total expenditures	<u>190,000</u>	<u>190,000</u>	<u>-</u>
Net change in fund balance	(40,000)	(41,823)	(1,823)
Fund balance - January 1	43,468	43,468	-
Fund balance - December 31	<u>\$ 3,468</u>	<u>\$ 1,645</u>	<u>\$ (1,823)</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
JEDZ CEDA
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Intergovernmental	\$ 2,149,000	\$ 2,198,406	\$ 49,406
Total revenues	<u>2,149,000</u>	<u>2,198,406</u>	<u>49,406</u>
<u>Expenditures:</u>			
Economic Development			
Contractual Services	2,175,000	2,175,000	-
Total expenditures	<u>2,175,000</u>	<u>2,175,000</u>	<u>-</u>
Net change in fund balance	(26,000)	23,406	49,406
Fund balance - January 1	26,312	26,312	-
Fund balance - December 31	<u>\$ 312</u>	<u>\$ 49,718</u>	<u>\$ 49,406</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
CORONARY CARE TRUST
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Contributions and donations	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance - January 1	1,680	1,680	-
Fund balance - December 31	<u>\$ 1,680</u>	<u>\$ 1,680</u>	<u>\$ -</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
YOUTH DARE TRUST
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Final Budget	Actual	Variance Over/(Under)
<u>Expenditures:</u>			
Security of Persons and Property			
Other	\$ 16	\$ 16	\$ -
Total Expenditures	16	16	-
 Net change in Fund Balance	 (16)	 (16)	 -
 Fund balance - January 1	 16	 16	 -
Fund balance - December 31	\$ -	\$ -	\$ -

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
C. RAY BUCK SPORTS PARK
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Expenditures:</u>			
Leisure Time Activities			
Capital outlay	\$ 1,362	\$ -	\$ 1,362
Total expenditures	<u>1,362</u>	<u>-</u>	<u>1,362</u>
Net change in fund balance	(1,362)	-	1,362
Fund balance - January 1	1,362	1,362	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ 1,362</u>	<u>\$ 1,362</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
PIERCE FIELD PARK TRUST
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Contributions and donations	\$ 28,567	\$ 28,567	\$ -
Total revenues	<u>28,567</u>	<u>28,567</u>	<u>-</u>
<u>Expenditures:</u>			
Leisure Time Activity			
Materials and Supplies	49,562	11,090	38,472
Capital outlay	28,500	28,500	-
Total expenditures	<u>78,062</u>	<u>39,590</u>	<u>38,472</u>
Net change in fund balance	(49,495)	(11,023)	38,472
Fund balance - January 1	49,616	49,616	-
Fund balance - December 31	<u>\$ 121</u>	<u>\$ 38,593</u>	<u>\$ 38,472</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
CMAQ IMPROVEMENT GRANT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Final Budget	Actual	Variance Over/(Under)
<u>Revenues:</u>			
Intergovernmental	\$ 39,843	\$ 39,843	\$ -
Total revenues	<u>39,843</u>	<u>39,843</u>	<u>-</u>
<u>Expenditures:</u>			
General Government			
Capital Outlay	39,843	39,843	-
Total expenditures	<u>39,843</u>	<u>39,843</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance - January 1	-	-	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
ACCRUED LEAVE RESERVE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Expenditures:</u>			
General Government			
Personal services	\$ 150,000	\$ 129,414	\$ 20,586
Total expenditures	<u>150,000</u>	<u>129,414</u>	<u>20,586</u>
Excess of Expenditures Over Revenues	(150,000)	(129,414)	20,586
<u>Other Financing Sources:</u>			
Transfer in	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Total other financing sources	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net change in fund balance	-	20,586	20,586
Fund balance - January 1	<u>37,615</u>	<u>37,615</u>	<u>-</u>
Fund balance - December 31	<u><u>\$ 37,615</u></u>	<u><u>\$ 58,201</u></u>	<u><u>\$ 20,586</u></u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
SAFE ROUTES TO SCHOOL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Expenditures:</u>			
Capital Outlay	\$ 68,000	\$ 63,637	\$ 4,363
Total expenditures	<u>68,000</u>	<u>63,637</u>	<u>4,363</u>
Excess of Expenditures Over Revenues	(68,000)	(63,637)	4,363
<u>Other Financing Sources:</u>			
Transfer in	<u>68,000</u>	<u>68,000</u>	<u>-</u>
Total other financing sources	<u>68,000</u>	<u>68,000</u>	<u>-</u>
Net change in fund balance	-	4,363	4,363
Fund balance - January 1	-	-	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ 4,363</u>	<u>\$ 4,363</u>

**CITY OF GRANDVIEW HEIGHTS, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUND
 AS OF DECEMBER 31, 2018**

	<u>Debt Service</u>	<u>Total Nonmajor Debt Service Funds</u>
Assets:		
Equity in pooled cash and investments	\$ 123,521	\$ 123,521
Total assets	<u>\$ 123,521</u>	<u>\$ 123,521</u>
Fund Balances:		
Restricted:		
Debt Service	<u>123,521</u>	<u>123,521</u>
Total fund balances	<u>123,521</u>	<u>123,521</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 123,521</u>	 <u>\$ 123,521</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Debt Service</u>	<u>Total Nonmajor Debt Service Funds</u>
Expenditures:		
Debt service:		
Principal retirement	\$ 424,306	\$ 424,306
Interest and fiscal charges	150,963	150,963
Bond issuance costs	139,444	139,444
Total expenditures	<u>714,713</u>	<u>714,713</u>
Deficiency of revenues Under expenditures	(714,713)	(714,713)
Other Financing Sources:		
Issuance of bond	104,000	104,000
Premium on bond issuance	158,458	158,458
Transfers in	517,000	517,000
Total other financing sources (uses)	<u>779,458</u>	<u>779,458</u>
Net change in fund balances	64,745	64,745
Fund balance at beginning of year	58,776	58,776
Fund balance at end of year	<u>\$ 123,521</u>	<u>\$ 123,521</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
DEBT SERVICE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Expenditures:</u>			
Debt service			
Principal retirement	\$ 424,307	\$ 424,306	\$ 1
Interest and fiscal charges	150,963	150,963	-
Bond Issuance Costs	104,000	103,000	1,000
Total expenditures	<u>679,270</u>	<u>678,269</u>	<u>1,001</u>
Excess of Expenditures Over Revenues	(679,270)	(678,269)	1,001
Other Financing Sources			
Premium on Bond Issuance	226,014	226,014	-
Transfers In	517,000	517,000	-
Total Other Financing Sources	<u>743,014</u>	<u>743,014</u>	<u>-</u>
Net change in fund balance	63,744	64,745	1,001
Fund balance - January 1	<u>58,776</u>	<u>58,776</u>	<u>-</u>
Fund balance - December 31	<u>\$ 122,520</u>	<u>\$ 123,521</u>	<u>\$ 1,001</u>

**CITY OF GRANDVIEW HEIGHTS, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUND
AS OF DECEMBER 31, 2018**

	Sewer Improvement	Parks and Recreation Improvement Fund	Total Non-major Capital Projects Funds
Assets:			
Equity in pooled cash and investments	\$ 699,871	\$ 544,959	\$ 1,244,830
Receivables (net of allowances):			
Property and other taxes	-	90,396	90,396
Accounts	11,013	-	11,013
Intergovernmental	-	4,569	4,569
Total assets	<u>\$ 710,884</u>	<u>\$ 639,924</u>	<u>\$ 1,350,808</u>
Liabilities:			
Accounts payable	\$ 2,334	\$ 21,192	\$ 23,526
Retainage payable	-	24,177	24,177
Total liabilities	<u>2,334</u>	<u>45,369</u>	<u>47,703</u>
Deferred Inflows of Resources:			
Property and other local taxes	-	68,866	68,866
Unavailable revenue	-	6,067	6,067
Total deferred inflows of resources	<u>-</u>	<u>74,933</u>	<u>74,933</u>
Fund Balances:			
Restricted:			
Capital Projects	-	519,622	519,622
Committed:			
Capital projects	708,550	-	708,550
Total fund balances	<u>708,550</u>	<u>519,622</u>	<u>1,228,172</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 710,884</u>	<u>\$ 639,924</u>	<u>\$ 1,350,808</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Sewer Improvement	Parks and Recreation Improvement Fund	Total Non-major Capital Projects Funds
Revenues:			
Property and other taxes	\$ -	\$ 369,767	\$ 369,767
Charges for services	238,065	-	238,065
Intergovernmental	-	9,139	9,139
Contributions and donations	-	25,000	25,000
Other	-	324	324
Total revenues	<u>238,065</u>	<u>404,230</u>	<u>642,295</u>
Expenditures:			
Current:			
Leisure time activities	-	47,282	47,282
Utility services	32,086	-	32,086
Capital outlay	-	376,751	376,751
Debt service:			
Principal retirement	73,147	230,000	303,147
Interest and fiscal charges	8,943	251,975	260,918
Total expenditures	<u>114,176</u>	<u>906,008</u>	<u>1,020,184</u>
Excess (deficiency) of revenues over (under) expenditures	123,889	(501,778)	(377,889)
Other Financing Sources			
Transfers in	-	418,000	418,000
Total other financing sources	<u>-</u>	<u>418,000</u>	<u>418,000</u>
Net change in fund balances	123,889	(83,778)	40,111
Fund balance at beginning of year	584,661	603,400	1,188,061
Fund balance at end of year	<u>\$ 708,550</u>	<u>\$ 519,622</u>	<u>\$ 1,228,172</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMERCE DISTRICT GRANTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Intergovernmental	\$ 1,914,904	\$ 1,914,904	\$ -
Total revenues	<u>1,914,904</u>	<u>1,914,904</u>	<u>-</u>
<u>Expenditures:</u>			
Capital Outlay	1,914,904	1,914,904	-
Total expenditures	<u>1,914,904</u>	<u>1,914,904</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance - January 1	(1,914,904)	(1,914,904)	-
Prior Year Encumbrances Appropriated	1,914,904	1,914,904	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Final Budget	Actual	Variance Over/(Under)
	<u> </u>	<u> </u>	<u> </u>
<u>Revenues:</u>			
Municipal income taxes	\$ 766,600	\$ 750,107	\$ (16,493)
Charges for services	154,000	132,710	(21,290)
Investment income	-	18,675	18,675
Other	10,500	11,320	820
Total revenues	<u>931,100</u>	<u>912,812</u>	<u>(18,288)</u>
<u>Expenditures:</u>			
General Government			
Contractual services	863,000	786,938	76,062
Other operating	43,200	40,805	2,395
Capital outlay	7,361,639	6,847,290	514,349
Debt service			
Principal retirement	137,511	137,511	-
Interest and fiscal charges	6,561	6,560	1
Total expenditures	<u>8,411,911</u>	<u>7,819,104</u>	<u>592,807</u>
Excess of Expenditures Over Revenues	(7,480,811)	(6,906,292)	574,519
Other Financing Sources			
Sale of Assets	6,600	6,069	(531)
Bond Issuance	5,896,000	5,896,000	-
Transfers In	407,000	407,000	-
Total Other Financing Sources	<u>6,309,600</u>	<u>6,309,069</u>	<u>(531)</u>
Net change in fund balance	(1,171,211)	(597,223)	573,988
Fund balance - January 1	859,821	859,821	-
Prior year encumbrances appropriated	311,434	311,434	-
Fund balance - December 31	<u>\$ 44</u>	<u>\$ 574,032</u>	<u>\$ 573,988</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
SEWER IMPROVEMENT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Charges for services	\$ 200,000	\$ 242,182	\$ 42,182
Total revenues	<u>200,000</u>	<u>242,182</u>	<u>42,182</u>
<u>Expenditures:</u>			
<u>Current:</u>			
Utility Services			
Contractual services	50,147	36,921	13,226
Materials and supplies	23,000	23,000	-
Debt service			
Principal retirement	73,147	73,147	-
Interest and fiscal charges	8,943	8,943	-
Total expenditures	<u>155,237</u>	<u>142,011</u>	<u>13,226</u>
Net change in fund balance	44,763	100,171	55,408
Fund balance - January 1	555,058	555,058	-
Prior year encumbrances appropriated	17,147	17,147	-
Fund balance - December 31	<u>\$ 616,968</u>	<u>\$ 672,376</u>	<u>\$ 55,408</u>

CITY OF GRANDVIEW HEIGHTS, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUDGETARY (NON-GAAP) BASIS
PARKS AND RECREATION CAPITAL IMPROVEMENT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
<u>Revenues:</u>			
Property and other local taxes	\$ 373,377	\$ 372,493	\$ (884)
Intergovernmental	8,810	9,139	329
Contributions and donations	-	25,000	25,000
Other	-	324	324
Total revenues	<u>382,187</u>	<u>406,956</u>	<u>24,769</u>
<u>Expenditures:</u>			
Current:			
Leisure Time Activity			
Contractual services	118,075	118,075	-
Other Operating	1,300	1,177	123
Capital outlay	567,669	528,808	38,861
Debt service			
Principal retirement	230,000	230,000	-
Interest and fiscal charges	251,975	251,975	-
Total expenditures	<u>1,169,019</u>	<u>1,130,035</u>	<u>38,984</u>
Excess of revenues over expenditures	(786,832)	(723,079)	63,753
<u>Other Financing Sources (Uses):</u>			
Transfer in	<u>418,000</u>	<u>418,000</u>	<u>-</u>
Total other financing sources (uses)	<u>418,000</u>	<u>418,000</u>	<u>-</u>
Net change in fund balance	(368,832)	(305,079)	63,753
Fund balance - January 1	511,695	511,695	-
Prior year encumbrances appropriated	160,744	160,744	-
Fund balance - December 31	<u>\$ 303,607</u>	<u>\$ 367,360</u>	<u>\$ 63,753</u>



The CITY of
GRANDVIEW HEIGHTS

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CITY OF GRANDVIEW HEIGHTS, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTION - AGENCY FUNDS**

Agency Funds

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

Mayor's Court

To account for monies collected and to be distributed by the Mayor's Court.

Joint Economic Development Zone (JEDZ) Board

To account for monies collected and to be distributed by the JEDZ Board in accordance with the agreement between the City and Clinton Township.

CITY OF GRANDVIEW HEIGHTS, OHIO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	Beginning Balance	Additions	Deductions	Ending Balance
Mayor's Court				
Assets				
Cash in segregated accounts	\$ 3,075	\$ 119,707	\$ (119,832)	\$ 2,950
Total assets	<u>\$ 3,075</u>	<u>\$ 119,707</u>	<u>\$ (119,832)</u>	<u>\$ 2,950</u>
Liabilities				
Due to others	\$ 3,075	\$ 119,707	\$ (119,832)	\$ 2,950
Total liabilities	<u>\$ 3,075</u>	<u>\$ 119,707</u>	<u>\$ (119,832)</u>	<u>\$ 2,950</u>
Joint Economic Development Zone Board				
Assets				
Cash in segregated accounts	\$ 190,940	\$ 3,384,098	\$ (3,391,525)	\$ 183,513
Income Taxes Receivable	530,924	501,686	(530,924)	501,686
Total assets	<u>\$ 721,864</u>	<u>\$ 3,885,784</u>	<u>\$ (3,922,449)</u>	<u>\$ 685,199</u>
Liabilities				
Due to others	\$ 721,864	\$ 3,885,784	\$ (3,922,449)	\$ 685,199
Total liabilities	<u>\$ 721,864</u>	<u>\$ 3,885,784</u>	<u>\$ (3,922,449)</u>	<u>\$ 685,199</u>
Total				
Assets				
Cash in segregated accounts	\$ 194,015	\$ 3,503,805	\$ (3,511,357)	\$ 186,463
Income Taxes Receivable	530,924	501,686	(530,924)	501,686
Total assets	<u>\$ 724,939</u>	<u>\$ 4,005,491</u>	<u>\$ (4,042,281)</u>	<u>\$ 688,149</u>
Liabilities				
Due to others	\$ 724,939	\$ 4,005,491	\$ (4,042,281)	\$ 688,149
Total liabilities	<u>\$ 724,939</u>	<u>\$ 4,005,491</u>	<u>\$ (4,042,281)</u>	<u>\$ 688,149</u>



The CITY of
GRANDVIEW HEIGHTS

STATISTICAL SECTION



The CITY of
GRANDVIEW HEIGHTS

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CITY OF GRANDVIEW HEIGHTS, OHIO

STATISTICAL SECTION

The statistical section of the City of Grandview Heights’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City of Grandview Heights's financial performance and well-being have changed over time.	S4-S11
Revenue Capacity These schedules contain information to help the reader assess the City’s most significant local revenue source, the income tax.	S12-17
Debt Capacity These schedules contain information to help the reader assess the afford-ability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S18-21
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	S22-23
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S24-29

Sources: Sources are noted on the individual schedules.

CITY OF GRANDVIEW HEIGHTS, OHIO

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

	<u>2018</u>	<u>2017</u>	<u>Restated 2016</u>	<u>2015</u>
Governmental activities:				
Net investment in capital assets	\$ 70,689,320	\$ 61,660,243	\$ 58,962,330	\$ 45,824,665
Restricted	1,414,099	491,675	888,184	1,184,261
Unrestricted	(9,137,337)	1,015,390	(132,535)	2,213,085
Total governmental activities net position	<u>\$ 62,966,082</u>	<u>\$ 63,167,308</u>	<u>\$ 59,717,979</u>	<u>\$ 49,222,011</u>

Source: City financial records.

2014	2013	2012	2011	2010	2009
\$ 28,093,276	\$ 17,454,369	\$ 14,833,545	\$ 13,916,772	\$ 12,133,217	\$ 4,551,855
1,779,704	1,192,229	998,793	593,883	1,611,322	1,132,664
9,548,018	8,724,333	6,205,357	4,764,336	3,494,112	4,023,126
<u>\$ 39,420,998</u>	<u>\$ 27,370,931</u>	<u>\$ 22,037,695</u>	<u>\$ 19,274,991</u>	<u>\$ 17,238,651</u>	<u>\$ 9,707,645</u>

CITY OF GRANDVIEW HEIGHTS, OHIO

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

Program revenues:	2018	2017	2016	2015
Governmental activities				
Charges for services:				
General government	\$ 710,869	\$ 926,345	\$ 685,889	\$ 1,139,313
Security of persons and property	480,493	517,545	511,366	540,917
Public health and welfare	180,565	173,651	167,274	193,674
Transportation	60,188	57,884	55,758	55,803
Utility Services	272,231	260,951	396,018	273,652
Leisure time activity	490,895	429,449	274,837	196,137
Economic Development	2,496	3,506	3,228	5,000
Operating grants & contributions	3,730,572	4,700,748	2,772,332	2,716,723
Capital grants & contributions	9,785,142	1,998,313	9,548,864	17,078,593
Total governmental activities program revenues	15,713,451	9,068,392	14,415,566	22,199,812
Expenses:				
Governmental activities				
General government	5,091,360	4,436,675	3,590,566	3,488,396
Security of persons and property	7,570,560	6,677,344	6,196,665	5,294,942
Public health and welfare	65,318	59,232	56,243	50,481
Transportation	3,580,401	2,225,865	1,616,389	1,762,866
Leisure time activity	2,111,851	1,691,330	1,500,914	1,368,524
Utility services	992,590	976,432	805,335	691,137
Economic development	14,074,363	12,063,274	5,467,462	5,088,365
Interest & fiscal charges	554,301	589,219	335,688	93,178
Total governmental activities expenses	34,040,744	28,719,371	19,569,262	17,837,889
Total primary government net revenue (expense)	<u>(18,327,293)</u>	<u>(19,650,979)</u>	<u>(5,153,696)</u>	<u>4,361,923</u>
General revenues and other changes in net position:				
Governmental activities				
Taxes:				
Property taxes levied for:				
General purposes	2,174,486	2,260,459	2,216,658	2,079,767
Police and fire pensions	179,148	153,880	144,954	142,244
Parks and recreation improvements	74,637	64,104	60,397	59,114
Hotel and motel taxes	590,506	600,053	254,695	274,584
Payments in lieu of taxes	6,583,510	3,791,409	1,549,253	1,376,394
Municipal income taxes levied for:				
General purposes	14,852,088	13,770,782	9,596,666	8,120,062
Capital improvements	781,690	724,778	505,077	427,326
Grants and entitlements not restricted to specific programs	1,171,391	1,207,044	1,230,747	1,124,193
Investment earnings	267,149	132,437	144,369	71,723
Lease	-	-	-	3,103
Insurance Recoveries	20,076	17,949	18,972	-
Miscellaneous	414,268	377,413	192,325	233,854
Total governmental activities	27,108,949	23,100,308	15,914,113	13,912,364
Total primary government change in net position	<u>\$ 8,781,656</u>	<u>\$ 3,449,329</u>	<u>\$ 10,760,417</u>	<u>\$ 18,274,287</u>

Source: City financial records.

	2014	2013	2012	2011	2010	2009
\$	544,813	\$ 451,915	\$ 455,289	\$ 435,571	\$ 423,918	\$ 309,175
	539,958	498,081	449,968	399,152	406,577	564,845
	186,734	183,268	175,426	177,226	169,237	146,593
	53,065	51,187	49,373	232,293	225,278	221,589
	195,049	191,538	189,754	-	-	-
	260,511	251,859	278,929	268,002	255,528	243,177
	10,976	3,831	-	-	-	-
	1,644,574	459,865	414,372	445,306	1,606,592	373,644
	11,254,753	2,742,643	1,916,238	1,809,543	7,783,106	10,950
	14,690,433	4,834,187	3,929,349	3,767,093	10,870,236	1,869,973
	3,000,999	2,504,617	2,457,407	2,253,422	2,098,542	2,023,040
	5,099,104	4,944,704	4,817,775	4,686,786	4,609,921	4,667,721
	39,947	6,209	42,352	43,126	40,303	39,636
	1,232,038	1,172,477	1,087,234	804,027	602,154	1,548,131
	1,163,617	999,847	951,611	914,501	856,551	785,511
	758,093	790,285	769,457	722,475	748,210	109,100
	3,653,254	2,347,316	1,213,559	1,218,348	1,730,058	-
	90,563	100,008	82,630	19,262	13,045	24,939
	15,037,615	12,865,463	11,422,025	10,661,947	10,698,784	9,198,078
	(347,182)	(8,031,276)	(7,492,676)	(6,894,854)	171,452	(7,328,105)
	1,920,525	2,069,275	1,376,226	1,462,403	1,437,706	1,387,888
	119,090	130,564	126,450	125,388	144,204	122,460
	54,426	-	-	-	-	-
	187,552	245,746	237,143	207,056	31,743	-
	1,271,885	1,653,591	413,790	-	-	-
	7,249,043	7,606,041	6,994,594	5,629,193	4,404,879	4,745,785
	381,528	400,319	367,041	296,273	154,654	-
	790,346	881,703	515,848	892,128	1,013,394	916,994
	74,311	53,068	120,486	132,081	104,581	107,228
	-	-	-	-	-	-
	-	-	-	-	-	-
	348,543	324,205	103,802	186,672	68,413	116,087
	12,397,249	13,364,512	10,255,380	8,931,194	7,359,574	7,396,442
\$	12,050,067	\$ 5,333,236	\$ 2,762,704	\$ 2,036,340	\$ 7,531,026	\$ 68,337

CITY OF GRANDVIEW HEIGHTS, OHIO
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2018	2017	2016	2015
General fund:				
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Nonspendable	178,810	197,800	206,311	59,827
Committed	58,201	37,615	88,368	15,293
Assigned	511,097	378,270	504,493	331,760
Unassigned	10,163,902	8,927,638	8,187,206	8,949,247
Total general fund	<u>\$ 10,912,010</u>	<u>\$ 9,541,323</u>	<u>\$ 8,986,378</u>	<u>\$ 9,356,127</u>
All other governmental funds:				
Reserved	N/A	N/A	N/A	N/A
Undesignated (deficit), reported in:				
Special revenue funds	N/A	N/A	N/A	N/A
Capital project funds	N/A	N/A	N/A	N/A
Nonspendable	13,344	16,296	27,160	23,520
Restricted	8,752,690	2,253,500	4,145,040	1,027,975
Committed	708,550	1,839,331	1,838,582	1,356,200
Unassigned	(1,072,797)	-	(1,281,702)	(2,509,977)
Total all other governmental funds	<u>\$ 8,401,787</u>	<u>\$ 4,109,127</u>	<u>\$ 4,729,080</u>	<u>\$ (102,282)</u>
Total Governmental funds	<u><u>\$ 19,313,797</u></u>	<u><u>\$ 13,650,450</u></u>	<u><u>\$ 13,715,458</u></u>	<u><u>\$ 9,253,845</u></u>

Source: City financial records.

Notes:

(1) The City implemented GASB 54 in fiscal year 2011. Fiscal year 2010 was restated to reflect this change; however fiscal years prior to 2010 were not restated.

2014	2013	2012	2011 (1)	2010 (1)	2009
N/A	N/A	N/A	N/A	N/A	\$ 109,898
N/A	N/A	N/A	N/A	N/A	3,676,274
177,939	204,695	216,999	237,387	258,985	N/A
148,232	150,000	150,000	-	-	N/A
203,371	144,167	1,546,279	1,249,920	1,351,767	N/A
7,095,887	5,708,223	2,544,146	1,988,100	1,917,702	N/A
<u>\$ 7,625,429</u>	<u>\$ 6,207,085</u>	<u>\$ 4,457,424</u>	<u>\$ 3,475,407</u>	<u>\$ 3,528,454</u>	<u>\$ 3,786,172</u>
N/A	N/A	N/A	N/A	N/A	\$ 146,396
N/A	N/A	N/A	N/A	N/A	541,769
N/A	N/A	N/A	N/A	N/A	319,801
50,818	10,485	17,752	20,643	46,805	N/A
1,742,683	2,889,402	3,784,652	522,872	521,505	N/A
1,215,111	1,158,533	1,029,225	916,057	774,163	N/A
(205,908)	(175,212)	(287,445)	(391,102)	(420,988)	N/A
<u>\$ 2,802,704</u>	<u>\$ 3,883,208</u>	<u>\$ 4,544,184</u>	<u>\$ 1,068,470</u>	<u>\$ 921,485</u>	<u>\$ 1,007,967</u>
<u>\$ 10,428,133</u>	<u>\$ 10,090,293</u>	<u>\$ 9,001,608</u>	<u>\$ 4,543,877</u>	<u>\$ 4,449,939</u>	<u>\$ 4,794,139</u>

CITY OF GRANDVIEW HEIGHTS, OHIO

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues:				
Municipal income tax	\$ 15,134,285	\$ 14,067,126	\$ 11,002,926	\$ 8,857,323
Property and other taxes	3,036,467	3,074,873	2,681,768	2,547,110
Payment in lieu of taxes	6,583,510	3,791,409	1,549,253	1,376,394
Charges for services	1,760,391	1,688,847	1,665,008	1,561,660
Licenses, permits & fees	374,957	586,131	323,628	749,548
Fines and forfeitures	77,242	72,533	88,414	91,278
Intergovernmental	3,756,904	6,614,771	7,434,892	4,827,467
Investment Income	266,282	134,214	159,115	77,128
Contributions and donations	95,972	340,692	9,937	570,621
Miscellaneous	395,899	333,832	183,324	195,943
Total revenues	<u>31,481,909</u>	<u>30,704,428</u>	<u>25,098,265</u>	<u>20,854,472</u>
Expenditures:				
Current:				
General government	4,945,148	4,140,975	3,447,302	3,486,804
Security of persons and property	5,956,171	5,722,683	5,307,846	5,011,254
Public health and welfare	65,318	59,232	56,243	48,991
Transportation	958,960	905,606	995,405	1,441,524
Leisure time activity	1,465,866	1,356,677	1,366,450	1,122,504
Utility services	783,632	781,745	706,765	650,215
Economic Development	14,029,548	12,018,459	5,422,428	4,640,175
Other	-	-	-	-
Capital outlay	2,309,463	11,268,305	10,508,206	7,500,719
Debt service:				
Principal retirement	945,629	859,693	365,861	260,039
Interest and fiscal charges	418,441	408,474	177,679	98,130
Bond issuance costs	139,444	171,800	149,496	-
Total expenditures	<u>32,017,620</u>	<u>37,693,649</u>	<u>28,503,681</u>	<u>24,260,355</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(535,711)</u>	<u>(6,989,221)</u>	<u>(3,405,416)</u>	<u>(3,405,883)</u>
Other financing sources (uses):				
Sale of capital assets	20,524	52,744	13,185	39,884
Loan issuance	-	1,144,816	775,744	2,181,583
Note issuance	-	-	-	-
Bond issuance	6,000,000	5,500,000	6,630,000	-
Premium on Bond issuance	158,458	208,704	195,110	7,025
Inception of capital lease	-	-	234,018	-
Insurance Recoveries	20,076	17,949	18,972	3,103
Transfers in	1,901,000	2,853,894	3,908,325	1,000,000
Transfers out	(1,901,000)	(2,853,894)	(3,908,325)	(1,000,000)
Total other financing sources (uses)	<u>6,199,058</u>	<u>6,924,213</u>	<u>7,867,029</u>	<u>2,231,595</u>
Net change in fund balances	<u>\$ 5,663,347</u>	<u>\$ (65,008)</u>	<u>\$ 4,461,613</u>	<u>\$ (1,174,288)</u>
Debt service as a percentage of noncapital expenditures	4.60%	4.76%	3.06%	2.15%

Source: City financial records.

	2014	2013	2012	2011	2010	2009
\$	7,717,493	\$ 7,572,082	\$ 6,845,331	\$ 5,619,516	\$ 4,748,687	\$ 4,548,428
	2,284,558	2,444,575	1,740,073	1,798,345	1,635,865	1,503,409
	1,271,885	1,653,591	413,790	-	-	-
	1,452,820	1,322,568	1,300,942	1,209,343	1,196,115	1,128,191
	254,827	205,216	211,362	202,568	169,856	182,004
	81,283	86,787	91,515	96,576	116,995	181,496
	6,716,096	3,233,113	1,672,554	2,471,965	4,619,688	1,289,132
	76,155	55,149	119,081	126,165	90,957	126,977
	1,375,507	712,545	115,970	11,447	10,807	9,908
	439,973	226,240	88,365	86,172	71,176	104,999
	<u>21,670,597</u>	<u>17,511,866</u>	<u>12,598,983</u>	<u>11,622,097</u>	<u>12,660,146</u>	<u>9,074,544</u>
	2,935,640	2,575,361	2,381,001	2,210,917	2,038,156	1,990,396
	4,876,991	4,701,675	4,506,905	4,489,567	4,389,401	4,465,941
	39,947	6,209	42,352	43,126	40,303	39,636
	684,828	669,235	606,464	628,207	534,611	1,409,635
	955,151	892,193	856,670	835,953	771,687	715,225
	964,210	747,709	721,683	718,703	690,642	109,100
	2,895,156	2,170,884	1,462,257	1,155,347	1,730,058	-
	-	-	-	-	-	-
	9,795,274	4,428,942	326,120	1,644,618	2,674,874	448,693
	168,005	161,910	110,473	110,875	112,508	121,855
	92,005	90,290	16,930	19,262	22,106	25,434
	-	-	65,700	-	-	-
	<u>23,407,207</u>	<u>16,444,408</u>	<u>11,096,555</u>	<u>11,856,575</u>	<u>13,004,346</u>	<u>9,325,915</u>
	(1,736,610)	1,067,458	1,502,428	(234,478)	(344,200)	(251,371)
	16,853	19,589	4,541	30,855	-	15,910
	1,592,091	-	28,952	204,807	-	-
	-	-	-	-	-	-
	-	-	2,800,000	-	-	-
	-	-	101,644	-	-	-
	447,259	-	-	-	-	-
	18,247	1,638	20,166	92,754	-	-
	250,000	307,500	85,000	59,774	498,229	232,700
	(250,000)	(307,500)	(85,000)	(59,774)	(498,229)	(232,700)
	<u>2,074,450</u>	<u>21,227</u>	<u>2,955,303</u>	<u>328,416</u>	<u>-</u>	<u>15,910</u>
\$	<u>337,840</u>	<u>\$ 1,088,685</u>	<u>\$ 4,457,731</u>	<u>\$ 93,938</u>	<u>\$ (344,200)</u>	<u>\$ (235,461)</u>

1.87%

2.08%

1.20%

1.27%

1.30%

1.65%

CITY OF GRANDVIEW HEIGHTS, OHIO

ASSESSED VALUATION AND ESTIMATED TRUE VALUES OF TAXABLE PROPERTY
LAST TEN YEARS
(\$000's omitted)

Tax Year	Collection Year	Real Property		Personal Property		Public Utility		TOTAL			City Direct Rate
		Assessed	Estimated Actual (a)	Assessed	Estimated Actual (b)	Assessed	Estimated Actual (c)	Assessed	Estimated Actual	Ratio	
2008	2009	\$ 222,574	\$ 635,926	\$ 53	\$ -	\$ 6,681	\$ 26,724	\$ 229,308	\$ 662,650	34.60%	10.70
2009	2010	\$ 222,597	\$ 635,992	\$ 53	\$ -	\$ 6,658	\$ 26,630	\$ 229,308	\$ 662,622	34.61%	10.70
2010	2011	\$ 222,779	\$ 636,512	\$ -	\$ -	\$ 6,918	\$ 27,670	\$ 229,697	\$ 664,183	34.58%	10.95
2011	2012	\$ 244,163	\$ 697,608	\$ -	\$ -	\$ 7,100	\$ 28,402	\$ 251,263	\$ 726,010	34.61%	10.70
2012	2013	\$ 234,810	\$ 670,885	\$ -	\$ -	\$ 7,092	\$ 28,368	\$ 241,902	\$ 699,253	34.59%	10.15
2013	2014	\$ 233,373	\$ 666,780	\$ -	\$ -	\$ 7,412	\$ 29,648	\$ 240,785	\$ 696,428	34.57%	10.15
2014	2015	\$ 251,591	\$ 718,831	\$ -	\$ -	\$ 7,459	\$ 29,838	\$ 259,050	\$ 748,668	34.60%	10.15
2015	2016	\$ 258,928	\$ 739,794	\$ -	\$ -	\$ 9,946	\$ 39,784	\$ 268,874	\$ 779,578	34.49%	10.15
2016	2017	\$ 268,847	\$ 768,134	\$ -	\$ -	\$ 9,919	\$ 39,678	\$ 278,766	\$ 807,810	34.51%	10.15
2017	2018	\$ 330,675	\$ 944,787	\$ -	\$ -	\$ 10,516	\$ 42,063	\$ 341,191	\$ 986,850	34.57%	10.15

Source: County Auditor - Franklin County, Ohio.

- (a) Real property is assessed at 35% of actual value. Real property taxes collected in a calendar year are levied as of January 1 of that year based on assessed values as of January 1 of the preceding year.
- (b) Public utility is assessed at 25% of actual value. Public utility real and tangible property taxes collected in a calendar year are levied in the preceding calendar year based on assessed values determined as of December 31, of the second preceding year.
- (c) For Tax Year 2008, tangible personal property tax is assessed at 6.25% of property value, including inventory.
For Tax Year 2009, tangible personal property tax is entirely phased out.

Assessed Valuation by Property Type
Collection Years 2009- 2018 (\$000's Omitted)



CITY OF GRANDVIEW HEIGHTS, OHIO

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 RATES EXPRESSED PER \$1,000 OF ASSESSED VALUATION
 LAST TEN YEARS

Tax Year	Collection Year	Operating Direct Rate	Fire Pension Direct Rate	Police Pension Direct Rate	Parks and Recreation Direct Rate	Total City Direct Rate	Franklin County	Grandview Heights City School District	Grandview Heights Public Library	Total	Res/Agr Effective Rate	Com/Ind Effective Rate
2008	2009	10.10	0.30	0.30	N/A	10.70	17.37	101.10	4.70	133.87	67.0868	92.3150
2009	2010	10.10	0.30	0.30	N/A	10.70	18.07	100.90	4.70	134.37	68.0786	92.9989
2010	2011	10.35	0.30	0.30	N/A	10.95	18.07	105.05	4.70	138.77	74.6074	99.0556
2011	2012	10.10	0.30	0.30	N/A	10.70	18.07	104.15	4.70	137.62	71.2288	93.5683
2012	2013	9.55	0.30	0.30	N/A	10.15	18.47	104.30	4.70	137.62	76.1796	97.7249
2013	2014	9.30	0.30	0.30	0.25	10.15	18.47	104.30	4.70	137.62	76.2794	98.3721
2014	2015	9.30	0.30	0.30	0.25	10.15	18.47	110.30	4.70	143.62	78.1402	104.5131
2015	2016	9.30	0.30	0.30	0.25	10.15	18.47	110.05	4.70	143.37	77.8988	103.9401
2016	2017	9.30	0.30	0.30	0.25	10.15	18.47	110.05	4.70	143.37	77.8957	103.7173
2017	2018	9.30	0.30	0.30	0.25	10.15	18.92	109.05	6.70	144.82	66.4564	97.0150

Sources: Ohio Municipal Advisory Council, Franklin County Auditor's Office

CITY OF GRANDVIEW HEIGHTS, OHIO

TOP PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer Name	Assessed Valuation	% of Total Assessed Valuation
December 31, 2017 (a)		
Public Utilities		
Ohio Power Company	\$ 8,927,450	2.62%
Columbia Gas	\$ 2,083,400	0.61%
Real Estate		
Caprocq Grandview LLC	\$ 2,964,660	0.87%
TVSS Grandview Goodale LLC	\$ 2,797,560	0.82%
Buckone Ltd	\$ 2,510,600	0.74%
Goodale Office LLC	\$ 1,609,270	0.47%
Wagbros Company Ltd	\$ 1,553,760	0.46%
Woodhill Garden Apartments Ltd	\$ 1,373,860	0.40%
810 Grandview LLC	\$ 1,132,750	0.33%
777 Goodale Partners LLC	\$ 1,059,420	0.31%
Susan G. Douglas	\$ 941,300	0.28%
William E Buena TR	\$ 929,710	0.27%
All Others	\$ 313,307,580	91.82%
Total Assessed Valuation	<u>\$341,191,320</u>	<u>99.99%</u>
December 31, 2008 (a)		
Public Utilities		
Columbus Southern Power	\$ 5,017,130	2.21%
Columbia Gas of Ohio Inc	\$ 1,661,090	0.73%
Real Estate		
NRI Equity Land	\$ 9,114,020	4.02%
Woodhill Garden	\$ 1,178,310	0.52%
Buckone Ltd.	\$ 1,070,300	0.47%
838-890 W. Goodale LLC	\$ 1,069,200	0.47%
Quay I LLC	\$ 1,050,010	0.46%
Grandview Business Center	\$ 953,550	0.42%
William E Benua TR	\$ 828,860	0.37%
Big Valley LTD LLC	\$ 712,250	0.31%
W.W. Williams Corp.	\$ 703,550	0.31%
Nick Panzera	\$ 701,270	0.31%
Tangible Personal Property		
Loeb Electric Company	\$ 825,460	0.36%
Citicorp Leasing, Inc.	\$ 180,840	0.08%
Capital Wholesale Drug Co.	\$ 172,470	0.08%
Manley, Deas and Kochalski, LLC	\$ 121,030	0.05%
CW Demary Services, LLC	\$ 107,620	0.05%
General Electric Capital Corp.	\$ 103,400	0.05%
Ohio Bell Telephone Co.	\$ 101,750	0.04%
GE Commercial Equipment Holding, LLC	\$ 100,980	0.04%
Bearing Distributors, Inc.	\$ 97,760	0.04%
Time Warner Entertainment Co. LP	\$ 72,820	0.02%
All Others	\$ 201,043,623	88.57%
Total Assessed Valuation	<u>\$ 226,987,293</u>	<u>100.00%</u>

Source: County Auditor - Franklin County, Ohio.

(a) Tax Year 2017 and 2008 collections represent amounts received in 2018 and 2009, respectively.

CITY OF GRANDVIEW HEIGHTS, OHIO

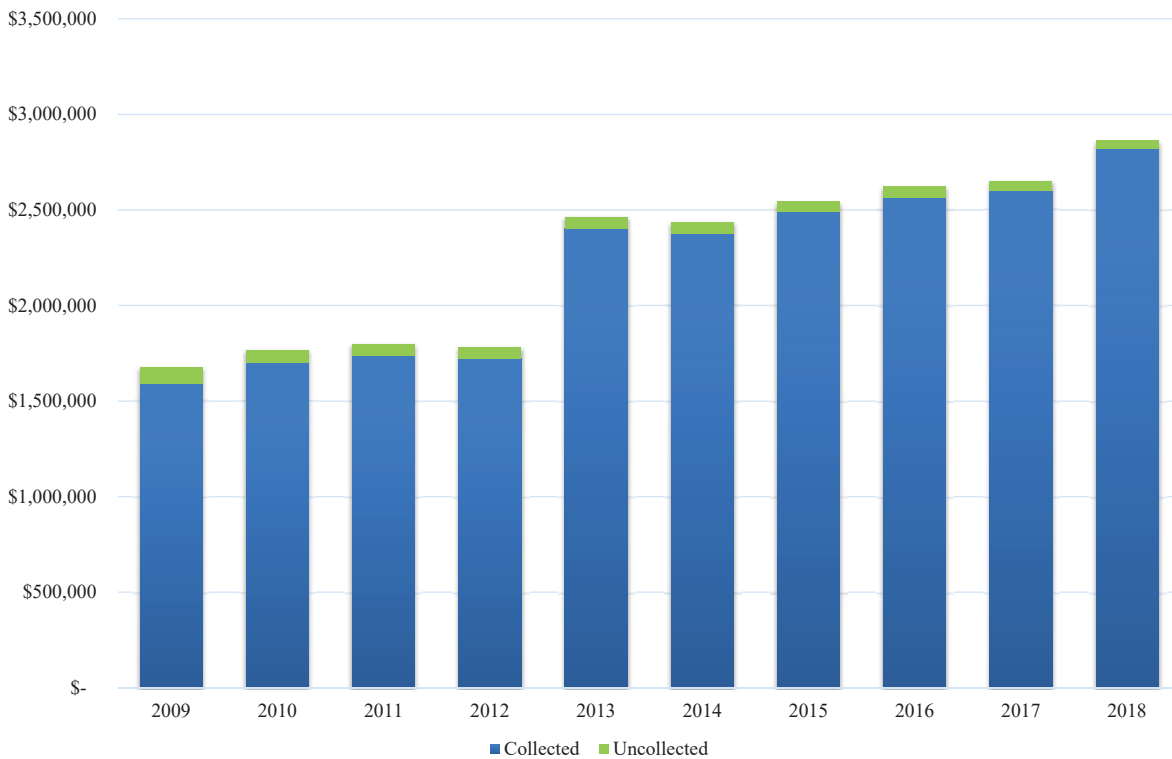
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Tax Year	Collection Year	Total Tax Levy	Current Collection	Delinquent Collection	Total Tax Collections	Accumulated Outstanding Delinquent Taxes	Percent of Total Collections to Tax Levy	Percent of Delinquent Taxes to Total Tax Levy
2008	2009	\$ 1,673,526	\$ 1,540,350	\$ 49,201	\$ 1,589,551	\$ 88,121	94.98%	5.27%
2009	2010	\$ 1,681,153	\$ 1,640,791	\$ 60,877	\$ 1,701,668	\$ 65,889	101.22%	3.92%
2010	2011	\$ 1,733,917	\$ 1,699,364	\$ 36,171	\$ 1,735,535	\$ 62,391	100.09%	3.60%
2011	2012	\$ 1,752,553	\$ 1,689,728	\$ 32,214	\$ 1,721,942	\$ 62,137	98.25%	3.55%
2012	2013	\$ 2,625,870	\$ 2,348,369	\$ 54,062	\$ 2,402,431	\$ 63,146	91.49%	2.40%
2013	2014	\$ 2,442,967	\$ 2,334,457	\$ 41,297	\$ 2,375,754	\$ 60,182	97.25%	2.46%
2014	2015	\$ 2,496,745	\$ 2,457,478	\$ 33,394	\$ 2,490,872	\$ 53,627	99.76%	2.15%
2015	2016	\$ 2,573,931	\$ 2,515,075	\$ 48,544	\$ 2,563,619	\$ 59,843	99.60%	2.32%
2016	2017	\$ 2,594,929	\$ 2,539,677	\$ 57,741	\$ 2,597,418	\$ 52,363	100.10%	2.02%
2017	2018	\$ 2,819,291	\$ 2,766,488	\$ 51,858	\$ 2,818,346	\$ 46,000	99.97%	1.63%
Ten Year Average		\$ 2,239,488	\$ 2,153,178	\$ 46,536	\$ 2,199,714	\$ 61,370	98.22%	2.74%

Source: County Auditor - Franklin County, Ohio.

Note: The Franklin County Auditor's Office confirmed the Percent of Total Collections to Tax Levy column includes percentages in excess of 100% due to timing issues with the collection of property taxes. Delinquent taxes are not tracked by levy year; therefore, delinquent taxes by levy year is not available.

Property Tax Levies - Collected & Uncollected
by Collection Year



CITY OF GRANDVIEW HEIGHTS, OHIO

INCOME TAX COLLECTIONS
LAST TEN YEARS
(CASH BASIS)

Tax Year	Tax Rate	Withholding Tax	Individual Tax	Net Profit Tax	Total Tax Collections	Total General Fund Revenues	Total Income Taxes as a % of Total General Fund Revenues
2009	2.25%	\$ 2,939,249	\$ 1,303,871	\$ 741,476	\$ 4,984,596	\$ 8,785,112	56.74%
2010	2.5%	\$ 3,168,122	\$ 961,315	\$ 577,224	\$ 4,706,661	\$ 8,532,378	55.16%
2011	2.5%	\$ 3,503,958	\$ 1,206,731	\$ 762,115	\$ 5,472,804	\$ 9,043,480	60.52%
2012	2.5%	\$ 4,144,915	\$ 1,290,955	\$ 1,189,733	\$ 6,625,603	\$ 9,572,787	69.21%
2013	2.5%	\$ 4,624,817	\$ 1,467,958	\$ 1,496,987	\$ 7,589,762	\$ 11,601,156	65.42%
2014	2.5%	\$ 4,854,177	\$ 1,439,182	\$ 1,442,724	\$ 7,736,083	\$ 12,188,519	63.47%
2015	2.5%	\$ 5,515,449	\$ 1,588,865	\$ 1,443,529	\$ 8,547,843	\$ 16,076,212	53.17%
2016	2.5%	\$ 6,865,121	\$ 1,821,771	\$ 1,801,308	\$ 10,488,200	\$ 17,852,263	58.75%
2017	2.5%	\$ 10,220,784	\$ 1,814,688	\$ 1,660,558	\$ 13,696,030	\$ 20,801,407	65.84%
2018	2.5%	\$ 11,573,175	\$ 1,647,981	\$ 1,780,975	\$ 15,002,131	\$ 20,538,786	73.04%
Ten Year Average		\$ 5,740,977	\$ 1,454,332	\$ 1,289,663	\$ 8,484,971	\$ 13,499,210	62.86%

Note 1: The tax rate was increased to 2.5% of taxable income effective July 1, 2005. This rate was then reduced to 2.25% of taxable income effective January 1, 2009. This rate was increased to 2.5% effective July 1, 2010.

Note 2: In 2010 Council allocated 5% of income tax collections for capital expenditures. This amount is recorded in the General Improvement Fund. The above income tax collections reflect total City collections for the year.

Source: Regional Income Tax Agency & City financial reports.

Income Tax Collections & Total General Fund Revenues



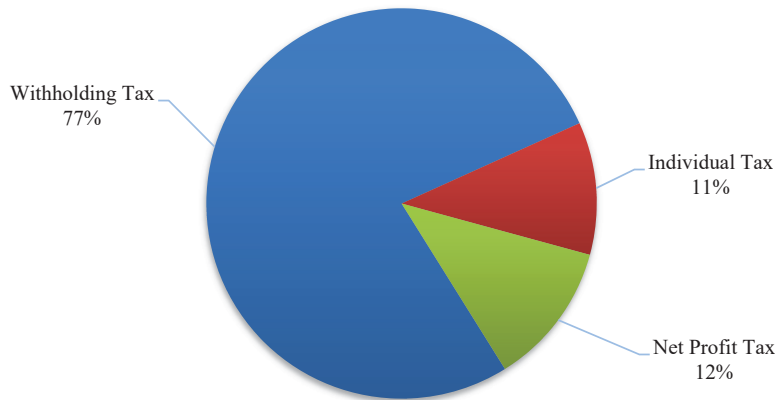
CITY OF GRANDVIEW HEIGHTS, OHIO

INCOME TAX COLLECTIONS
CURRENT YEAR AND NINE YEARS AGO
(CASH BASIS)

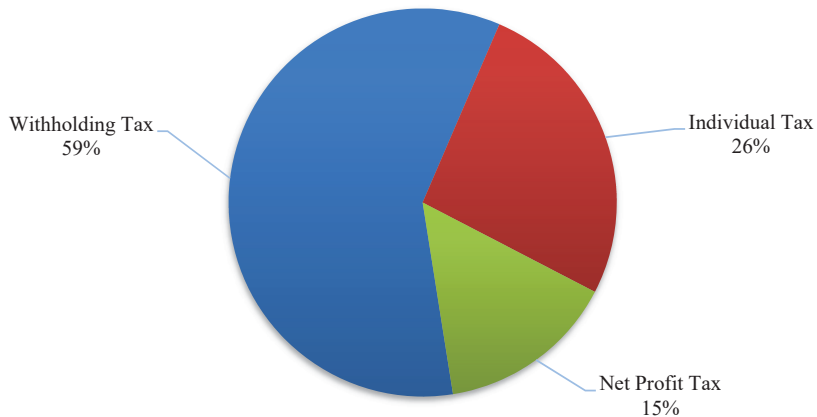
	<u>2018</u>		<u>2009</u>	
Withholding Tax	\$11,573,175	77.14%	\$ 2,939,249	58.97%
Individual Tax	1,647,981	10.98%	1,303,871	26.16%
Net Profit Tax	<u>1,780,975</u>	<u>11.87%</u>	<u>741,476</u>	<u>14.87%</u>
Total Income Tax Collections	<u>\$ 15,002,131</u>	<u>100.00%</u>	<u>\$ 4,984,596</u>	<u>100.00%</u>

Source: Regional Income Tax Agency & City financial reports.

2018 Income Tax Collections by Type



2009 Income Tax Collections by Type



CITY OF GRANDVIEW HEIGHTS, OHIO

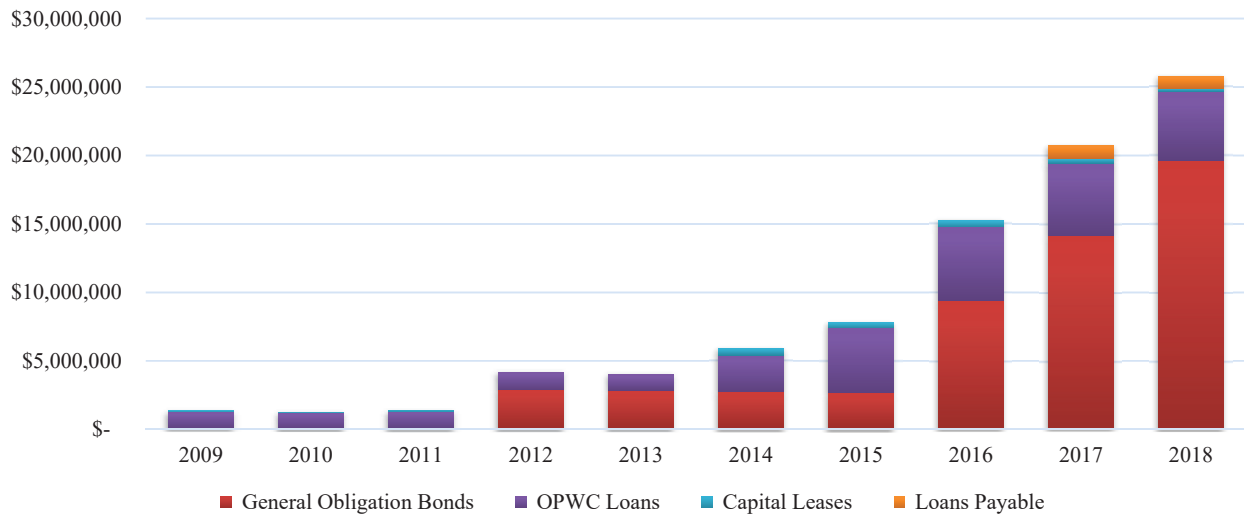
**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

Year	General Obligation Bonds	OPWC Loans	Loans Payable	Capital Leases	Total Debt	Percentage of Personal Income	Total Debt Per Capita
2009	\$ -	\$ 1,278,958	\$ -	\$ 86,944	\$ 1,365,902	0.79%	\$ 216.60
2010	\$ -	\$ 1,199,184	\$ -	\$ 54,210	\$ 1,253,394	0.70%	\$ 191.77
2011	\$ -	\$ 1,323,193	\$ -	\$ 24,133	\$ 1,347,326	0.57%	\$ 206.14
2012	\$ 2,901,644	\$ 1,265,805	\$ -	\$ -	\$ 4,167,449	1.77%	\$ 637.61
2013	\$ 2,827,879	\$ 1,173,895	\$ -	\$ -	\$ 4,001,774	1.50%	\$ 579.13
2014	\$ 2,749,114	\$ 2,672,981	\$ -	\$ 447,259	\$ 5,869,354	2.06%	\$ 876.68
2015	\$ 2,665,349	\$ 4,760,426	\$ -	\$ 361,358	\$ 7,787,133	2.73%	\$ 1,163.13
2016	\$ 9,406,694	\$ 5,384,756	\$ -	\$ 460,929	\$ 15,252,379	4.38%	\$ 2,174.56
2017	\$ 14,130,000	\$ 5,299,494	\$ 1,000,000	\$ 326,314	\$ 20,755,808	5.96%	\$ 2,959.20
2018	\$ 19,635,000	\$ 5,037,580	\$ 948,796	\$ 188,803	\$ 25,810,179	5.69%	\$ 3,318.36

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: City financial records.

Outstanding Debt by Type



CITY OF GRANDVIEW HEIGHTS, OHIO

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS**

Year	General Obligation Bonds	Total General Bonded Debt Outstanding	Ratio of Bonded Debt to Assessed Value	Per Capita
2009	\$ -	\$ -	0.00%	\$ -
2010	\$ -	\$ -	0.00%	\$ -
2011	\$ -	\$ -	0.00%	\$ -
2012	\$ 2,901,644	\$ 2,901,644	1.15%	\$ 443.95
2013	\$ 2,827,879	\$ 2,827,879	1.17%	\$ 409.24
2014	\$ 2,749,114	\$ 2,749,114	1.14%	\$ 410.62
2015	\$ 2,665,349	\$ 2,665,349	1.03%	\$ 398.11
2016	\$ 9,406,694	\$ 9,406,694	3.50%	\$ 1,341.13
2017	\$ 14,130,000	\$ 14,130,000	5.07%	\$ 2,014.54
2018	\$ 19,635,000	\$ 19,635,000	5.02%	\$ 2,524.43

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: City financial records.

CITY OF GRANDVIEW HEIGHTS, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT

AS OF DECEMBER 31, 2018

Governmental Unit	Debt Outstanding	Percent Applicable	Estimated Share of Overlapping Debt
Direct:*			
City of Grandview Heights	\$ 25,810,179	100.00%	\$ 25,810,179
Overlapping:**			
Franklin County	\$ 195,735,000	0.99%	\$ 1,937,777
Grandview Heights City School District	\$ 735,000	85.73%	\$ 630,116
Solid Waste Authority of Central Ohio	\$ 48,140,000	0.95%	\$ 457,330
Total overlapping debt	<u>\$ 244,610,000</u>		<u>\$ 3,025,222</u>
Total direct & overlapping debt	<u><u>\$ 270,420,179</u></u>		<u><u>\$ 28,835,401</u></u>

***Source:** City of Grandview Height's Finance Department

****Source:** Ohio Municipal Advisory Council

Note: Percentage derived by dividing the subdivision's assessed valuation in an overlapping subdivision, by the total assessed valuation of the overlapping subdivision.

CITY OF GRANDVIEW HEIGHTS, OHIO

LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

Year	Debt Limit (1)	Total Net Debt Applicable to Limit	Debt Service Available Balance	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2009	\$ 24,077,340	\$ -	\$ 1	\$ 24,077,341	0.00%
2010	\$ 24,077,341	\$ -	\$ 1	\$ 24,077,342	0.00%
2011	\$ 24,118,170	\$ -	\$ -	\$ 24,118,170	0.00%
2012	\$ 26,382,645	\$ 2,901,644	\$ -	\$ 23,481,001	11.00%
2013	\$ 25,399,672	\$ 2,827,879	\$ -	\$ 22,571,793	11.13%
2014	\$ 25,282,419	\$ 2,749,114	\$ -	\$ 22,533,305	10.87%
2015	\$ 27,200,258	\$ 2,665,349	\$ 7,025	\$ 24,541,934	9.80%
2016	\$ 28,231,770	\$ 9,406,694	\$ 7,026	\$ 18,832,102	33.32%
2017	\$ 29,270,470	\$ 14,130,000	\$ 58,776	\$ 15,199,246	48.27%
2018	\$ 35,825,089	\$ 19,635,000	\$ 123,521	\$ 16,313,610	54.81%

Notes:

(1) Debt limit is calculated as assessed valuation multiplied by 10.5%.

Source: City financial records.

CITY OF GRANDVIEW HEIGHTS, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN YEARS

Year	Population (1)	Per Capita Income (1)	Personal Income (5)	Median Age (1)	School Enrollment (3)	Unemployment Rate (2)
2009	6,306	\$ 27,495	\$ 173,383,470	36.8	1,118	8.8%
2010	6,536	\$ 27,495	\$ 179,707,320	36.8	1,106	8.3%
2011	6,536	\$ 36,028	\$ 235,479,008	36.8	1,101	6.3%
2012	6,536	\$ 36,028	\$ 235,479,008	36.8	1,082	5.4%
2013	6,910	\$ 38,515	\$ 266,138,650	35.7	1,075	5.4%
2014	6,695	\$ 42,537	\$ 284,785,215	35.7	1,066	3.6%
2015	6,836	\$ 42,537	\$ 290,782,932	32.5	1,070	3.8%
2016	7,014	\$ 49,691	\$ 348,532,674	32.8	1,085	3.8%
2017	7,628	\$ 55,306	\$ 421,874,168	32.8	1,095	3.6%
2018	7,778	\$ 58,360	\$ 453,924,080	32.8	1,065	3.9%

OTHER MISCELLANEOUS INFORMATION (4)

Date of Incorporation 1906
 Form of Government Mayor/Council

Area in square miles 1.24

City Acreage by class:

Single family	507	62.6%
Multi-family	131	16.2%
Retail	17	2.1%
Industrial	155	19.1%

Facilities & Services:

Miles of streets	21.57
Number of street lights	696
Number of traffic lights	11

Sources:

- (1) US Census
- (2) Ohio Job & Family Services, Labor Market Information department. Rates are for Franklin County.
- (3) Grandview Heights City School District (2009-2017) / Ohio Department of Education (2018)
- (4) City Department Records.
- (5) Per capita income multiplied by population.

CITY OF GRANDVIEW HEIGHTS, OHIO

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2018	
	Number of Employees	Percent of Total City Employment
Nationwide	3,305	22.04%
Ernst & Young	412	2.75%
Grandview Heights City Schools	311	2.07%
The Superior Group	147	0.98%
City Of Grandview Heights	140	0.93%
Navigator Management	124	0.83%
Meacham & Apel Architects	108	0.72%
Zaner-Bloser	101	0.67%
Willis	88	0.59%
Bravo Brio	80	0.53%
Total of top ten	4,816	32.11%
Total Employment within the City	15,009	
Employer	2009	
	Number of Employees	Percent of Total City Employment
Grandview Heights Board of Education	336	6.29%
Flatiron Services LLC	203	3.81%
Loeb Electric Company	142	2.66%
City of Grandview Heights	138	2.59%
Nisource Corporate Services	131	2.46%
Electrical Specialists, Inc.	93	1.74%
Bravo Brio	77	1.44%
Fine Line Graphics Corporation	70	1.31%
Gourmet Corporation DBA Gourmet Market	61	1.14%
Dynamix Engineering Ltd.	57	1.07%
Total of top ten	1,308	24.51%
Total Employment within the City	5,333	

Source: Regional Income Tax Agency (RITA) records.

CITY OF GRANDVIEW HEIGHTS, OHIO

FULL-TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government:										
Administration	2.00	2.00	2.00	3.00	2.75	2.00	2.00	2.00	2.00	2.00
Finance	5.00	5.00	5.00	5.00	4.00	3.00	3.00	3.00	3.00	3.25
Legal / Court	1.30	1.30	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Building & Zoning	4.20	4.20	4.20	4.00	3.25	3.00	3.00	3.00	3.00	3.00
Total General Government	<u>12.50</u>	<u>12.50</u>	<u>12.20</u>	<u>13.00</u>	<u>11.00</u>	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>	<u>9.25</u>
Security of Persons & Property:										
Fire/EMS	20.00	20.00	19.00	18.00	18.00	18.50	18.50	18.50	17.25	17.00
Police	20.90	20.90	19.90	19.90	18.70	18.00	18.00	17.00	18.00	19.00
Communications	4.40	4.40	4.40	4.40	4.40	4.20	4.00	4.00	4.50	4.50
Total Security of Persons & Property	<u>45.30</u>	<u>45.30</u>	<u>43.30</u>	<u>42.30</u>	<u>41.10</u>	<u>40.70</u>	<u>40.50</u>	<u>39.50</u>	<u>39.75</u>	<u>40.50</u>
Street	7.10	7.10	7.00	7.00	7.00	6.50	5.75	5.00	5.00	6.00
Sanitation	7.00	7.00	7.00	7.00	6.60	6.60	7.50	6.75	5.75	6.00
Parks & Recreation	<u>11.80</u>	<u>10.10</u>	<u>9.10</u>	<u>10.10</u>	<u>9.20</u>	<u>12.80</u>	<u>12.80</u>	<u>11.70</u>	<u>11.70</u>	<u>12.20</u>
Total full-time equivalent (FTE)	<u><u>83.70</u></u>	<u><u>82.00</u></u>	<u><u>78.60</u></u>	<u><u>79.40</u></u>	<u><u>74.90</u></u>	<u><u>75.60</u></u>	<u><u>75.55</u></u>	<u><u>71.95</u></u>	<u><u>71.20</u></u>	<u><u>73.95</u></u>

Source: City payroll systems.

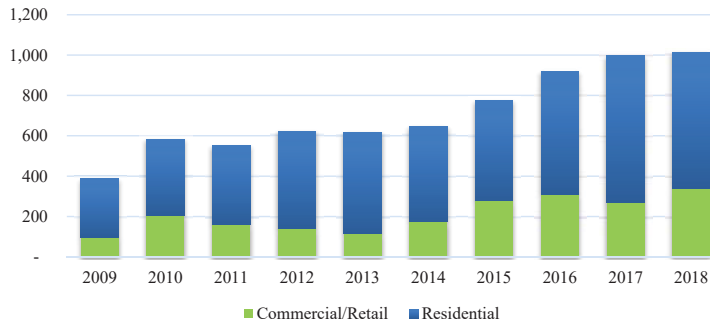
CITY OF GRANDVIEW HEIGHTS, OHIO

CONSTRUCTION ACTIVITY
LAST TEN YEARS

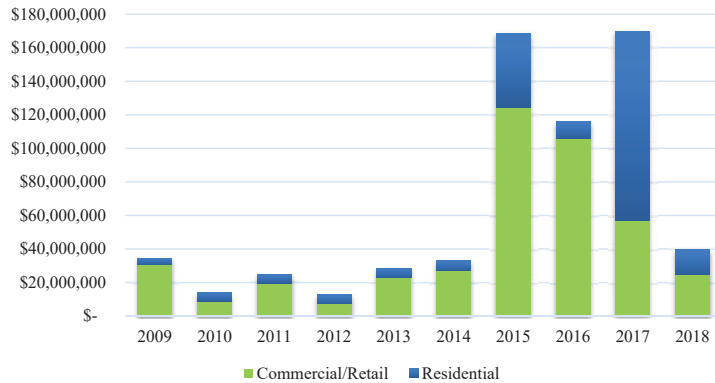
Year	Residential			Commercial/Retail			Total		
	Permits	Total Value	Avg Value	Permits	Total Value	Avg Value	Permits	Total Value	Avg Value
2009	290	\$ 3,830,262	\$ 13,208	97	\$ 30,654,535	\$ 316,026	387	\$ 34,484,797	\$ 89,108
2010	376	\$ 5,074,843	\$ 13,497	206	\$ 8,770,595	\$ 42,576	582	\$ 13,845,438	\$ 23,789
2011	392	\$ 5,074,277	\$ 12,945	159	\$ 19,584,310	\$ 123,172	551	\$ 24,658,587	\$ 44,752
2012	484	\$ 5,346,955	\$ 11,047	138	\$ 7,378,798	\$ 53,470	622	\$ 12,725,753	\$ 20,459
2013	502	\$ 5,748,282	\$ 11,451	116	\$ 22,885,611	\$ 197,290	618	\$ 28,633,893	\$ 46,333
2014	473	\$ 6,201,076	\$ 13,110	174	\$ 26,947,091	\$ 154,868	647	\$ 33,148,167	\$ 51,234
2015	500	\$ 44,124,819	\$ 88,250	277	\$ 124,364,767	\$ 448,970	777	\$ 168,489,586	\$ 216,846
2016	607	\$ 10,109,805	\$ 16,655	310	\$ 105,634,675	\$ 340,757	917	\$ 115,744,480	\$ 126,221
2017	732	\$ 112,703,509	\$ 153,967	269	\$ 57,164,415	\$ 212,507	1,001	\$ 169,867,924	\$ 169,698
2018	675	\$ 14,802,710	\$ 21,930	340	\$ 24,704,342	\$ 72,660	1,015	\$ 39,507,052	\$ 38,923

Source: City Building Department Records

Number of Building Permits Issued



Value of Building Permits Issued



CITY OF GRANDVIEW HEIGHTS, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2018	2017	2016	2015
Police:				
Physical arrests	304	230	589	268
Misdemeanor charges	371	620	1,044	571
Felony charges	79	63	58	86
Criminal charges	450	N/A	N/A	N/A
Parking citations	85	96	53	89
Traffic citations	801	1,069	605	983
Fire:				
Emergency responses/calls answered	1,675	1,907	1,839	2,105
Fires extinguished	69	9	14	49
Inspections conducted	524	493	301	206
Sanitation:				
Total refuse collected (tons)	2,495.7	2,369.5	2,300.3	2,123.0
Total recyclables collected (tons)	893.9	943.2	968.1	887.7
Total yard waste collected (tons)	859.6	773.8	699.6	800.3
Total e-waste collected (tons)	15,718.0	16,780.0	8,300.0	7.5
Service:				
Street resurfacing (miles)	0.696	4.140	3.180	1.300
Asphalt used for potholes/patching (tons)	25.7	12.9	15.1	74.7
Parks and Recreation:				
Swimming pool memberships	2,358	2,321	1,761	1,196
Grandview Center memberships	287	236	172	193
Street/park trees planted	71	108	96	550
Per capita tree expenditure	\$20.35	\$14.79	\$28.29	\$67.93
Street/park trees removed	66	272	61	54
Finance:				
Checks issued	2,001	1,929	1,805	1,852
Purchase orders issued	1,337	1,175	1,191	1,163

Sources: City Department Directors,

N/A- In 2015, the City began to report information from police department in new categories

2014	2013	2012	2011	2010	2009
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
367	538	359	315	380	659
73	80	117	170	166	291
1,011	1,052	1,325	1,247	1,806	3,511
2,049	2,054	1,314	1,224	1,129	1,102
60	60	20	1	2	31
361	504	352	126	121	121
2,272.0	2,288.8	2,157.9	2,244.7	2,245.2	2,471.7
910.9	920.1	913.5	948.7	930.3	751.0
881.9	953.0	884.6	936.5	765.1	765.6
0.750	0.738	1.000	0.001	-	0.430
49.0	37.2	35.2	75.4	32.9	35.8
1,587	1,591	1,531	1,662	1,608	1,690
620	687	688	655	678	615
96	115	79	430	40	106
\$13.13	\$10.64	\$11.12	\$10.71	\$10.44	\$11.25
89	36	36	74	32	55
1,553	1,720	1,656	1,669	1,712	1,847
959	1,103	1,034	1,074	1,084	1,143

CITY OF GRANDVIEW HEIGHTS, OHIO

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2018	2017	2016	2015	2014
Police:					
Stations	1	1	1	1	1
Cruisers	7	7	7	7	7
Other Vehicles	3	3	3	3	2
Bicycles	5	5	5	5	5
Motorcycles	1	1	1	1	1
Fire/Emergency Medical Services:					
Stations	1	1	1	1	1
Ambulance/Medic Vehicle	2	2	2	2	2
Fire Truck	2	2	2	2	2
Staff Vehicles	4	4	4	4	4
Sanitation/Service:					
Packer trucks	3	3	3	3	3
Kubota collection vehicles	7	7	7	7	7
Dump trucks	3	3	3	3	3
Backhoe	1	1	1	1	1
Leafers	2	2	2	2	2
Staff/Other vehicles	4	4	4	4	4
Other Public Works:					
Streets & alleys (miles)	21.57	21.57	21.57	21.57	20.82
Streetlights - owned	537	537	537	537	537
Street lights - contracted	159	159	159	159	159
Traffic signals	11	11	11	11	10
Parks & Recreation:					
Number of parks	12	12	12	9	9
Park acreage	48	48	48	45	45
Shelter houses	2	2	2	2	2
Swimming pool	1	1	1	1	1
Tennis courts	6	6	6	6	6
Lighted baseball/softball fields	4	4	4	4	4
Grandview Center building	1	1	1	1	1
Water:					
Water mains (miles)	6.35	6.35	6.35	6.35	6.35
Fire hydrants	213	213	213	213	213
Sanitary/Storm Sewer System:					
Miles of sanitary sewers	21.05	21.05	21.05	21.05	21.05
Miles of storm sewers	11.69	11.69	11.69	11.69	11.69
Sewer Jet	1	1	1	1	1
Number of service connections	3,000	3,000	3,000	3,000	3,000

Source: City financial records.

2013	2012	2011	2010	2009
1	1	1	1	1
7	7	7	7	7
2	2	2	2	2
4	4	4	4	4
1	1	2	2	2
1	1	1	1	1
2	2	2	2	2
2	2	2	2	2
4	4	4	3	3
3	4	4	3	3
9	9	8	10	12
3	3	3	3	3
1	1	1	1	1
2	2	2	2	2
4	4	4	7	4
20.82	20.37	20.37	20.37	20.37
537	424	424	424	424
159	159	159	159	159
10	10	10	11	10
9	9	9	9	9
45	45	45	45	45
2	2	2	2	2
1	1	1	1	1
6	4	4	4	4
4	4	4	4	4
1	1	1	1	1
6.35	5.93	5.93	5.93	5.93
213	208	208	208	208
21.05	20.76	20.76	20.76	20.76
11.69	11.1	11.1	11.1	11.1
1	1	1	1	1
3,000	3,000	3,000	3,000	3,000

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OHIO AUDITOR OF STATE
KEITH FABER



CITY OF GRANDVIEW HEIGHTS

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
JULY 2, 2019**