

CITY OF WADSWORTH

MEDINA COUNTY, OHIO

AUDIT REPORT

For the Year Ended December 31, 2018



OHIO AUDITOR OF STATE
KEITH FABER



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

City Council
City of Wadsworth
120 Maple Street
Wadsworth, OH 44281

We have reviewed the *Independent Auditor's Report* of the City of Wadsworth, Medina County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2018 - December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Wadsworth is responsible for compliance with these laws and regulations.

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

Keith Faber
Auditor of State
Columbus, Ohio

August 7, 2019

This page intentionally left blank.

CITY OF WADSWORTH
MEDINA COUNTY, OHIO
Audit Report
For the Year Ended December 31, 2018

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2

This page intentionally left blank.

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

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

To the Members of Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wadsworth, Medina 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 and have issued our report thereon dated June 28, 2019. We noted the City implemented Governmental Accounting Standards Board Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
June 28, 2019



WADSWORTH
CITY HALL
120 MAPLE

City of Wadsworth, Medina County, Ohio
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ending December 31, 2018

CITY OF WADSWORTH

MEDINA COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDING DECEMBER 31, 2018

**PREPARED BY THE AUDITOR'S OFFICE
CATHERINE FIX, AUDITOR**

INTRODUCTORY SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF WADSWORTH, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018

TABLE OF CONTENTS

INTRODUCTORY SECTION:

Page

Table of Contents i
Letter of Transmittal iv
List of Principal Officials..... viii
Organizational Chart..... ix
Certificate of Achievement x

FINANCIAL SECTION:

Independent Auditor’s Report..... 1
Management’s Discussion and Analysis..... 5

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position 23
Statement of Activities..... 24

Fund Financial Statements:

Balance Sheet – Governmental Funds 26
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities..... 27
Statement of Revenues, Expenditures and Changes in
Fund Balances – Governmental Funds 28
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities..... 29
Statement of Revenues, Expenditures and Changes in
Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) –
General Fund 30
Statement of Fund Net Position – Proprietary Funds..... 34
Statement of Revenues, Expenses and Changes in
Net Position – Proprietary Funds..... 36
Statement of Cash Flows – Proprietary Funds 38
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds..... 42

Notes to the Basic Financial Statements 43

Required Supplementary Information:

Schedule of the City’s Proportionate Share of the Net Pension Liability/Net Pension Asset:

Ohio Public Employees Retirement System (OPERS) 116
Ohio Police and Fire (OP&F) Pension Fund 117

Schedule of City Pension Contributions:	
Ohio Public Employees Retirement System (OPERS)	118
Ohio Police and Fire (OP&F) Pension Fund.....	120
Schedule of the City’s Proportionate Share of the Net OPEB Liability:	
Ohio Public Employees Retirement System (OPERS)	122
Ohio Police and Fire (OP&F) Pension Fund	123
Schedule of City OPEB Contributions:	
Ohio Public Employees Retirement System (OPERS)	124
Ohio Police and Fire (OP&F) Pension Fund.....	126
Notes to Required Supplementary Information	128
<u>Supplementary Information:</u>	
Combining Statements and Individual Fund Schedules	
Nonmajor Governmental Funds:	
Fund Descriptions – Nonmajor Governmental Funds	130
Combining Balance Sheet – Nonmajor Governmental Funds	134
Combining Statement of Revenues, Expenditures and Changes in	
Fund Balances – Nonmajor Governmental Funds.....	135
Combining Balance Sheet – Individual Nonmajor Governmental Funds.....	136
Combining Statement of Revenues, Expenditures and Changes in	
Fund Balances – Individual Nonmajor Governmental Funds	144
Schedules of Revenues, Expenditures and Changes in	
Fund Balances – Budget (Non-GAAP Basis) and Actual	
Major Funds:	
Fund Descriptions – Funds being reported as part of the General Fund.....	151
Street/Utility Maintenance Guarantees	152
Parking.....	153
WCTV.....	154
Fire Dept. HazMat Clean Up	155
Nonmajor Funds:	
Airport Improvements.....	156
General Capital Improvements	157
EMS Reserve	158
Fire Levy.....	159
Park Land Acquisition	160
Street Improvement.....	161
West Street Improvement	162
Special Assessments	163
Special Assessment Bond Retirement	164
Recreation	165
Street Maintenance	166
Emergency Medical Services.....	167
Municipal Court Special Programs.....	168
Municipal Court Improvements.....	169
Developers Shade Tree	170
Drug Law Enforcement	171
Law Enforcement and Education.....	172
Indigent Drivers Alcohol Treatment.....	173

Law Enforcement Trust	174
Permissive Motor Vehicle License	175
State Highway.....	176
Abatement of Public Nuisance	177
Chippewa Creek Well Reserve	178
Community Reinvestment	179
Safe Routes to School Grant.....	180
Fire Department Education Grant.....	181
Police Continuing Professional Training.....	182
Community Development Block Grant (CDBG)	183
Community Housing Improvement Program (CHIP) Grants	184
CHIP Revolving Loan	185
Economic Development.....	186
Recreation Tax.....	187
Revolving Loan	188
Tax Increment Financing Fund.....	189
Proprietary Funds:	
Fund Descriptions – Proprietary Funds	191
Combining Statement of Fund Net Position – Internal Service Funds	192
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds	194
Combining Statement of Cash Flows – Internal Service Funds	196
Fiduciary Funds:	
Fund Descriptions – Fiduciary Funds	199
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	200
Combining Statement of Changes in Assets and Liabilities – Agency Funds	203

STATISTICAL SECTION:

Net Position by Component – Last Ten Years.....	S-1
Changes in Net Position – Last Ten Years	S-3
Fund Balances, Governmental Funds – Last Ten Years	S-9
Changes in Fund Balances, Governmental Funds – Last Ten Years	S-11
Assessed Valuation and Estimated Actual Values of Taxable Property – Last Ten Years.....	S-13
Income Tax Rate, Revenue Base, and Collections – Last Ten Years	S-15
Principal Employers – 2018 vs 2009	S-16
Principal Property Taxpayers – 2018 vs 2009	S-17
Property Tax Levies and Collections – Last Ten Years.....	S-18
Ratio of Outstanding Debt by Type – Last Ten Years.....	S-19
Computation of Direct and Overlapping Debt Attributable To Governmental Activities.....	S-20
Ratios of General Obligation Bonded Debt to Estimated True Value of Taxable Property and Bonded Debt Per Capita – Last Ten Years	S-21
Legal Debt Margin Information – Last Ten Years.....	S-23
Pledged Revenue Coverage Income Tax Revenue Bonds – Last Nine Years	S-25
Pledged Revenue Coverage Ohio Water Development Authority Loan – Last Ten Years	S-26
Demographic and Economic Statistics – Last Ten Years	S-27
Full Time Equivalent City Government Employees by Function/Program– Last Ten Years.....	S-28
Capital Asset Statistics by Function/Program– Last Ten Years	S-29
Operating Indicators by Function/Program– Last Ten Years	S-33

This page intentionally left blank.



June 29, 2019

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

It is our privilege to present to you the City of Wadsworth (the City) Comprehensive Annual Financial Report (CAFR). This CAFR represents the official report of the City's operations and financial position for the year ended December 31, 2018. It details the status of City finances to residents, elected officials, investment bankers, underwriters, rating agencies and all other interested parties. This report enables the City to comply with Ohio Administrative Code Section 117-2-03(B) which requires reporting on a Generally Accepted Accounting Principles (GAAP) basis and Ohio Revised Code (ORC) Section 117.38 which require cities reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of year end.

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

Charles E. Harris & Associates, Inc. has issued an unmodified ("clean") opinion on the City of Wadsworth's financial statements for the year ended December 31, 2018. Charles E. Harris & Associates, Inc.'s report is located at the front of the financial section of this report.

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

Background

Settlement in Wadsworth Township began in 1814 on land that included the land sold to early settlers by General Elijah Wadsworth of Canfield, Ohio. Wadsworth Township population increased significantly after the completion of the railroad in 1863, that lead to the development of coal mines. The Village of Wadsworth was incorporated in 1866. In the 1890's, coal mining declined and the local economy came to be dominated by the Ohio Injector Company and the Ohio Match Company until World War II. The classification of the municipal corporation then changed from village to city as a result of the census of 1930, which reported a population of more than 5,000 residents.

The City of Wadsworth has not adopted a city charter, and is governed in accordance with the general statutory form of government, of Ohio cities. The citizens of the City of Wadsworth elect a mayor, president of council, judge, auditor, director of law, treasurer and seven members of council. Appointed directors of public service and of public safety are responsible for the administration of various departments. The City has considered all departments for financial reporting purposes and the compilation of this CAFR.

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

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

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

Local Economy

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

Wadsworth has long been considered a “bedroom community” to both Akron and Cleveland. The City is recognized as being one of the fastest growing in northeast Ohio and has experienced a 10.3% increase in the population since the 2010 census (2,214 residents). Knowledgeable administrations and responsible council members have allowed the City to preserve the small town charm without jeopardizing services to residents and businesses. Planning for the future and maximizing the level of services to our citizens has always been the philosophy of the public administrators. In 2004, City Council approved the first Tax Increment Financing (TIF) district in Medina County.

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

Significant business growth has occurred in the retail sector over the past years. Wadsworth’s northern commercial area grew with the addition of Home Depot, Marie’s Italian Restaurant, Wal-Mart, and several residential developments. National retail organizations, such as Kohl’s, Lowe’s, Office Max and Target opened in the City’s newest retail development, Wadsworth Crossings, located east of town. Giant Eagle opened one of their higher volume locations across the street from Wadsworth Crossings. During 2018, the City continued to experience continued development, redevelopment and long range plans for future development. Along the High Street corridor we’ve had extensive redevelopment in commercial locations including: Panera Bread, Starbucks, Kentucky Fried Chicken, Dunkin Donuts, Chipotle, Wendy’s, Aldi’s, GetGo Cafe & Market and the Auto Oasis car wash. In 2016 the City had the most industrial, commercial and residential development in Medina County with major construction projects taking place throughout those years. In 2016, 2017 and 2018 we’ve also had several manufacturers build or expand their facilities, providing additional job growth while discussions continue for future growth. Wadsworth continues to outpace residential growth of other communities in the county.

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

Redevelopment of the former Ohio Injector facility on Main Street (S.R. 94) is complete. This project is an example of adaptive re-use for our community and provides start-up and growth opportunities for small businesses. The City has approximately 800 acres of industrial zoned property available for development. In 2014, the City completed an annexation of 280 acres of land that is ready for development. 216 acres is zoned industrial and 64 acres is zoned R-2 residential. The Village of St. Edward, a senior living facility began operations in 2018. Built on 12 acres, this facility is more than 110,000 sq.ft. and \$22,000,000 of investment. Future expansion of this facility is planned.

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

Major Incentives

We look forward to continued business growth in the future. The City has many incentives to help companies be successful in Wadsworth. The most commonly used is the Community Reinvestment Area agreement (CRA). All industrial zoned property in the City is within a CRA. This incentive gives companies an opportunity to save on their real property taxes on new investments for a term of up to twelve years. In 2018 the City established a Downtown CRA to encourage and incentivize reinvestment in residential, commercial and industrial property. Wadsworth Corporate Park was certified as a Foreign Trade Zone (FTZ) in 2006.

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

Long-Term Financial Planning & Financial Policies

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

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

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wadsworth, Ohio, for its comprehensive annual financial report for the year ended December 31, 2017. This was the ninth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

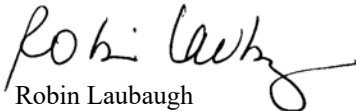
The City also recently received the Auditor of State Award with Distinction for filing a timely 2015, 2016 and 2017 CAFR, having a "clean" audit, that did not contain findings for recovery, material weaknesses, significant deficiencies, Single Audit findings or any questioned costs.

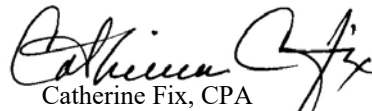
The City's Electric and Communications department earned the Reliable Public Power Provider (RP3) designation from American Public Power Association. Of the more than 2,000 public power communities only 5% achieved this prestigious award. For the past thirty-two years, Wadsworth has retained the recognition of Tree City USA from the Arbor Day Foundation. This recognition promotes the City's public image and citizen pride which in turn benefits the community's economic growth and financial stability.

Acknowledgements

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

Respectfully submitted,

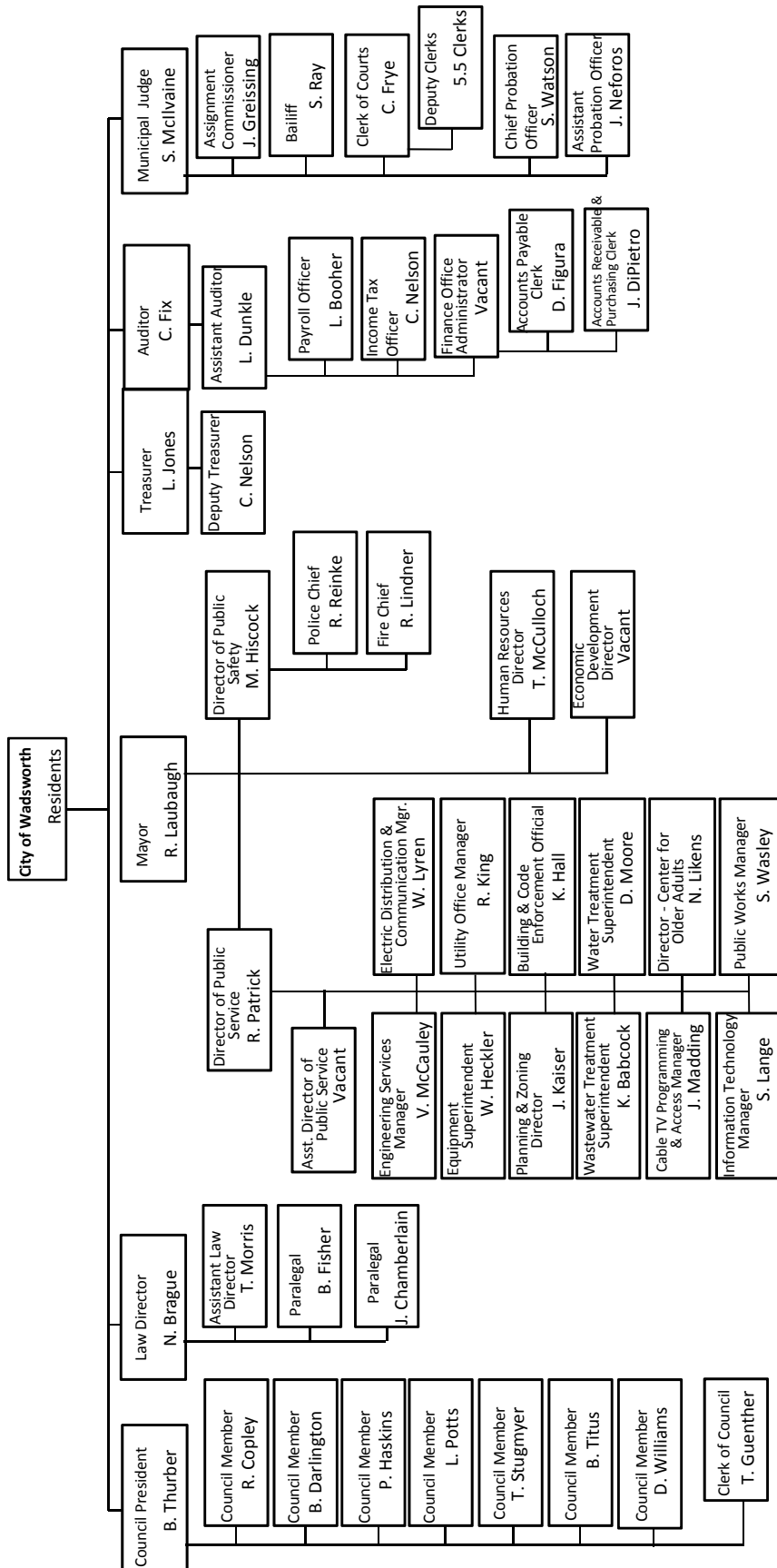

Robin Laubaugh
Mayor


Catherine Fix, CPA
Auditor

City of Wadsworth, Ohio
Principal Officials
December 31, 2018

Mayor	Robin Laubaugh
President of Council.....	Robert Thurber
Councilman – Ward I.....	Ralph Copley
Councilman – Ward II.....	Robert Titus
Councilman – Ward III.....	Lee Potts
Councilman – Ward IV	Bruce Darlington
Council-at-Large.....	Patty Haskins
Council-at-Large.....	Tom Stugmyer
Council-at-Large.....	Dave Williams
Clerk of Council	Tammy Guenther
Law Director.....	Norman Brague
Auditor	Catherine Fix
Assistant Auditor	Lee-Ann Dunkle
Treasurer	Lisa Jones
Safety Director	Matthew Hiscock
Service Director.....	Robert Patrick
Assistant Service Director	Vacant
Human Resources Manager.....	Tara McCulloch

CITY OF WADSWORTH, OHIO ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**City of Wadsworth
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrell

Executive Director/CEO

This page intentionally left blank.

FINANCIAL SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK

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

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

INDEPENDENT AUDITOR'S REPORT

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

To the Members of Council:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended December 31, 2018, the City adopted new 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 that the management's discussion and analysis, and schedules of net pension and OPEB liabilities and pension and OPEB contributions listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information


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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 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. The purpose of that report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance.



Charles E. Harris & Associates, Inc.
June 28, 2019

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

The management's discussion and analysis of the City of Wadsworth's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 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 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 total net position of the City increased \$6,914,988 in 2018 from a restated balance of \$121,545,166 in 2017 to the ending net position of \$128,460,154. Net position of governmental activities increased \$3,371,355 or 8.43% from 2017's restated net position and net position of business-type activities increased \$3,543,633 or 4.35% from 2017's restated net position.
- General revenues accounted for \$16,166,386 or 71.40% of total governmental activities revenue. Program specific revenues accounted for \$6,477,068 or 28.60% of total governmental activities revenue.
- The City had \$19,180,342 in expenses related to governmental activities; \$6,477,068 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$12,703,274 were offset by general revenues (primarily incomes taxes, property and other local taxes and unrestricted grants and entitlements) of \$16,166,386.
- The City's major governmental fund is the general fund. The general fund had revenues and other financing sources of \$12,540,534 in 2018. The general fund had expenditures and other financing uses of \$10,226,790 in 2018. The net increase in fund balance for the general fund was \$2,313,744 or 34.58%. This increase was mainly a result of increased income tax revenue, real and other taxes and investment income.
- Net position for the business-type activities, which is made up of the storm water, telecom, sewer, water, electric, and sanitation major enterprise funds, increased in 2018 by \$3,543,633. This increase in net position was due primarily to adequate charges for services revenue to cover operating expenses.
- In the general fund, the actual revenues and other financing sources were \$874,113 more than they were in the final budget due to higher investment income, economic growth, and advances not being budgeted. Actual expenditures and other financing uses were \$1,472,345 less than the amount in the final budget. The reduction from budget to actual expenditures was a result of conservative spending in general government and security of persons and property. Budgeted revenues increased \$1,000 from original to the final budget and budgeted expenditures increased \$184,908 from original to the final budget.

Using this Annual Financial Report

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

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

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

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 (non-fiduciary) assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

Governmental Funds

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

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

Proprietary Funds

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Government-Wide Financial Analysis

The statement of net position provides the perspective of the City as a whole. Net position for the business-type activities was restated as described in Note 3 to the financial statements. The table below provides a summary of the City's net position for 2018 compared to 2017. The net position at December 31, 2017 has been restated as described in Note 3.

	Net Position					
	2018	2017	2018	2017	2018	2017
	<u>Governmental</u>	<u>(Restated)</u>	<u>Business-type</u>	<u>(Restated)</u>	<u>2018</u>	<u>(Restated)</u>
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Total</u>
<u>Assets</u>						
Current and other assets	\$ 31,894,920	\$ 27,398,888	\$ 34,910,901	\$ 33,622,685	\$ 66,805,821	\$ 61,021,573
Capital assets, net	<u>60,662,494</u>	<u>60,339,391</u>	<u>91,488,330</u>	<u>92,153,911</u>	<u>152,150,824</u>	<u>152,493,302</u>
Total assets	<u>92,557,414</u>	<u>85,722,369</u>	<u>126,399,231</u>	<u>125,776,596</u>	<u>218,956,645</u>	<u>213,514,875</u>
Deferred outflows	<u>5,863,633</u>	<u>7,616,662</u>	<u>1,728,343</u>	<u>3,434,917</u>	<u>7,591,976</u>	<u>11,051,579</u>
<u>Liabilities</u>						
Long-term liabilities	48,338,921	51,550,662	2,682,864	44,234,639	51,021,785	95,785,301
Other liabilities	<u>1,091,014</u>	<u>1,120,838</u>	<u>38,457,182</u>	<u>3,321,138</u>	<u>39,548,196</u>	<u>4,441,976</u>
Total liabilities	<u>49,429,935</u>	<u>52,671,500</u>	<u>41,140,046</u>	<u>47,555,777</u>	<u>90,569,981</u>	<u>100,227,277</u>
Deferred inflows	<u>5,613,116</u>	<u>2,676,800</u>	<u>1,905,370</u>	<u>117,211</u>	<u>7,518,486</u>	<u>2,794,011</u>
<u>Net Position</u>						
Net investment						
in capital assets	42,064,162	41,370,066	68,618,524	67,445,155	110,682,686	108,815,221
Restricted	7,939,948	8,848,050	-	-	7,939,948	8,848,050
Unrestricted	<u>(6,626,114)</u>	<u>(10,211,475)</u>	<u>16,463,634</u>	<u>14,093,370</u>	<u>9,837,520</u>	<u>3,881,895</u>
Total net position	<u>\$ 43,377,996</u>	<u>\$ 40,006,641</u>	<u>\$ 85,082,158</u>	<u>\$ 81,538,525</u>	<u>\$ 128,460,154</u>	<u>\$ 121,545,166</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 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 WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

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.

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 \$50,432,640 to \$40,006,641 for governmental activities and \$85,224,816 to \$81,538,525 for business-type activities.

CITY OF WADSWORTH, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2018, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$128,460,154. At year-end, net position was \$43,377,996 and \$85,082,158 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets net represented 69.49% of total assets. Capital assets include land, land improvements, buildings, building improvements, equipment, vehicles, intangible assets, construction in progress and infrastructure. The net investment in capital assets at December 31, 2018, was \$42,064,162 and \$68,618,524 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2018, the City's governmental activities unrestricted net position was (\$6,626,114). A portion of the City's net position, \$7,939,948 represents resources that are subject to external restriction on how they may be used.

THIS SPACE LEFT BLANK INTENTIONALLY

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

The table below shows the changes in net position for years 2018 and 2017. The net position at December 31, 2017 has been restated as described in Note 3.

	Change in Net Position					
	2018 Governmental Activities	Restated 2017 Governmental Activities	2018 Business-Type Activities	Restated 2017 Business-Type Activities	2018 Total	Restated 2017 Total
Revenues						
Program revenues:						
Charges for services and sales	\$ 4,014,268	\$ 4,267,117	\$ 52,207,505	\$ 49,717,765	\$ 56,221,773	\$ 53,984,882
Operating grants and contributions	1,211,163	1,171,116	-	-	1,211,163	1,171,116
Capital grants and contributions	1,251,637	641,896	1,186,468	760,432	2,438,105	1,402,328
Total program revenues	6,477,068	6,080,129	53,393,973	50,478,197	59,871,041	56,558,326
General revenues:						
Taxes	14,388,345	11,819,341	-	-	14,388,345	11,819,341
Unrestricted grants and entitlements	791,624	736,152	-	-	791,624	736,152
Investment earnings	748,380	435,239	423	6	748,803	435,245
Miscellaneous	238,037	186,651	230,128	398,049	468,165	584,700
Total general revenues	16,166,386	13,177,383	230,551	398,055	16,396,937	13,575,438
Total revenues	22,643,454	19,258,512	53,624,524	50,876,252	76,267,978	70,133,764
Expenses:						
General government	3,970,706	3,258,300	-	-	3,970,706	3,258,300
Security of persons and property	8,592,269	8,344,719	-	-	8,592,269	8,344,719
Public health	126,351	127,183	-	-	126,351	127,183
Transportation	3,568,642	4,507,027	-	-	3,568,642	4,507,027
Community and economic development	487,254	675,036	-	-	487,254	675,036
Leisure time services	1,747,771	1,626,512	-	-	1,747,771	1,626,512
Interest and fiscal charges	687,349	780,103	-	-	687,349	780,103
Telecom	-	-	5,172,951	5,012,234	5,172,951	5,012,234
Sewer	-	-	3,682,447	3,819,324	3,682,447	3,819,324
Water	-	-	3,796,867	4,205,204	3,796,867	4,205,204
Electric	-	-	34,759,321	32,860,925	34,759,321	32,860,925
Sanitation	-	-	2,032,266	2,369,691	2,032,266	2,369,691
Storm water	-	-	728,796	1,059,202	728,796	1,059,202
Total expenses	19,180,342	19,318,880	50,172,648	49,326,580	69,352,990	68,645,460
Increase in net position before transfers	3,463,112	(61,368)	3,451,876	1,549,672	6,914,988	1,488,304
Transfers	(91,757)	(150,453)	91,757	150,453	-	-
Change in net position	3,371,355	(211,821)	3,543,633	1,700,125	6,914,988	1,488,304
Net position at beginning of year (restated)	40,006,641	N/A	81,538,525	N/A	121,545,166	N/A
Net position at end of year	\$ 43,377,996	\$ 40,006,641	\$ 85,082,158	\$ 81,538,525	\$ 128,460,154	\$ 1,488,304

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$126,760 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$1,267,441.

Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	Governmental Activities	Business-Type Activities
Total 2018 program expenses under GASB 75	\$ 19,180,342	\$ 50,100,370
OPEB expense under GASB 75	(922,377)	(345,064)
2018 contractually required contributions	19,796	5,105
Adjusted 2018 program expenses	18,277,761	49,760,411
Total 2017 program expenses under GASB 45	19,318,880	49,326,580
Increase in program expenses not related to OPEB	\$ (1,041,119)	\$ 433,831

Governmental Activities

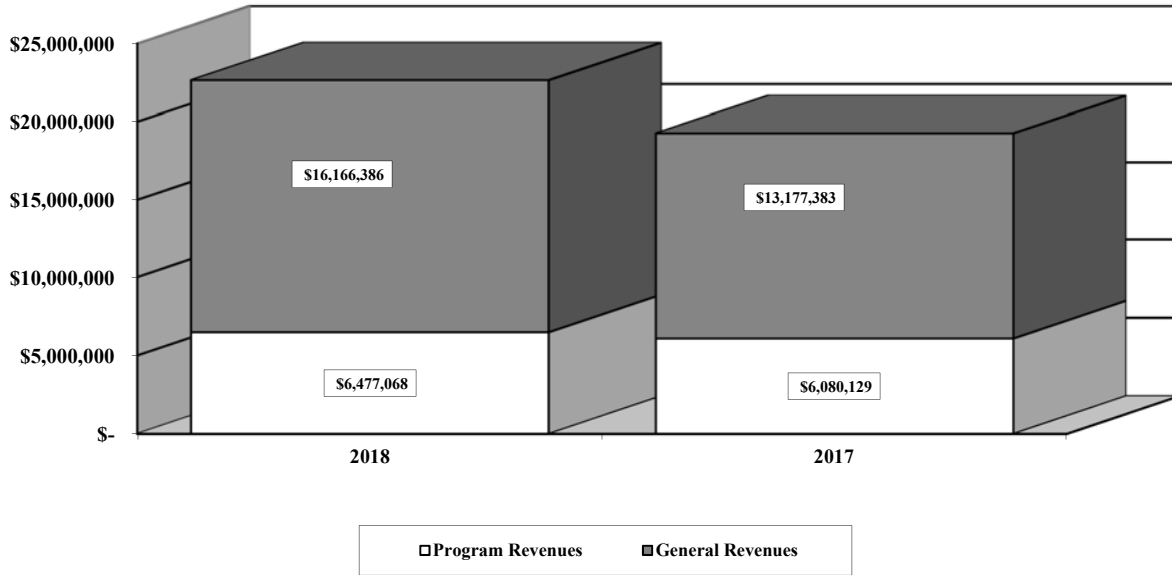
Governmental activities net position increased \$3,371,355 in 2018.

General revenues totaled \$16,166,386, and amounted to 71.40% of total governmental revenues. These revenues primarily consist of income, property and other local tax revenue of \$14,388,345 which is 17.85% higher than 2017. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government funds, making up \$791,624. The City received \$1,211,163 in operating grants and contributions, primarily from the State and Federal government.

CITY OF WADSWORTH, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Governmental Activities - General and Program Revenues



The dependence upon general revenues for governmental activities is apparent, with 71.40% of expenses supported through taxes and other general revenues.

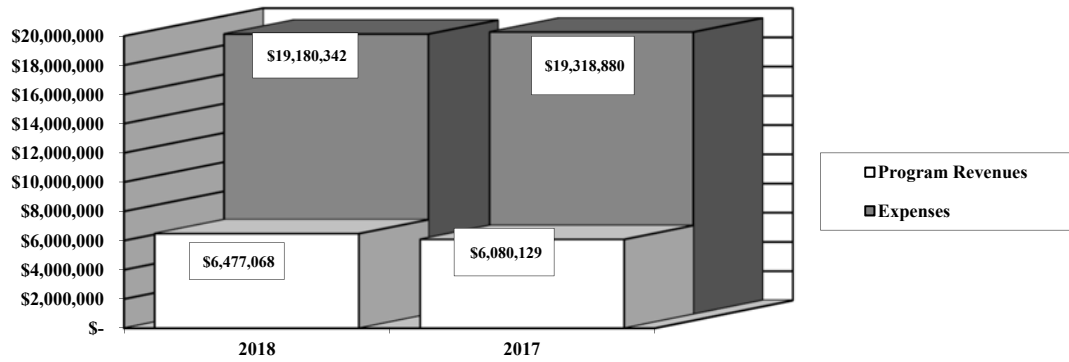
Security of persons and property, which primarily supports the operations of the police, fire, and EMS departments, accounted for \$8,592,269 or 44.80% of the total governmental expenses. These expenses were partially funded by \$1,395,252 in direct charges to users of the services and \$9,771 in operating grants and contributions. Transportation expenses totaled \$3,568,642 or 18.61% of total governmental expenses. These expenses were partially funded by \$343,096 in direct charges to users of the services, \$1,164,507 in operating grants and contributions, and \$1,197,179 in capital grants and contributions.

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

Governmental Activities - Program Revenues vs. Total Expenses



Governmental Activities

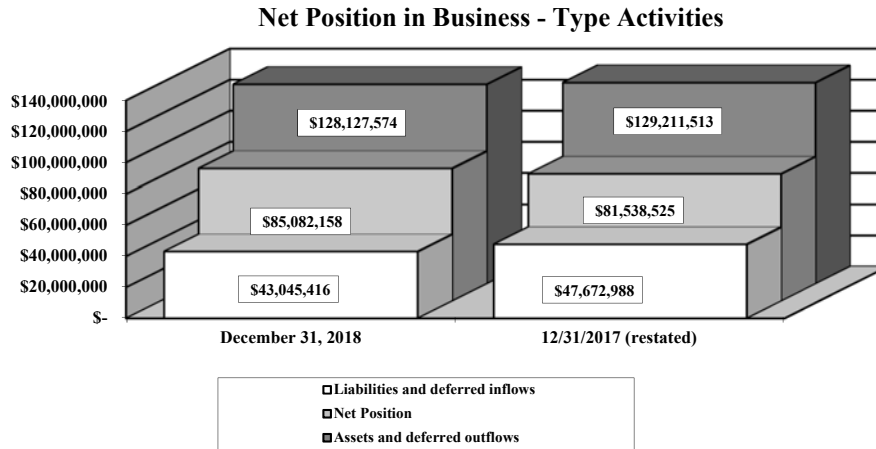
	Total Cost of Services <u>2018</u>	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2018</u>	Net Cost of Services <u>2017</u>
Program Expenses:				
General government	\$ 3,970,706	\$ 3,258,300	\$ 3,185,313	\$ 2,090,939
Security of persons and property	8,592,269	8,344,719	7,187,246	6,785,090
Public health and welfare	126,351	127,183	126,351	127,183
Transportation	3,568,642	4,507,027	863,860	2,783,740
Leisure time services	1,747,771	1,626,512	462,762	257,076
Community and economic development	487,254	675,036	190,393	414,620
Interest and fiscal charges	<u>687,349</u>	<u>780,103</u>	<u>687,349</u>	<u>780,103</u>
Total Expenses	<u>\$ 19,180,342</u>	<u>\$ 19,318,880</u>	<u>\$ 12,703,274</u>	<u>\$ 13,238,751</u>

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Business-type Activities

Business-type activities include the storm water, telecom, sewer, water, electric and sanitation enterprise funds. These programs had program revenues of \$53,393,973 and expenses of \$50,172,648 for 2018. The graph below shows the business-type activities assets, liabilities and net position at year-end 2018 and 2017. The net position at December 31, 2017 has been restated as described in Note 3.



Financial Analysis of the Government's Funds

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

Governmental Funds

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

The City's governmental funds (as presented on the balance sheet on page 26) reported a combined fund balance of \$22,469,936 which is \$3,667,629 more than last year's total of \$18,802,307. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2018 for all major and nonmajor governmental funds.

	Fund Balances <u>12/31/18</u>	Fund Balances <u>12/31/17</u>	<u>Increase</u>
General	\$ 9,004,595	\$ 6,690,851	\$ 2,313,744
Other nonmajor governmental funds	<u>13,465,341</u>	<u>12,111,456</u>	<u>1,353,885</u>
Total	<u>\$ 22,469,936</u>	<u>\$ 18,802,307</u>	<u>\$ 3,667,629</u>

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

General Fund

The City's general fund balance increased \$2,313,744. The table that follows assists in illustrating the revenues of the general fund.

	<u>2018</u>	<u>2017</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Revenues</u>			
Taxes	\$ 9,450,321	\$ 7,850,631	20.38 %
Charges for services	529,846	436,900	21.27 %
Licenses and permits	452,867	485,262	(6.68) %
Fines and forfeitures	437,341	461,303	(5.19) %
Investment income	748,380	435,239	71.95 %
Intergovernmental	650,340	623,135	4.37 %
Other	<u>263,577</u>	<u>162,000</u>	62.70 %
 Total	 <u>\$ 12,532,672</u>	 <u>\$ 10,454,470</u>	 19.88 %

Tax revenue represents 75.41% of all general fund revenue.

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

	<u>2018</u>	<u>2017</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Expenditures</u>			
General government	\$ 3,027,478	\$ 3,185,422	(4.96) %
Security of persons and property	5,229,731	4,864,928	7.50 %
Public health	124,453	125,801	(1.07) %
Community and economic development	296,943	266,812	11.29 %
Leisure time services	1,268,253	1,584,063	(19.94) %
Transportation	135	193	(30.05) %
Debt service	<u>6,238</u>	<u>6,338</u>	(1.58) %
 Total	 <u>\$ 9,953,231</u>	 <u>\$ 10,033,557</u>	 (0.80) %

Total expenditures decreased 0.80% from 2017.

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

Budgeting Highlights

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

The City made several revisions to the original appropriations approved by City Council. Overall, these changes resulted in an increase of \$285,106 from the original budgeted expenditures and other financing uses to the final budgeted expenditures and other financing uses. The City's general fund actual expenditures were \$1,495,072, less than the final appropriations, excluding advances out, which are not legally required to be budgeted. Furthermore, the City's budgeting philosophy is conservative, as we budget expenditures higher than expected.

The City's actual revenues, excluding other financing sources, were \$710,716 or 6.40% more than budgeted revenues.

Proprietary Funds

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

The storm water fund had operating revenues of \$896,238 and operating expenses of \$692,275 in 2018. The storm water fund also had non-operating expense of \$152,789, transfers in \$2,501, transfers out of \$64,531 and capital contributions of \$818,707. The net increase in net position for the storm water fund was \$807,851 or 5.88%.

The telecom fund had operating revenues of \$5,830,597 and operating expenses of \$5,048,702 in 2018. The telecom fund also had non-operating expenses of \$82,312 and transfers in of \$8,165. The net increase in net position for the telecom fund was \$707,748 or 39.44%.

The sewer fund had operating revenues of \$4,163,429 and operating expenses of \$3,246,267 in 2018. The sewer fund also had non-operating revenues of \$2,973, non-operating expenses of \$432,855, transfers in of \$16,262, and capital contributions of \$146,293. The net increase in net position for the sewer fund was \$649,835 or 4.55%.

The water fund had operating revenues of \$3,686,256 and operating expenses of \$3,334,228 in 2018. The water fund also had non-operating expenses of \$456,004, transfers in of \$95,971, and capital contributions of \$279,042. The net increase in net position for the water fund was \$271,037 or 1.55%.

The electric fund had operating revenues of \$35,115,278 and operating expenses of \$34,442,432 in 2018. The electric fund also had non-operating expenses of \$278,745. The electric fund also transfers in of \$86,074. The net increase in net position for the electric fund was \$480,175 or 1.53%.

The sanitation fund had operating revenues of \$2,742,862 and operating expenses of \$2,040,157 in 2018. The sanitation fund also had transfers in of \$6,009 and non-operating revenues of \$423. The net increase in net position for the sanitation fund was \$709,137 or 31.46%.

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Capital Assets and Debt Administration

Capital Assets

At the end of 2018, the City had \$152,150,824 (net of accumulated depreciation) invested in land, construction in progress, land improvements, buildings, equipment, vehicles, intangible assets and infrastructure. Of this total, \$60,662,494 was reported in governmental activities and \$91,488,330 was reported in business-type activities. The following table shows 2018 capital asset balances compared to 2017 balances:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 5,175,239	\$ 5,164,012	\$ 711,477	\$ 711,477	\$ 5,886,716	\$ 5,875,489
Construction in progress	4,678,218	4,984,847	235,031	500,896	4,913,249	5,485,743
Intangible assets	20,333,218	20,121,154	747,891	778,225	21,081,109	20,899,379
Land improvements	2,447,476	1,878,307	135,624	141,108	2,583,100	2,019,415
Buildings	5,871,340	6,047,615	13,007,354	13,236,305	18,878,694	19,283,920
Equipment	1,014,167	959,517	8,678,525	8,922,192	9,692,692	9,881,709
Vehicles	2,378,827	2,605,184	2,858,265	2,854,740	5,237,092	5,459,924
Infrastructure	<u>18,764,009</u>	<u>18,578,755</u>	<u>65,114,163</u>	<u>65,008,968</u>	<u>83,878,172</u>	<u>83,587,723</u>
Totals	<u>\$ 60,662,494</u>	<u>\$ 60,339,391</u>	<u>\$ 91,488,330</u>	<u>\$ 92,153,911</u>	<u>\$ 152,150,824</u>	<u>\$ 152,493,302</u>

The City's largest capital asset category is infrastructure which includes roads, water lines, electric lines and sewer lines. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 55.13% of the City's total capital assets. See Note 12 to the basic financial statements for additional capital asset detail.

THIS SPACE LEFT BLANK INTENTIONALLY

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Debt Administration

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

	Governmental Activities	
	2018	2017
Revenue bonds	\$ 17,060,000	\$ 17,460,000
Special assessment bonds	1,265,000	1,310,000
General obligation bonds	875,000	910,000
OPWC loan	663,332	658,788
Police and fire past service costs	73,361	76,387
Total long-term obligations	\$ 19,936,693	\$ 20,415,175
	Business-type Activities	
	2018	2017
General obligation bonds	\$ 10,645,801	\$ 11,170,000
OWDA loans	12,153,195	13,304,436
OPWC loans	67,228	72,830
AMP stranded costs	2,767,503	3,326,977
AMP Loan	1,846,689	2,470,689
Total long-term obligations	\$ 27,480,416	\$ 30,344,932

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

Economic Factors

The City's annual budget utilizes conservative revenue estimates combined with limited spending increases. Residential citizens and businesses enjoy a wide range of utility services at competitive and sometimes below market prices. In tough economic times, the City strives to maintain services with minimal fee increases. The level of services remained consistent in 2018.

In 2016, the City changed third party administrator's for the collection of income tax resulting in lower contractual services cost. Income tax revenues continue to increase from compliance and economic growth within the community, both residential and industrial. The City's assessed valuation increased by \$54,084,750 or 11.87% in 2016 with the County's triennial update and \$63,493,080 or 13.93% in 2017.

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

CITY OF WADSWORTH, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

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. Additional information about the City is available on our website www.wadsworthcity.org. If you have questions about this report or need additional financial information, please contact the Finance Office of Catherine Fix, CPA, City of Wadsworth, 120 Maple Street, Wadsworth, OH 44281, (330) 335-2742, cityauditor@wadsworthcity.org.

THIS PAGE IS INTENTIONALLY LEFT BLANK

**BASIC
FINANCIAL STATEMENTS**

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents . . .	\$ 19,736,130	\$ 25,748,159	\$ 45,484,289
Cash with fiscal and escrow agents.	-	1,472	1,472
Cash in segregated accounts.	6,275	-	6,275
Receivables:			
Income taxes.	4,231,675	-	4,231,675
Real and other taxes.	2,571,669	-	2,571,669
Accounts.	850,171	7,093,962	7,944,133
Intergovernmental.	-	-	-
Special assessments.	122,881	-	122,881
Due from other governments.	947,569	132,663	1,080,232
Materials and supplies inventory.	903,321	1,947,025	2,850,346
Prepayments.	196,956	193,805	390,761
AMPGS plant held for future use credit.	-	696,461	696,461
Net pension asset.	58,782	54,931	113,713
AFEC development costs receivable.	-	589,906	589,906
Investment in joint venture.	-	722,008	722,008
Internal balance.	2,269,491	(2,269,491)	-
Capital assets:			
Land and construction in progress.	13,527,072	1,270,067	14,797,139
Depreciable capital assets, net.	47,135,422	90,218,263	137,353,685
Total capital assets, net.	60,662,494	91,488,330	152,150,824
Total assets.	92,557,414	126,399,231	218,956,645
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	1,334,719	-	1,334,719
Pension.	3,464,778	1,437,593	4,902,371
OPEB.	1,064,136	290,750	1,354,886
Total deferred outflows of resources.	5,863,633	1,728,343	7,591,976
Total assets and deferred outflows of resources .	98,421,047	128,127,574	226,548,621
Liabilities:			
Accounts payable.	54,165	2,351,636	2,405,801
Contracts payable.	1,791	3,582	5,373
Accrued wages and benefits payable.	381,696	222,332	604,028
Due to other governments.	86,535	64,095	150,630
Accrued interest payable.	50,553	39,747	90,300
Matured interest payable.	128	1,472	1,600
Claims payable.	516,146	-	516,146
Long-term liabilities:			
Due within one year.	1,204,817	3,367,316	4,572,133
Net OPEB liability.	11,602,803	3,890,792	15,493,595
Net pension liability.	14,162,602	5,704,277	19,866,879
Other amounts due in more than one year. . .	21,368,699	25,494,797	46,863,496
Total liabilities.	49,429,935	41,140,046	90,569,981
Deferred inflows of resources:			
Property taxes levied for the next fiscal year. . .	2,504,804	-	2,504,804
OPEB.	842,861	373,259	1,216,120
Pension.	2,265,451	1,532,111	3,797,562
Total deferred inflows of resources.	5,613,116	1,905,370	7,518,486
Total liabilities and deferred inflows of resources.	55,043,051	43,045,416	98,088,467
Net position:			
Net investment in capital assets.	42,064,162	68,618,524	110,682,686
Restricted for:			
Debt service.	289,607	-	289,607
Capital projects.	4,874,692	-	4,874,692
Transportation projects.	905,194	-	905,194
Community improvements.	477,020	-	477,020
Fire.	13,650	-	13,650
Police.	418,239	-	418,239
Municipal court.	944,270	-	944,270
Other purposes.	17,276	-	17,276
Unrestricted (deficit).	(6,626,114)	16,463,634	9,837,520
Total net position.	\$ 43,377,996	\$ 85,082,158	\$ 128,460,154

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Current:				
General government.	\$ 3,970,706	\$ 715,768	\$ 15,167	\$ 54,458
Security of persons and property.	8,592,269	1,395,252	9,771	-
Public health.	126,351	-	-	-
Transportation.	3,568,642	343,096	1,164,507	1,197,179
Leisure time services.	1,747,771	1,263,291	21,718	-
Community and economic development.	487,254	296,861	-	-
Interest and fiscal charges.	687,349	-	-	-
Total governmental activities	<u>19,180,342</u>	<u>4,014,268</u>	<u>1,211,163</u>	<u>1,251,637</u>
Business-type activities:				
Telecom.	5,172,951	5,778,436	-	-
Sewer.	3,682,447	4,163,397	-	146,293
Water.	3,796,867	3,536,688	-	221,468
Electric.	34,759,321	35,104,298	-	-
Sanitation	2,032,266	2,732,683	-	-
Storm Water	728,796	892,003	-	818,707
Total business-type activities	<u>50,172,648</u>	<u>52,207,505</u>	<u>-</u>	<u>1,186,468</u>
Total primary government.	<u>\$ 69,352,990</u>	<u>\$ 56,221,773</u>	<u>\$ 1,211,163</u>	<u>\$ 2,438,105</u>

General revenues:

Property and other local taxes levied for:

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

Income taxes for:

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

Grants and entitlements not restricted

- to specific programs
- Investment earnings
- Miscellaneous

Total general revenues

Transfers

Total general revenues and transfers.

Change in net position

Net position at beginning of year (restated).

Net position at end of year.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (3,185,313)	\$ -	\$ (3,185,313)
(7,187,246)	-	(7,187,246)
(126,351)	-	(126,351)
(863,860)	-	(863,860)
(462,762)	-	(462,762)
(190,393)	-	(190,393)
(687,349)	-	(687,349)
<u>(12,703,274)</u>	<u>-</u>	<u>(12,703,274)</u>
-	605,485	605,485
-	627,243	627,243
-	(38,711)	(38,711)
-	344,977	344,977
-	700,417	700,417
-	981,914	981,914
<u>-</u>	<u>3,221,325</u>	<u>3,221,325</u>
<u>(12,703,274)</u>	<u>3,221,325</u>	<u>(9,481,949)</u>
2,150,408	-	2,150,408
104,395	-	104,395
1,070,815	-	1,070,815
81,800	-	81,800
7,859,327	-	7,859,327
1,017,369	-	1,017,369
596,145	-	596,145
1,508,086	-	1,508,086
791,624	-	791,624
748,380	423	748,803
238,037	230,128	468,165
<u>16,166,386</u>	<u>230,551</u>	<u>16,396,937</u>
<u>(91,757)</u>	<u>91,757</u>	<u>-</u>
<u>16,074,629</u>	<u>322,308</u>	<u>16,396,937</u>
3,371,355	3,543,633	6,914,988
40,006,641	81,538,525	121,545,166
<u>\$ 43,377,996</u>	<u>\$ 85,082,158</u>	<u>\$ 128,460,154</u>

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents . . .	\$ 6,657,750	\$ 11,451,934	\$ 18,109,684
Cash in segregated accounts.	6,275	-	6,275
Receivables:			
Income taxes.	2,982,062	1,249,613	4,231,675
Real and other taxes	1,309,984	1,261,685	2,571,669
Accounts.	136,539	713,632	850,171
Special assessments	400	122,481	122,881
Interfund loans.	1,546,789	2,517,773	4,064,562
Due from other funds	62,560	-	62,560
Due from other governments.	248,920	698,649	947,569
Materials and supplies inventory.	179,602	391,545	571,147
Prepayments	58,941	27,672	86,613
Total assets	\$ 13,189,822	\$ 18,434,984	\$ 31,624,806
Liabilities:			
Accounts payable.	\$ 16,416	\$ 31,362	\$ 47,778
Contracts payable.	1,791	-	1,791
Accrued wages and benefits payable	252,551	94,040	346,591
Compensated absences payable	28,939	-	28,939
Interfund loans payable.	-	1,488,627	1,488,627
Due to other governments	61,483	19,230	80,713
Matured interest payable	-	128	128
Total liabilities	361,180	1,633,387	1,994,567
Deferred inflows of resources:			
Property taxes levied for the next fiscal year. . .	1,275,948	1,228,856	2,504,804
Delinquent property tax revenue not available. . .	34,036	32,829	66,865
Special assessments revenue not available.	400	122,481	122,881
Miscellaneous revenue not available.	3,831	572,746	576,577
Income tax revenue not available	2,312,812	969,168	3,281,980
Intergovernmental revenue not available	197,020	410,176	607,196
Total deferred inflows of resources	3,824,047	3,336,256	7,160,303
Fund balances:			
Nonspendable	1,785,332	419,217	2,204,549
Restricted.	-	10,557,593	10,557,593
Committed	-	2,926,177	2,926,177
Assigned	142,301	-	142,301
Unassigned (deficit)	7,076,962	(437,646)	6,639,316
Total fund balances.	9,004,595	13,465,341	22,469,936
Total liabilities, deferred inflows of resources and fund balances	\$ 13,189,822	\$ 18,434,984	\$ 31,624,806

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

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

Total governmental fund balances		\$	22,469,936
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities (excluding internal service funds capital assets) are not financial resources and therefore are not reported in the funds.			60,291,923
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Income taxes receivable	\$	3,281,980	
Real and other taxes receivable		66,865	
Accounts receivable		576,577	
Intergovernmental receivable		607,196	
Special assessments receivable		122,881	
Total			4,655,499
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.			(64,895)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(50,553)
Unamortized premiums on bond issuances are not recognized in the governmental funds.			(627,047)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.			1,334,719
The net pension asset is not available to pay for current period expenditures; therefore, the asset is not reported in the governmental funds.			50,412
The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows are not reported in governmental funds.			(12,112,829)
The net OPEB liability is not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.			(10,796,243)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		(1,836,233)	
Police past service costs		(73,361)	
Special assessment bonds payable		(1,265,000)	
General obligation bonds payable		(875,000)	
Revenue bonds payable		(17,060,000)	
OPWC loan payable		(663,332)	
Total			(21,772,926)
Net position of governmental activities		\$	43,377,996

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

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

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Income taxes	\$ 7,300,363	\$ 2,899,079	\$ 10,199,442
Real and other taxes	2,149,958	1,256,774	3,406,732
Charges for services	529,846	2,155,071	2,684,917
Licenses and permits	452,867	17,200	470,067
Fines and forfeitures	437,341	136,548	573,889
Intergovernmental	650,340	1,854,209	2,504,549
Special assessments	326	105,496	105,822
Investment income	748,380	1,663	750,043
Rental income	26,789	44,932	71,721
Contributions and donations	3,400	15,758	19,158
Other	233,062	216,400	449,462
Total revenues	12,532,672	8,703,130	21,235,802
Expenditures:			
Current:			
General government	3,027,478	260,568	3,288,046
Security of persons and property	5,229,731	1,788,916	7,018,647
Public health	124,453	1,889	126,342
Transportation	135	3,616,999	3,617,134
Leisure time services	1,268,253	145,832	1,414,085
Community and economic development	296,943	197,501	494,444
Capital outlay	-	330,028	330,028
Debt service:			
Principal retirement	3,026	480,000	483,026
Interest and fiscal charges	3,212	645,637	648,849
Total expenditures	9,953,231	7,467,370	17,420,601
Excess of revenues over expenditures	2,579,441	1,235,760	3,815,201
Other financing sources (uses):			
Note issuance	-	4,544	4,544
Sale of capital assets	7,862	3,300	11,162
Transfers in	-	115,785	115,785
Transfers (out)	(273,559)	(5,504)	(279,063)
Total other financing sources (uses)	(265,697)	118,125	(147,572)
Net change in fund balances	2,313,744	1,353,885	3,667,629
Fund balances at beginning of year	6,690,851	12,111,456	18,802,307
Fund balances at end of year	\$ 9,004,595	\$ 13,465,341	\$ 22,469,936

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

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

Net change in fund balances - total governmental funds	\$	3,667,629
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period.		
Capital asset additions	\$ 1,892,843	
Capital asset contributions	750,487	
Current year depreciation	<u>(1,948,903)</u>	
Total		694,427
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(290,759)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	781,485	
Real and other taxes	686	
Intergovernmental revenues	(18,033)	
Special assessments	115,986	
Charges for services	<u>(224,534)</u>	
Total		655,590
Proceeds of loans are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.		
		(4,544)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		483,026
In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.		
Decrease in accrued interest payable	1,133	
Amortization of deferred amounts on refunding	(67,015)	
Amortization of bond premiums and discounts	<u>31,736</u>	
Total		(34,146)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		33,969
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		1,280,993
OPEB		19,796
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension		(2,113,242)
OPEB		(922,377)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		<u>(99,007)</u>
Change in net position of governmental activities	\$	<u>3,371,355</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues:				
Income taxes	\$ 6,833,467	\$ 6,833,467	\$ 7,145,140	\$ 311,673
Real and other taxes	2,045,906	2,046,773	2,087,398	40,625
Charges for services	391,014	391,015	407,820	16,805
Licenses and permits	179,320	179,320	106,533	(72,787)
Fines and forfeitures	549,500	549,500	430,782	(118,718)
Intergovernmental	637,709	637,841	628,379	(9,462)
Special assessments	1,500	1,500	326	(1,174)
Investment income	319,233	319,233	748,380	429,147
Rental income	26,455	26,455	27,089	634
Contributions and donations	400	400	3,400	3,000
Other	121,825	121,825	232,798	110,973
Total Revenues	<u>11,106,329</u>	<u>11,107,329</u>	<u>11,818,045</u>	<u>710,716</u>
Expenditures:				
<i>Current:</i>				
General Government				
Council				
Personal services	72,928	73,348	71,141	2,207
Other	21,150	21,441	9,091	12,350
Total - council	<u>94,078</u>	<u>94,789</u>	<u>80,232</u>	<u>14,557</u>
Mayor				
Personal services	169,043	214,243	184,593	29,650
Other	140,380	147,668	77,199	70,469
Total - mayor	<u>309,423</u>	<u>361,911</u>	<u>261,792</u>	<u>100,119</u>
Auditor				
Personal services	293,494	298,494	293,481	5,013
Other	566,562	571,737	525,538	46,199
Total - auditor	<u>860,056</u>	<u>870,231</u>	<u>819,019</u>	<u>51,212</u>
Treasurer				
Personal services	19,396	19,396	19,391	5
Other	9,062	28,865	20,825	8,040
Total - treasurer	<u>28,458</u>	<u>48,261</u>	<u>40,216</u>	<u>8,045</u>
Law Director				
Personal services	354,049	354,049	343,864	10,185
Other	16,330	18,263	14,132	4,131
Total - law director	<u>370,379</u>	<u>372,312</u>	<u>357,996</u>	<u>14,316</u>
Service Director				
Personal services	814,484	814,484	397,102	417,382
Other	159,780	247,780	131,575	116,205
Total - service director	<u>974,264</u>	<u>1,062,264</u>	<u>528,677</u>	<u>533,587</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Continued

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Municipal Court				
Personal services	953,969	976,269	907,226	69,043
Other	94,918	95,580	60,165	35,415
Total - municipal court	<u>1,048,887</u>	<u>1,071,849</u>	<u>967,391</u>	<u>104,458</u>
Records Commission				
Personal services	2,100	2,100	2,100	-
Other	1,100	1,100	-	1,100
Total - council clerk	<u>3,200</u>	<u>3,200</u>	<u>2,100</u>	<u>1,100</u>
Total General Government	<u>3,688,745</u>	<u>3,884,817</u>	<u>3,057,423</u>	<u>827,394</u>
Security of Persons & Property				
Security of Persons & Property				
Personal services	4,998,950	5,065,422	4,735,520	329,902
Other	572,120	582,530	423,961	158,569
Total Security of Persons & Property	<u>5,571,070</u>	<u>5,647,952</u>	<u>5,159,481</u>	<u>488,471</u>
Public Health				
Service Director				
Other	129,722	129,722	124,453	5,269
Total Public Health	<u>129,722</u>	<u>129,722</u>	<u>124,453</u>	<u>5,269</u>
Leisure Time Services				
Service Director				
Personal services	898,373	898,373	784,208	114,165
Other	212,848	250,093	183,631	66,462
Total Leisure Time Services	<u>1,111,221</u>	<u>1,148,466</u>	<u>967,839</u>	<u>180,627</u>
Community and Economic Development				
Service Director				
Personal services	255,398	255,398	253,987	1,411
Other	45,655	64,296	43,333	20,963
Total Community and Economic Development	<u>301,053</u>	<u>319,694</u>	<u>297,320</u>	<u>22,374</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Continued

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Debt Service				
Principal retirement	2,960	3,026	3,026	-
Interest and fiscal charges	3,279	3,213	3,212	1
Total - debt service	<u>6,239</u>	<u>6,239</u>	<u>6,238</u>	<u>1</u>
Total Expenditures	<u>10,808,050</u>	<u>11,136,890</u>	<u>9,612,754</u>	<u>1,524,136</u>
Excess of revenues over expenditures	<u>298,279</u>	<u>(29,561)</u>	<u>2,205,291</u>	<u>2,234,852</u>
Other financing sources (uses):				
Transfers out	(224,333)	(274,617)	(274,617)	-
Advances in	-	-	155,535	155,535
Advances out	-	-	(22,727)	(22,727)
Sale of assets	-	-	7,862	7,862
Total Other Financing Sources (Uses)	<u>(224,333)</u>	<u>(274,617)</u>	<u>(133,947)</u>	<u>140,670</u>
Net change in fund balances	73,946	(304,178)	2,071,344	2,375,522
Fund balances at beginning of year	5,683,646	5,683,646	5,683,646	-
Prior year encumbrances appropriated	106,458	106,458	106,458	-
Fund balance at end of year	<u>\$ 5,864,050</u>	<u>\$ 5,485,926</u>	<u>\$ 7,861,448</u>	<u>\$ 2,375,522</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

THIS PAGE IS INTENTIONALLY LEFT BLANK

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018

Business-type Activities - Enterprise Funds

	Storm Water	Telecom	Sewer	Water
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 154,221	\$ 1,522,985	\$ 2,250,217	\$ 3,402,905
Cash with fiscal and escrow agents.	-	-	-	1,472
Receivables:				
Accounts.	140,687	1,275,169	590,306	433,315
Interfund loans.	33,459	345,488	486,094	550,401
Due from other governments.	100,000	-	-	-
Materials and supplies inventory.	-	69,987	57,391	163,427
Prepayments.	-	30,028	16,764	14,792
Total current assets.	<u>428,367</u>	<u>3,243,657</u>	<u>3,400,772</u>	<u>4,566,312</u>
Noncurrent assets:				
AMPGS plant held for future use credit.	-	-	-	-
AFEC development costs receivable.	-	-	-	-
Investment in joint venture.	-	-	-	-
Net pension asset.	-	7,184	6,795	9,808
Capital assets:				
Land and construction in progress.	101,378	-	147,076	826,923
Depreciable capital assets, net.	15,446,684	1,236,004	26,613,078	25,262,195
Total capital assets, net.	<u>15,548,062</u>	<u>1,236,004</u>	<u>26,760,154</u>	<u>26,089,118</u>
Total noncurrent assets.	<u>15,548,062</u>	<u>1,243,188</u>	<u>26,766,949</u>	<u>26,098,926</u>
Total assets.	<u>15,976,429</u>	<u>4,486,845</u>	<u>30,167,721</u>	<u>30,665,238</u>
Deferred outflows of resources:				
Pension.	-	190,565	173,947	258,290
OPEB.	-	38,023	35,968	51,915
Total deferred outflows of resources.	<u>-</u>	<u>228,588</u>	<u>209,915</u>	<u>310,205</u>
Total assets and deferred outflows of resources.	<u>15,976,429</u>	<u>4,715,433</u>	<u>30,377,636</u>	<u>30,975,443</u>
Liabilities:				
Current liabilities:				
Accounts payable.	-	200,898	21,151	23,702
Contracts payable.	-	-	-	1,791
Accrued wages and benefits payable.	-	27,424	28,722	39,393
Due to other funds.	-	-	-	-
Due to other governments.	3,472	8,585	6,788	6,581
Interfund loans payable.	498,980	95,266	459,000	2,335,088
Accrued interest payable.	2,330	403	3,050	33,854
Compensated absences payable - current.	-	47,912	27,726	50,042
Matured interest payable.	-	-	-	1,472
General obligation bonds payable.	86,853	5,633	47,755	534,897
OWDA loans payable.	-	-	1,187,791	-
OPWC loans payable.	5,603	-	-	-
AMP loan payable - current.	-	-	-	-
Claims payable.	-	-	-	-
Stranded costs payable - current.	-	-	-	-
Total current liabilities.	<u>597,238</u>	<u>386,121</u>	<u>1,781,983</u>	<u>3,026,820</u>
Long-term liabilities:				
Compensated absences payable.	-	191,767	110,972	200,295
General obligation bonds payable.	719,375	148,819	1,179,365	7,882,553
OWDA loans payable.	-	-	10,965,404	-
OPWC loans payable.	61,625	-	-	-
AMP loan payable.	-	-	-	-
Stranded costs payable.	-	-	-	-
Net OPEB liability.	-	508,826	481,316	694,724
Net pension liability.	-	745,988	705,656	1,018,533
Total long-term liabilities.	<u>781,000</u>	<u>1,595,400</u>	<u>13,442,713</u>	<u>9,796,105</u>
Total liabilities.	<u>1,378,238</u>	<u>1,981,521</u>	<u>15,224,696</u>	<u>12,822,925</u>
Deferred inflows of resources:				
OPEB.	10,047	43,120	42,507	72,257
Pension.	31,336	188,649	181,619	279,377
Total deferred inflows of resources.	<u>41,383</u>	<u>231,769</u>	<u>224,126</u>	<u>351,634</u>
Total liabilities and deferred inflows of resources.	<u>1,419,621</u>	<u>2,213,290</u>	<u>15,448,822</u>	<u>13,174,559</u>
Net position:				
Net investment in capital assets.	14,674,606	1,081,552	13,379,839	17,669,877
Unrestricted.	(117,798)	1,420,591	1,548,975	131,007
Total net position.	<u>\$ 14,556,808</u>	<u>\$ 2,502,143</u>	<u>\$ 14,928,814</u>	<u>\$ 17,800,884</u>

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

Net position of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Electric	Sanitation	Total	
\$ 16,878,389	\$ 1,539,442	\$ 25,748,159	\$ 1,626,446
-	-	1,472	-
4,217,249	437,236	7,093,962	-
1,863,685	353,542	3,632,669	371,205
32,663	-	132,663	-
1,656,220	-	1,947,025	332,174
130,355	1,866	193,805	110,343
<u>24,778,561</u>	<u>2,332,086</u>	<u>38,749,755</u>	<u>2,440,168</u>
696,461	-	696,461	-
589,906	-	589,906	-
722,008	-	722,008	-
26,924	4,220	54,931	8,370
193,886	804	1,270,067	-
20,082,440	1,577,862	90,218,263	370,571
<u>20,276,326</u>	<u>1,578,666</u>	<u>91,488,330</u>	<u>370,571</u>
<u>22,311,625</u>	<u>1,582,886</u>	<u>93,551,636</u>	<u>378,941</u>
<u>47,090,186</u>	<u>3,914,972</u>	<u>132,301,391</u>	<u>2,819,109</u>
707,083	107,708	1,437,593	233,831
142,508	22,336	290,750	55,664
849,591	130,044	1,728,343	289,495
<u>47,939,777</u>	<u>4,045,016</u>	<u>134,029,734</u>	<u>3,108,604</u>
2,051,189	54,696	2,351,636	6,387
1,791	-	3,582	-
107,104	19,689	222,332	35,105
62,560	-	62,560	-
33,390	5,279	64,095	5,822
2,997,961	-	6,386,295	193,514
110	-	39,747	-
125,955	24,566	276,201	28,906
-	-	1,472	-
40,551	-	715,689	-
-	-	1,187,791	-
-	-	5,603	-
624,000	-	624,000	-
-	-	-	516,146
558,032	-	558,032	-
<u>6,602,643</u>	<u>104,230</u>	<u>12,499,035</u>	<u>785,880</u>
504,135	98,327	1,105,496	115,698
-	-	9,930,112	-
-	-	10,965,404	-
-	-	61,625	-
1,222,689	-	1,222,689	-
2,209,471	-	2,209,471	-
1,907,027	298,899	3,890,792	592,878
2,795,885	438,215	5,704,277	869,216
<u>8,639,207</u>	<u>835,441</u>	<u>35,089,866</u>	<u>1,577,792</u>
<u>15,241,850</u>	<u>939,671</u>	<u>47,588,901</u>	<u>2,363,672</u>
178,554	26,774	373,259	48,071
735,701	115,429	1,532,111	215,061
914,255	142,203	1,905,370	263,132
<u>16,156,105</u>	<u>1,081,874</u>	<u>49,494,271</u>	<u>2,626,804</u>
20,233,984	1,578,666	68,618,524	370,571
11,549,688	1,384,476	15,916,939	111,229
<u>\$ 31,783,672</u>	<u>\$ 2,963,142</u>	<u>84,535,463</u>	<u>\$ 481,800</u>
		546,695	
		<u>\$ 85,082,158</u>	

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

Business-type Activities - Enterprise Funds

	Storm Water	Telecom	Sewer	Water
Operating revenues:				
Charges for services	\$ 892,003	\$ 5,778,436	\$ 4,163,397	\$ 3,536,688
Other operating revenues	4,235	52,161	32	149,568
Total operating revenues	<u>896,238</u>	<u>5,830,597</u>	<u>4,163,429</u>	<u>3,686,256</u>
Operating expenses:				
Personal services	(24,604)	1,081,504	1,029,613	1,451,809
Contract services.	368,171	3,396,821	916,495	850,299
Materials and supplies.	22,395	206,601	147,731	264,492
Purchased power.	-	-	-	-
Claims expense	-	-	-	-
Depreciation.	315,014	202,278	1,133,675	676,397
Other	11,299	161,498	18,753	91,231
Total operating expenses.	<u>692,275</u>	<u>5,048,702</u>	<u>3,246,267</u>	<u>3,334,228</u>
Operating income (loss)	<u>203,963</u>	<u>781,895</u>	<u>917,162</u>	<u>352,028</u>
Nonoperating revenues (expenses):				
Interest and fiscal charges	(36,521)	(10,435)	(432,855)	(456,004)
Gain (loss) on sale of capital assets	(116,268)	(71,877)	2,973	-
Interest income.	-	-	-	-
Investment in joint venture.	-	-	-	-
Total nonoperating revenues (expenses).	<u>(152,789)</u>	<u>(82,312)</u>	<u>(429,882)</u>	<u>(456,004)</u>
Income (loss) before contributions and transfers.	<u>51,174</u>	<u>699,583</u>	<u>487,280</u>	<u>(103,976)</u>
Transfer in	2,501	8,165	16,262	95,971
Transfer out	(64,531)	-	-	-
Capital contributions.	818,707	-	146,293	279,042
Change in net position	807,851	707,748	649,835	271,037
Net position at beginning of year (restated).	<u>13,748,957</u>	<u>1,794,395</u>	<u>14,278,979</u>	<u>17,529,847</u>
Net position at end of year	<u>\$ 14,556,808</u>	<u>\$ 2,502,143</u>	<u>\$ 14,928,814</u>	<u>\$ 17,800,884</u>

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

Change in net position of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
<u>Electric</u>	<u>Sanitation</u>	<u>Total</u>	
\$ 35,104,298	\$ 2,732,683	\$ 52,207,505	\$ 6,385,793
10,980	10,179	227,155	10,927
<u>35,115,278</u>	<u>2,742,862</u>	<u>52,434,660</u>	<u>6,396,720</u>
4,103,169	667,209	8,308,700	1,302,130
1,045,768	1,040,469	7,618,023	1,474,679
572,596	133,237	1,347,052	433,311
25,179,405	-	25,179,405	-
-	-	-	3,241,880
1,882,697	163,842	4,373,903	110,060
1,658,797	35,400	1,976,978	25,865
<u>34,442,432</u>	<u>2,040,157</u>	<u>48,804,061</u>	<u>6,587,925</u>
672,846	702,705	3,630,599	(191,205)
(113,571)	-	(1,049,386)	(4,354)
(23,913)	-	(209,085)	1,575
-	423	423	-
<u>(141,261)</u>	<u>-</u>	<u>(141,261)</u>	<u>-</u>
<u>(278,745)</u>	<u>423</u>	<u>(1,399,309)</u>	<u>(2,779)</u>
394,101	703,128	2,231,290	(193,984)
86,074	6,009	214,982	12,827
-	-	(64,531)	-
<u>-</u>	<u>-</u>	<u>1,244,042</u>	<u>-</u>
480,175	709,137	3,625,783	(181,157)
<u>31,303,497</u>	<u>2,254,005</u>		<u>662,957</u>
<u>\$ 31,783,672</u>	<u>\$ 2,963,142</u>		<u>\$ 481,800</u>
		(82,150)	
		<u>\$ 3,543,633</u>	

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

Business-type Activities - Enterprise Funds

	Storm Water	Telecom	Sewer	Water
Cash flows from operating activities:				
Cash received from customers	\$ 889,391	\$ 5,463,201	\$ 4,141,662	\$ 3,523,456
Cash received from other operations	4,235	52,161	32	149,568
Cash payments to employees for services	-	(964,167)	(955,983)	(1,341,143)
Cash payments for goods and services	(418,031)	(3,551,343)	(1,054,663)	(1,088,471)
Cash payments for claims	-	-	-	-
Cash payments for other expenses	(12,815)	(160,767)	(19,638)	(91,231)
Net cash provided by operating activities	<u>462,780</u>	<u>839,085</u>	<u>2,111,410</u>	<u>1,152,179</u>
Cash flows from noncapital financing activities:				
Cash received from transfers in	2,501	8,165	16,262	31,440
Cash received from joint venture	-	-	-	-
Cash used to pay stranded costs	-	-	-	-
Cash received from internal notes	63,209	372,945	577,484	900,711
Cash used for internal notes	(33,459)	(345,488)	(486,094)	(550,401)
Net cash provided by (used in) noncapital financing activities	<u>32,251</u>	<u>35,622</u>	<u>107,652</u>	<u>381,750</u>
Cash flows from capital and related financing activities:				
Sale or transfer of capital assets	(180,799)	961	2,973	-
Acquisition of capital assets	(592,887)	(299,140)	(293,818)	(1,124,622)
Proceeds from sale of notes and bonds	498,980	95,266	459,000	2,335,088
Principal payments	(633,233)	(414,133)	(1,703,741)	(3,072,233)
Interest and fiscal charges	(38,567)	(11,077)	(435,685)	(462,291)
Cash received from capital grants	386,000	-	-	-
Net cash used in capital and related financing activities	<u>(560,506)</u>	<u>(628,123)</u>	<u>(1,971,271)</u>	<u>(2,324,058)</u>
Cash flows from investing activities:				
Interest received	-	-	-	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(65,475)	246,584	247,791	(790,129)
Cash and cash equivalents at beginning of year . . .	219,696	1,276,401	2,002,426	4,194,506
Cash and cash equivalents at end of year	<u>\$ 154,221</u>	<u>\$ 1,522,985</u>	<u>\$ 2,250,217</u>	<u>\$ 3,404,377</u>

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Electric	Sanitation	Total	
\$ 35,043,671	\$ 2,706,788	\$ 51,768,169	\$ 6,385,793
57,101	10,179	273,276	10,927
(3,712,633)	(601,874)	(7,575,800)	(1,147,974)
(27,133,150)	(1,271,643)	(34,517,301)	(1,924,663)
	-	-	(3,205,642)
<u>(1,665,828)</u>	<u>(36,028)</u>	<u>(1,986,307)</u>	<u>(25,865)</u>
<u>2,589,161</u>	<u>807,422</u>	<u>7,962,037</u>	<u>92,576</u>
86,074	6,009	150,451	12,827
123,242	-	123,242	-
(237,881)	-	(237,881)	-
2,286,029	348,954	4,549,332	549,752
<u>(1,863,685)</u>	<u>(353,542)</u>	<u>(3,632,669)</u>	<u>(661,475)</u>
<u>393,779</u>	<u>1,421</u>	<u>952,475</u>	<u>(98,896)</u>
-	-	(176,865)	2,575
(422,546)	(407,635)	(3,140,648)	(30,495)
2,997,961	-	6,386,295	-
(3,993,576)	-	(9,816,916)	-
(114,217)	-	(1,061,837)	(4,354)
<u>-</u>	<u>-</u>	<u>386,000</u>	<u>-</u>
<u>(1,532,378)</u>	<u>(407,635)</u>	<u>(7,423,971)</u>	<u>(32,274)</u>
<u>-</u>	<u>423</u>	<u>423</u>	<u>-</u>
<u>-</u>	<u>423</u>	<u>423</u>	<u>-</u>
1,450,562	401,631	1,490,964	(38,594)
15,427,827	1,137,811	24,258,667	1,665,040
<u>\$ 16,878,389</u>	<u>\$ 1,539,442</u>	<u>\$ 25,749,631</u>	<u>\$ 1,626,446</u>

Continued

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

Business-type Activities - Enterprise Funds

	<u>Storm Water</u>	<u>Telecom</u>	<u>Sewer</u>	<u>Water</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 203,963	\$ 781,895	\$ 917,162	\$ 352,028
Adjustments:				
Depreciation.	315,014	202,278	1,133,675	676,397
Changes in assets, deferred inflows, liabilities and deferred outflows:				
Materials and supplies inventory.	-	1,391	(3,510)	11,005
Accounts receivable.	(2,612)	(315,235)	(21,735)	(13,232)
Deferred outflows - pension.	13,191	248,797	232,059	356,027
Deferred outflows - OPEB.	212	(31,152)	(29,432)	(42,251)
Net pension asset.	93	(4,183)	(3,939)	(5,584)
Prepayments.	-	(431)	2,385	10,669
Accounts payable.	(27,465)	200,898	10,688	7,855
Contracts payable.	-	-	-	1,791
Accrued wages and benefits.	-	3,034	2,620	1,051
Intergovernmental payable.	(1,516)	(148,512)	(460)	(4,808)
Compensated absences payable.	-	6,680	(23,129)	(21,652)
Net pension liability.	(34,150)	(355,638)	(342,964)	(532,376)
Net OPEB liability.	(14,850)	28,168	24,105	18,677
Deferred inflows - pension.	10,047	177,975	171,378	264,325
Deferred inflows - OPEB.	853	43,120	42,507	72,257
Due to other funds.	-	-	-	-
Claims payable.	-	-	-	-
Net cash provided by operating activities.	<u>\$ 462,780</u>	<u>\$ 839,085</u>	<u>\$ 2,111,410</u>	<u>\$ 1,152,179</u>

Non-cash transactions:

The Storm Water fund received \$332,707 in capital contributions in 2018.

The Telecom fund purchased \$3,603 in capital assets on account in 2017.

The Sewer fund purchased \$145,000 in capital assets on account in 2017 and received \$146,293 in capital contributions in 2018.

The Water fund received \$279,042 in capital contributions in 2018.

The Electric fund purchased \$9,545 in capital assets on account in 2017.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Business-type Activities - Enterprise Funds			Governmental
Electric	Sanitation	Total	Activities -
			Internal
			Service Funds
\$ 672,846	\$ 702,705	\$ 3,630,599	\$ (191,205)
1,882,697	163,842	4,373,903	110,060
42,729	-	51,615	(15,860)
(14,506)	(25,895)	(393,215)	-
949,393	144,396	1,943,863	253,780
(116,397)	(18,269)	(237,289)	(47,944)
(15,512)	(2,442)	(31,567)	(4,997)
(9,845)	446	3,224	3,609
(379,601)	(46,907)	(234,532)	(4,422)
1,791	-	3,582	-
19,083	1,795	27,583	5,613
(794)	(51,805)	(207,895)	1,002
1,460	7,488	(29,153)	12,350
(1,393,741)	(214,469)	(2,873,338)	(369,084)
80,528	14,412	151,040	52,822
695,018	105,351	1,424,094	202,543
178,554	26,774	364,065	48,071
(4,542)	-	(4,542)	-
-	-	-	36,238
<u>\$ 2,589,161</u>	<u>\$ 807,422</u>	<u>\$ 7,962,037</u>	<u>\$ 92,576</u>

**CITY OF WADSWORTH
MEDINA COUNTY, OHIO**

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

	Agency
Assets:	
Current assets:	
Equity in pooled cash and investments.	\$ 2,515,101
Cash in segregated accounts.	476,856
Restricted assets:	
Equity in pooled cash and investments.	896,408
Deposits held and due to others.	12,492
Total assets	\$ 3,900,857
Liabilities:	
Retainage payable.	\$ 350,133
Deposits held and due to others.	2,654,316
Refundable deposits.	896,408
Total liabilities	\$ 3,900,857

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - DESCRIPTION OF THE CITY

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

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

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

B. Fund Accounting

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

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

The following is the City’s major governmental fund:

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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

C. Fund Accounting

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

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

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

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

D. Basis of Accounting

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

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, See Notes 13 and 14 for deferred outflows of resources related the City's net pension liability and net OPEB liability, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

For the City, See Notes 13 and 14 for deferred inflows of resources related to the City's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE 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.

E. Budgetary Data

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

Tax Budget - In July, the City Administration presents the annual Tax Budget for the following year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the Annual Appropriation Ordinance. On or about January 1, the Certificate of Estimated Resources is amended to include unencumbered fund balances at December 31 of the preceding year. The Certificate may be further amended during the year if the Auditor determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amount in the final amended official Certificate of Estimated Resources issued during 2018.

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

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

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

F. Cash, Cash Equivalents and Investments

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

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

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

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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

Following Ohio statutes, the City has, by ordinance, specified the funds to receive an allocation of interest earnings. During the year 2018, interest revenue credited to the General Fund amount to \$748,380 which includes \$644,647 assigned from other City funds.

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

G. Interfund Balances

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

H. Inventory

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

I. Prepaid Items

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

J. Capital Assets

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

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

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

K. Compensated Absences

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

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

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

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

L. Accrued and Long-Term Obligations

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and police past service costs are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

M. Fund Balance

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

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

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

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

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

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

N. Net Position

Net position represents assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. Net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by the creditors, grantors or laws or regulations of other governments.

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

O. Operating Revenues and Expenses

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

P. Contributions of Capital

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

Q. Interfund Activity

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

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. The City had neither type of transaction during 2018.

S. Estimates

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

T. Bond Premium and Discount/Accounting Gain or Loss

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

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

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

U. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources 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.

V. Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For fiscal year 2018, the City has implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", GASB Statement No. 85, "Omnibus 2017" and GASB Statement No. 86, "Certain Debt Extinguishments".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 had the effect of restating net position as previously reported (described below), revised the City's postemployment benefit plan disclosures, as presented in Note 14 to the basic financial statements, and added required supplementary information which is presented after the notes to the basic financial statements.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the City.

GASB Statement No. 86 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 GASB Statement No. 86 did not have an effect on the financial statements of the City.

A net position restatement is required in order to implement GASB Statement No 75. The governmental activities and business-type activities at January 1, 2018 have been restated as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net position as previously reported	\$ 50,432,640	\$ 85,224,816
Deferred outflows - payments subsequent to measurement date	73,299	53,461
Net OPEB liability	<u>(10,499,298)</u>	<u>(3,739,752)</u>
Restated net position at January 1, 2018	<u>\$ 40,006,641</u>	<u>\$ 81,538,525</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

	<u>Storm Water</u>	<u>Telecom</u>	<u>Sewer</u>	<u>Water</u>
Net position as previously reported	\$ 13,763,595	\$ 2,268,182	\$ 14,729,654	\$ 18,196,230
Deferred outflows - payments subsequent to measurement date	212	6,871	6,536	9,664
Net OPEB liability	<u>(14,850)</u>	<u>(480,658)</u>	<u>(457,211)</u>	<u>(676,047)</u>
Restated net position at January 1, 2018	<u>\$ 13,748,957</u>	<u>\$ 1,794,395</u>	<u>\$ 14,278,979</u>	<u>\$ 17,529,847</u>

	<u>Electric</u>	<u>Sanitation</u>	<u>Internal Service Funds</u>
Net position as previously reported	\$ 33,103,885	\$ 2,534,425	\$ 1,195,293
Deferred outflows - payments subsequent to measurement date	26,111	4,067	7,720
Net OPEB liability	<u>(1,826,499)</u>	<u>(284,487)</u>	<u>(540,056)</u>
Restated net position at January 1, 2018	<u>\$ 31,303,497</u>	<u>\$ 2,254,005</u>	<u>\$ 662,957</u>

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

B. Deficit Fund Balances

Fund balances at December 31, 2018 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Recreation	\$ 410,689
West Street Improvements	22,727
Special Assessments	1,203
<u>Internal Service fund</u>	
Information Technology	461,328

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

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual;
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP);
3. Outstanding year-end encumbrances are treated as expenditures (budget) rather than as part of restricted, committed, or assigned fund balance (GAAP);
4. Unreported cash represents amounts received, but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement;
5. Advances-in and advances-out are operating transactions (budget) as opposed to balance sheet transactions (GAAP); and,
6. Some funds included in the General Fund (GAAP basis) have separate legally adopted budgets (budget basis).

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

Net Changes in Fund Balance

	<u>General Fund</u>
Budget Basis	\$ 2,071,344
Net Adjustment for Revenue Accruals	307,067
Net Adjustment for Expenditure Accruals	3,855,361
Funds with Separate Legally Adopted Budgets	(3,817,394)
Net Adjustment for Other Sources/Uses	(131,750)
Encumbrances	<u>29,116</u>
GAAP Basis	<u>\$ 2,313,744</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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

A. Deposits with Financial Institutions

At December 31, 2018, the carrying amount of all City deposits was \$30,961,072. As of December 31, 2018, \$28,600,513 of the City's bank balance of \$31,622,340 was exposed to custodial risk as discussed below, while \$3,021,827 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's 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 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. For 2018, the City's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

B. Investments

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

Measurement/ <u>Investment type</u>	Measurement <u>Amount</u>	Investment Maturities 6 months or <u>less</u>
<i>Amortized cost:</i>		
STAR Ohio	\$ 18,391,041	\$ 18,391,041
<i>Fair Value:</i>		
US Government Mutual Fund	<u>25,346</u>	<u>25,346</u>
Total	<u>\$ 18,416,387</u>	<u>\$ 18,416,387</u>

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

The following table includes the percentage of each investment type held by the City at December 31, 2018:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
<i>Amortized cost:</i>		
STAR Ohio	\$ 18,391,041	99.86%
<i>Fair value:</i>		
US Governmnet Mutual Fund	<u>25,346</u>	<u>0.14%</u>
Total	<u>\$ 18,416,387</u>	<u>100.00%</u>

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

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

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 30,961,072
Investments	18,416,387
Cash with fiscal agent	1,472
Cash on hand	<u>1,470</u>
Total	<u>\$ 49,380,401</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 19,742,405
Business-type activities	25,749,631
Agency funds	<u>3,888,365</u>
Total	<u>\$ 49,380,401</u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2018, consisted of taxes, accounts (billings for user charged services, rents and royalties), income taxes, interfund, accrued interest, notes, special assessments, and intergovernmental receivables arising from grants, entitlements and shared revenues. Accounts, taxes, interfund, accrued interest, special assessments and intergovernmental receivables are deemed collectible in full.

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

NOTE 7 - PROPERTY TAXES

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Auditor collects property taxes on behalf of all taxing districts in the County, including the City of Wadsworth. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes represent real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2018 and for which there is an enforceable legal claim.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 7 - PROPERTY TAXES – (Continued)

The full tax rate for all City operations for the year ended December 31, 2018 was \$4.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property for 2018 property tax were as follows:

<u>Real Property</u>	
Residential/agricultural	\$ 389,480,310
Commercial/industrial/mineral	128,841,150
Public utility personal property	<u>829,030</u>
 Total assessed value	 <u>\$ 519,150,490</u>

NOTE 8 - TAX ABATEMENTS

As of December 31, 2018, the City provides tax abatements through Community Reinvestment Area (CRA). This program relates to the abatement of property taxes.

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

The City has entered into six agreements to abate property taxes through this program. During 2018, the City's property tax revenues were reduced as a result of these agreements as follows:

Purpose	Percentage of Taxes Abated during the Fiscal Year	Amount of Taxes Abated during the Fiscal Year	Term
Expansion for manufacturing	40%	\$408	10 years
Expansion for manufacturing	40%	\$456	8 years
Expansion for warehousing and office space	40%	\$771	6 years
Expansion for R&D and office space	70%	\$3,283	10 years
Expansion for warehousing, distribution, and office space	50%	\$1,662	10 years
Expansion for manufacturing and warehousing	60%	\$3,248	12 years

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 9 - INCOME TAX

The City levies and collects an income tax on taxable income earned within the City as well as taxable incomes earned outside the City. The taxable income rate is 1.4%. For residents working outside the City, the City allows for a credit of income taxes paid to another municipality of up to 1.0%. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Income tax collections for 2018 and prior years received 60 days after year-end have been recognized as revenue in 2018.

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

Income tax revenues are distributed, as needed, to the various funds of the City pursuant to Council ordinance. In 2018, income tax revenues were distributed to the following funds: General, Street Maintenance, Special Assessments, Airport Improvements, Street Improvement, Recreation fund, Special Assessment Bond Retirement, Tax Increment Financing Fund, and General Capital Improvements.

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

NOTE 10 - SPECIAL ASSESSMENTS

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

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

Special assessments receivable at December 31, 2018 was \$122,881.

NOTE 11 - RISK MANAGEMENT

A. Liability Insurance

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

1. Blanket building and personal property insurance, with a \$2,500 deductible and a \$70,230,478 limit on buildings and property in the open and business personal property.
2. Vehicle liability insurance with physical damage, comprehensive and collision subject to a \$1,000,000 limit per accident or loss. A comprehensive deductible of \$500 for vehicles and a comprehensive deductible of \$2,000 apply to fire trucks.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 11 - RISK MANAGEMENT - (Continued)

3. Law enforcement liability coverage with a \$1,000,000 limit for each person/wrongful act/annual aggregate and a \$10,000 deductible for each Law Enforcement Wrongful Act.
4. Public officials' liability coverage with a \$1,000,000 for each claim/each aggregate and a \$10,000 deductible per 'claim'.
5. Umbrella liability coverage of \$10,000,000 per occurrence/aggregate.

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

B. Workers' Compensation

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

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

The City's third party administrator (TPA) is Sedgwick Inc. The claims liability reported in the workers' comp internal service fund at December 31, 2018 of \$70,334, is based on the requirements of GASB statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. A summary of the fund's claims liability during the past two years is as follows:

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claims</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
2018	\$ 34,531	\$ 163,085	\$ (127,282)	\$ 70,334
2017	176,890	108,719	(251,078)	34,531

C. Health Insurance

The Fund is financed by assessing City departments the amount necessary to pay all costs and maintain a reasonable carryover balance. As of December 31, 2018, the Departments were assessed per each employee per month at the rate of \$1,105.00 per individual coverage and \$1,840.00 per family coverage. Following the health insurance renewal on September 1, 2018, non-bargaining employee contributions per bi-weekly pay period were \$40.00 for single coverage and \$80.00 for family for non-bargaining employees. Some bargaining unit employees pay a contribution rate at \$60.93 for single coverage and \$122.52 for family coverage. Other bargaining unit employees contribute \$66.01 for single coverage and \$132.73 for family coverage. Health coverage (i.e., medical and prescription) was administered by Medical Mutual. Dental coverage was provided through Delta Dental.

The plan provides comprehensive medical coverage with a \$500 deductible per individual and \$1,000 per family and subject to a 10% co-insurance payment for expenses in-network and 20% out-of-network.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 11 - RISK MANAGEMENT - (Continued)

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

The City also provides prescription drug insurance to its employees through the self-insurance program. The plan pays the cost of prescriptions with a required co-payment of \$30.00 Tier 1 drugs, \$60.00 for Tier 2 drugs and \$120.00 for Tier 3 drugs at a retail pharmacy or through the mail order system.

The claims liability of \$445,812 reported in the self-insurance fund at December 31, 2018 is based on the requirements of GASB Statement No. 10 "Accounting and Financial Reporting for Risk Financing and Related Insurance Services" which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred, but not reported claims, be reported. The claims liability is based on an estimate supplied by the City's third party administrator. This estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. A summary of the fund's claims liability during the past two years is as follows:

		<u>Balance at</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claims</u> <u>Payments</u>		<u>Balance at</u> <u>End of Year</u>
2018	\$	445,377	\$ 3,206,077	\$ (3,205,642)	\$	445,812
2017		348,988	3,442,944	(3,346,555)		445,377

THIS SPACE INTENTIONALLY LEFT BLANK

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 12 - CAPITAL ASSETS

Certain amounts have been reclassified between land and intangible assets, not depreciated. There was no impact on net position or net capital assets. Governmental activities capital asset activity for the year ended December 31, 2018, was as follows.

	<u>Balance</u> <u>1/1/2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2018</u>
<u>Governmental Activities:</u>				
Capital assets, not being depreciated				
Land	\$ 5,164,012	\$ 11,227	\$ -	\$ 5,175,239
Intangible asset, not depreciated	3,241,980	431,635	-	3,673,615
Construction in progress	<u>4,984,847</u>	<u>332,484</u>	<u>(639,113)</u>	<u>4,678,218</u>
Total capital assets, not being depreciated	<u>13,390,839</u>	<u>775,346</u>	<u>(639,113)</u>	<u>13,527,072</u>
Capital assets, being depreciated				
Intangible assets	19,243,481	177,447	-	19,420,928
Land Improvements	3,072,975	677,555	-	3,750,530
Buildings	10,206,198	78,561	-	10,284,759
Equipment	3,223,024	212,329	-	3,435,353
Vehicles	6,604,754	144,988	(317,882)	6,431,860
Infrastructure	<u>26,424,857</u>	<u>1,362,980</u>	<u>(700,068)</u>	<u>27,087,769</u>
Total capital assets, being depreciated	<u>68,775,289</u>	<u>2,653,860</u>	<u>(1,017,950)</u>	<u>70,411,199</u>
Accumulated depreciation:				
Intangible assets	(2,364,307)	(397,018)	-	(2,761,325)
Land Improvements	(1,194,668)	(108,386)	-	(1,303,054)
Buildings	(4,158,583)	(254,836)	-	(4,413,419)
Equipment	(2,263,506)	(157,679)	-	(2,421,185)
Vehicles	(3,999,570)	(368,511)	315,048	(4,053,033)
Infrastructure	<u>(7,846,103)</u>	<u>(772,533)</u>	<u>294,875</u>	<u>(8,323,761)</u>
Total accumulated depreciation	<u>(21,826,737)</u>	<u>(2,058,963)</u>	<u>609,923</u>	<u>(23,275,777)</u>
Total capital assets, being depreciated, net	<u>46,948,552</u>	<u>594,897</u>	<u>(408,027)</u>	<u>47,135,422</u>
Governmental capital assets, net	<u>\$ 60,339,391</u>	<u>\$ 1,370,243</u>	<u>\$ (1,047,140)</u>	<u>\$ 60,662,494</u>

Depreciation expense was charged to governmental activities as follows:

<u>Governmental Activities:</u>	
General Government	\$ 634,144
Security of Persons and Property	302,698
Transportation	838,398
Leisure Time Services	173,663
Internal Service Funds	<u>110,060</u>
Total Depreciation Expense	<u>\$ 2,058,963</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 12 - CAPITAL ASSETS - (Continued)

Business-type activities capital asset activity for the year ended December 31, 2018, was as follows.

	Balance 1/1/2018	Additions	Reductions	Balance 12/31/2018
<u>Business-Type Activities:</u>				
Capital assets, not being depreciated				
Land	\$ 711,477	\$ -	\$ -	\$ 711,477
Intangible Asset, not depreciated	281,150	42,409	-	323,559
Construction in Progress	500,896	60,468	(326,333)	235,031
Total capital assets, not being depreciated	<u>1,493,523</u>	<u>102,877</u>	<u>(326,333)</u>	<u>1,270,067</u>
Capital assets, being depreciated				
Intangible Assets	727,428	-	-	727,428
Land Improvements	156,486	-	-	156,486
Buildings	19,662,533	178,027	-	19,840,560
Equipment	14,900,847	412,519	(30,945)	15,282,421
Vehicles	6,064,132	543,866	(10,000)	6,597,998
Infrastructure	111,324,411	3,561,186	(826,775)	114,058,822
Total capital assets, being depreciated	<u>152,835,837</u>	<u>4,695,598</u>	<u>(867,720)</u>	<u>156,663,715</u>
Accumulated depreciation:				
Intangible Assets	(230,353)	(72,743)	-	(303,096)
Land Improvements	(15,378)	(5,484)	-	(20,862)
Buildings	(6,426,227)	(406,978)	-	(6,833,205)
Equipment	(5,978,655)	(655,626)	30,385	(6,603,896)
Vehicles	(3,209,392)	(540,341)	10,000	(3,739,733)
Infrastructure	(46,315,444)	(3,359,800)	730,584	(48,944,660)
Total accumulated depreciation	<u>(62,175,449)</u>	<u>(5,040,972)</u>	<u>770,969</u>	<u>(66,445,452)</u>
Total capital assets, being depreciated, net	<u>90,660,388</u>	<u>(345,374)</u>	<u>(96,751)</u>	<u>90,218,263</u>
Business-type activities capital assets, net	<u>\$ 92,153,911</u>	<u>\$ (242,497)</u>	<u>\$ (423,084)</u>	<u>\$ 91,488,330</u>

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

<u>Business-type activities:</u>	
Water	\$ 1,343,466
Sewer	1,133,675
Electric	1,882,697
Storm Water	315,014
Telecom	202,278
Sanitation	163,842
Total Depreciation Expense	<u>\$ 5,040,972</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 12 - CAPITAL ASSETS - (Continued)

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

The remaining amortization schedule is as follows:

Year Ending December 31	Governmental Activities
2019	\$ 365,800
2020	365,800
2021	365,800
2022	365,800
2023	365,800
2023 - 2027	1,829,000
2028 - 2032	1,829,000
2033 - 2037	1,829,000
2038 - 2042	1,829,000
2043 - 2047	1,829,000
2048 - 2052	1,829,000
2053 - 2057	1,829,000
2058 - 2061	1,097,400
Total	\$ 15,729,400

NOTE 13 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

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

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

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 2.25%.

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

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$1,466,456 for 2018. Of this amount, \$62,789 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 OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

	Police	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 \$630,883 for 2018. Of this amount, \$27,605 is reported as due to other governments.

THIS SPACE INTENTIONALLY LEFT BLANK

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.07893800%	0.08745500%	0.03598100%	0.13532300%	
Proportion of the net pension liability/asset current measurement date	<u>0.07527000%</u>	<u>0.08251600%</u>	<u>0.03961600%</u>	<u>0.13130000%</u>	
Change in proportionate share	<u>-0.00366800%</u>	<u>-0.00493900%</u>	<u>0.00363500%</u>	<u>-0.00402300%</u>	
Proportionate share of the net pension liability	\$ 11,808,403	\$ -	\$ -	\$ 8,058,476	\$ 19,866,879
Proportionate share of the net pension asset	-	(112,330)	(1,383)	-	(113,713)
Pension expense	2,286,261	18,135	(449)	1,161,742	3,465,689

THIS SPACE INTENTIONALLY LEFT BLANK

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ 12,060	\$ -	\$ 2,688	\$ 122,294	\$ 137,042
Changes of assumptions	1,411,184	9,816	163	351,151	1,772,314
Changes in employer's proportionate percentage/difference between employer contributions	55,737	-	-	839,941	895,678
City contributions subsequent to the measurement date	1,386,891	56,639	22,924	630,883	2,097,337
Total deferred outflows of resources	<u>\$ 2,865,872</u>	<u>\$ 66,455</u>	<u>\$ 25,775</u>	<u>\$ 1,944,269</u>	<u>\$ 4,902,371</u>
Deferred inflows of resources					
Differences between expected and actual experience	\$ 232,705	\$ 33,465	\$ -	\$ 14,578	\$ 280,748
Net difference between projected and actual earnings on pension plan investments	2,535,109	17,725	388	278,762	2,831,984
Changes in employer's proportionate percentage/difference between employer contributions	492,240	-	-	192,590	684,830
Total deferred inflows of resources	<u>\$ 3,260,054</u>	<u>\$ 51,190</u>	<u>\$ 388</u>	<u>\$ 485,930</u>	<u>\$ 3,797,562</u>

\$2,097,337 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2019.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Year Ending December 31:					
2019	\$ 813,777	\$ (5,634)	\$ 309	\$ 429,424	\$ 1,237,876
2020	(436,810)	(6,120)	302	356,136	(86,492)
2021	(1,116,327)	(10,089)	249	41,888	(1,084,279)
2022	(1,041,714)	(9,670)	254	(69,537)	(1,120,667)
2023	(1)	(3,447)	373	56,762	53,687
Thereafter	-	(6,414)	976	12,783	7,345
Total	<u>\$ (1,781,075)</u>	<u>\$ (41,374)</u>	<u>\$ 2,463</u>	<u>\$ 827,456</u>	<u>\$ (992,530)</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

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

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 for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

During 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.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

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

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 20,968,717	\$ 11,808,403	\$ 4,171,463
Combined Plan	(61,062)	(112,330)	(147,704)
Member-Directed Plan	(792)	(1,383)	(1,981)

Actuarial Assumptions – OP&F

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below. The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the investment rate of return from 8.25% to 8.00%, (b) projected salary increases decreased from 4.25% - 11.00% to 3.75% - 10.50%, (c) payroll increases decreased from 3.75% to 3.25%, (d) inflation assumptions decreased from 3.25% to 2.75% and (e) Cost of Living Adjustments (COLAs) decreased from 2.60% to 2.20%.

Valuation date	January 1, 2017
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25%
Inflation assumptions	2.75%
Cost of living adjustments	2.20% and 3.00% simple

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2017 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Real Rate of Return **</u>	<u>30 Year Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	4.22 %	5.39 %
Non-US Equity	16.00	4.41	5.59
Private Markets	8.00	6.67	8.08
Core Fixed Income *	23.00	1.57	2.71
High Yield Fixed Income	7.00	2.94	4.71
Private Credit	5.00	6.93	7.26
Global Inflation			
Protected Securities *	17.00	0.98	2.52
Master Limited Partnerships	8.00	7.50	7.93
Real Assets	8.00	6.88	7.24
Private Real Estate	12.00	5.58	6.34
Total	<u>120.00 %</u>		

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the 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.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The total pension liability was calculated using the discount rate of 8.00%. A discount rate of 8.25% was used in the prior measurement period. 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%. 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%, 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%), or one percentage point higher (9.00%) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 11,171,158	\$ 8,058,476	\$ 5,519,795

NOTE 14 - 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. This GASB pronouncement had no effect on beginning net position as reported January 1, 2018, as the net OPEB liability is not reported in the accompanying financial statements. 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.

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

The City's contractually required contribution was \$9,169 for 2018. Of this amount, \$393 is reported as due to other governments.

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.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 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.

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 \$15,731 for 2018. Of this amount, \$688 is reported as due to other governments.

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

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.07737900%	0.13532300%	
Proportion of the net OPEB liability current measurement date	<u>0.07417000%</u>	<u>0.13130000%</u>	
Change in proportionate share	<u>-0.00320900%</u>	<u>-0.00402300%</u>	
Proportionate share of the net OPEB liability	\$ 8,054,315	\$ 7,439,280	\$ 15,493,595
OPEB expense	\$ 580,454	\$ 686,987	\$ 1,267,441

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	\$ 6,274	\$ -	\$ 6,274
Changes of assumptions	586,437	725,915	1,312,352
Changes in employer's proportionate percentage/ difference between employer contributions	11,359	-	11,359
City contributions subsequent to the measurement date	9,170	15,731	24,901
Total deferred outflows of resources	<u>\$ 613,240</u>	<u>\$ 741,646</u>	<u>\$ 1,354,886</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 37,521	\$ 37,521
Net difference between projected and actual earnings on pension plan investments	599,992	48,969	648,961
Changes in employer's proportionate percentage/ difference between employer contributions	234,062	295,576	529,638
Total deferred inflows of resources	<u>\$ 834,054</u>	<u>\$ 382,066</u>	<u>\$ 1,216,120</u>

\$24,901 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 pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2019	\$ 26,905	\$ 22,650	\$ 49,555
2020	26,905	22,650	49,555
2021	(133,793)	22,650	(111,143)
2022	(149,998)	62,795	(87,203)
2023	(3)	75,038	75,035
Thereafter	-	138,066	138,066
Total	<u>\$ (229,984)</u>	<u>\$ 343,849</u>	<u>\$ 113,865</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 WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - 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. 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.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
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	100.00 %	4.98 %

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

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$ 10,700,506	\$ 8,054,315	\$ 5,913,574

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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.

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate Assumption</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 7,706,263	\$ 8,054,315	\$ 8,413,845

Actuarial Assumptions – OP&F

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

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

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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.

Age	Police	Fire
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.

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.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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:

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

Note: Assumptions are geometric.

*levered 2x

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

Discount Rate - The total 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.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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.

	<u>1% Decrease</u> <u>(2.24%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(3.24%)</u>	<u>1% Increase</u> <u>(4.24%)</u>
City's proportionate share of the net OPEB liability	\$ 9,299,182	\$ 7,439,280	\$ 6,008,156

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:

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

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

	<u>1% Decrease</u>	<u>Current Health</u> <u>Care Trend Rate</u> <u>Assumption</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 5,778,962	\$ 7,439,280	\$ 9,676,813

NOTE 15 - COMPENSATED ABSENCES

City employees earn vacation and sick leave at varying rates depending on length of service and department policy. All accumulated, unused vacation time is paid upon separation if the employee has acquired at least one year of service with the City. Accumulated, unused sick leave is paid to a retiring employee up to a maximum of 160 days. As of December 31, 2018, the City's liability for compensated absences was \$2,009,776 for governmental activities and \$1,381,697 for business-type activities.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 16 - LONG-TERM OBLIGATIONS

	Rate	Issue Amount	Maturity
Governmental Activities:			
1968 Liability for Police Past Service Cost	2.36%	\$ 124,769	May 15, 2038
2016 Income Tax Revenue Bonds	2.00 - 4.00 %	17,630,000	December 1, 2038
2017 Special Assessment Bonds	3.50%	1,310,000	December 1, 2037
2017 General Obligation Bonds	3.48%	910,000	December 1, 2037
OPWC Loan	0.00%	658,788	December 12, 2029
Business-Type Activities:			
2000 American Municipal Power-Ohio	1.65 - 5.25%	11,645,000	February 15, 2022
OWDA Loan	3.15%	23,040,336	January 1, 2028
2009 General Obligation Bonds	4.00%	1,860,000	December 1, 2024
2010 General Obligation Bonds	3.41%	9,420,000	December 1, 2032
American Municipal Power Loan	Various	7,100,000	February 15, 2022
OPWC Loan	0.00%	84,034	January 1, 2031
2017 Storm Water Bonds	3.44%	345,000	December 1, 2037
2017 Telecommunications Bonds	2.93%	150,000	December 1, 2033
2017 Wastewater Treatment Bonds	3.49%	1,220,000	December 1, 2037
2017 Water Distribution Bonds	3.49%	1,080,000	December 1, 2037

THIS SPACE INTENTIONALLY LEFT BLANK

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

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

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>	<u>Amount</u> <u>Due In</u> <u>One Year</u>
Governmental Activities:					
1968 Liability for Police Past Service Cost	\$ 76,387	\$ -	\$ (3,026)	\$ 73,361	\$ 3,115
2016 Income Tax Revenue Bonds	17,460,000	-	(400,000)	17,060,000	605,000
Unamortized Bond Premium	558,630	-	(26,708)	531,922	26,707
2017 Special Assessment Bonds	1,310,000	-	(45,000)	1,265,000	50,000
Unamortized Bond Premium	59,459	-	(2,985)	56,474	2,985
2017 General Obligation Bonds	910,000	-	(35,000)	875,000	35,000
Unamortized Bond Premium	40,694	-	(2,043)	38,651	2,043
OPWC Loan	<u>658,788</u>	<u>4,544</u>	<u>-</u>	<u>663,332</u>	<u>54,899</u>
Total Long-Term Debt	<u>21,073,958</u>	<u>4,544</u>	<u>(514,762)</u>	<u>20,563,740</u>	<u>779,749</u>
Net Pension Liability	17,919,054	-	(3,756,452)	14,162,602	-
Net OPEB Liability	10,499,296	1,103,507	-	11,602,803	-
Compensated Absences	<u>2,058,352</u>	<u>691,996</u>	<u>(740,572)</u>	<u>2,009,776</u>	<u>425,068</u>
Governmental Activities - Long Term Liabilities	<u>\$ 51,550,660</u>	<u>\$ 1,800,047</u>	<u>\$ (5,011,786)</u>	<u>\$ 48,338,921</u>	<u>\$1,204,817</u>

THIS SPACE INTENTIONALLY LEFT BLANK

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amount Due In One Year</u>
Business-Type Activities					
Storm Water 2009 Series					
General Obligation Bonds	\$ 515,000	\$ -	\$ (65,000)	\$ 450,000	\$ 70,000
Plus Deferred Amounts:					
Unamortized Premium on Bonds	7,483	-	(1,069)	6,414	1,069
Storm Water Improvements 2017 Series					
General Obligation Bonds	345,000	-	(10,000)	335,000	15,000
Plus Deferred Amounts:					
Unamortized Bond Premium	15,598	-	(784)	14,814	784
Telecomm 2017 Series					
General Obligation Bonds	150,000	-	(5,000)	145,000	5,000
Plus Deferred Amounts:					
Unamortized Bond Premium	10,085	-	(633)	9,452	633
Water 2009 Series					
General Obligation Bond	790,000	-	(100,000)	690,000	105,000
Plus Deferred Amounts:					
Unamortized Premium on Bonds	11,364	-	(1,625)	9,739	1,625
Waste Water System Improvements 2017					
General Obligation Bond	1,220,000	-	(45,000)	1,175,000	45,000
Plus Deferred Amounts:					
Unamortized Premium on Bonds	54,875	-	(2,755)	52,120	2,755
Electric 2009 Series					
General Obligation Bond	75,000	-	(35,000)	40,000	40,000
Plus Deferred Amounts:					
Unamortized Premium on Bonds	1,102	-	(551)	551	551
2017 Water System Improvements					
General Obligation Bond	1,080,000	-	(40,000)	1,040,000	40,000
Plus Deferred Amounts:					
Unamortized Premium on Bonds	48,202	-	(2,420)	45,782	2,420
2010 Water System Improvements					
General Obligation Bond	6,995,000	-	(375,000)	6,620,000	385,000
Plus Deferred Amounts:					
Unamortized Premium on Bonds	12,781	-	(852)	11,929	852
OWDA Loan	13,304,436	-	(1,151,241)	12,153,195	1,187,791
OPWC Loan	72,830	-	(5,602)	67,228	5,603
AMP Loan	2,470,689	-	(624,000)	1,846,689	624,000
AMP Stranded Costs	3,326,977	-	(559,474)	2,767,503	558,032
Net Pension Liability	8,577,615	-	(2,873,338)	5,704,277	-
Net OPEB Liability	3,739,752	151,040	-	3,890,792	-
Compensated Absences	1,410,850	365,192	(394,345)	1,381,697	276,201
Business-Type Activities - Long Term Liabilities	<u>\$ 44,234,639</u>	<u>\$ 516,232</u>	<u>\$ (6,293,689)</u>	<u>\$ 38,457,182</u>	<u>\$ 3,367,316</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

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

General obligation bonds are direct obligations of the City for which its full faith, credit and resources are pledged. The 2009 bonds were used to retire \$3.188 million in inter-fund loans, and to fund new street improvements (\$550,000) and stormwater drainage and management facilities (\$385,000). These bonds are to be paid by stormwater revenues, water revenues, electric revenues, hotel/motel tax, income tax, and ad valorem property taxes.

On June 21, 2017, the City issued \$3,705,000 in general obligation bonds. These bonds were used to pay off the bond anticipation notes outstanding as of December 31, 2016. Of the \$3,705,000, \$910,000 was for State Route 94 improvements, \$345,000 for storm water, \$150,000 for telecommunications, \$1,220,000 for waste water treatment, and \$1,080,000 for water distribution.

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

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

On June 29, 2016, the City issued \$17,630,000 in income tax revenue bonds. The proceeds of these bonds were used to advance refund the \$16,535,000 in outstanding 2010 Community Center revenue bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded 2010 Community Center revenue bonds at December 31, 2017, is \$15,110,000.

The reacquisition price exceeded the net carrying amount of the old debt by \$101,310. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

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

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

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

On January 27, 2005, the City obtained an OWDA loan for improvements to the waste water treatment plant. The loan will not have an accurate repayment schedule until the loan is finalized, and therefore, is not included in the schedule of future annual debt service requirements. The City has pledged future revenues net of expenditures to repay the OWDA loans. The loans are payable solely from revenues generated by the ownership and operation of the sewer utility system. Revenues include all revenues received by the sewer utility less all operating expenses other than depreciation expense. All debt is payable solely from net revenues and is payable through 2027. Annual principal and interest payments on the OWDA loans are expected to require 85.09% of net revenues and 37.87% of total revenues. The total principal and interest remaining to be paid on the debt is \$14,016,481. Principal and interest paid for the current year were \$1,151,241 and \$390,566, respectively. Total net customer revenues were \$2,050,837 and total operating revenues were \$4,163,429.

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

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

During 2017, the City obtained an OPWC loan in the amount of \$658,788 for widening of High Street. The loan has a zero percent interest rate, with semiannual payments and a final maturity of December 2029.

See Notes 13 and 14 for detail on the net pension liability and net OPEB liability, respectively.

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

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

The amortization schedules for the AMP loan and stranded costs payable are not available. The annual requirement to amortize the remaining debt outstanding as of December 31, 2018, including interest payments in the Governmental Activities of \$118,785 for police past service costs, \$22,923,378 for revenue bonds \$1,151,225 in general obligation bonds, \$14,442,623 for the Business-Type Activities general obligation bonds, \$61,625 for OPWC loan and \$14,016,481 for the OWDA loan are as follows:

December 31 Year Ending	Governmental Activities			
	Police Past Service Costs		Revenue Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 3,115	\$ 3,189	\$ 605,000	\$ 539,956
2020	3,138	3,101	630,000	515,756
2021	3,227	3,012	660,000	490,556
2022	3,316	2,923	685,000	464,156
2023	3,405	2,834	700,000	436,756
2024 - 2028	18,360	12,833	3,975,000	1,752,380
2029 - 2033	20,584	10,610	4,550,000	1,181,418
2034 - 2038	<u>18,216</u>	<u>6,886</u>	<u>5,255,000</u>	<u>482,400</u>
Total	<u>\$ 73,361</u>	<u>\$ 45,388</u>	<u>\$ 17,060,000</u>	<u>\$ 5,863,378</u>

December 31 Year Ending	Governmental Activities				
	General Obligation Bonds		Special Assessment Bonds		OPWC
	Principal	Interest	Principal	Interest	Principal
2019	\$ 35,000	\$ 27,240	\$ 50,000	\$ 39,440	\$ 54,899
2020	35,000	26,190	50,000	37,940	54,899
2021	35,000	24,790	50,000	35,940	54,899
2022	35,000	23,390	55,000	33,940	54,899
2023	40,000	21,990	55,000	31,740	54,899
2024 - 2028	215,000	85,935	315,000	123,945	274,495
2029 - 2033	255,000	51,300	360,000	74,115	54,899
2034 - 2037	<u>225,000</u>	<u>15,390</u>	<u>330,000</u>	<u>22,545</u>	<u>-</u>
Total	<u>\$ 875,000</u>	<u>\$ 276,225</u>	<u>\$ 1,265,000</u>	<u>\$ 399,605</u>	<u>\$ 603,889</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

December 31 Year Ending	Business-Type Activities				
	General Obligation Bonds		OWDA		OPWC
	Principal	Interest	Principal	Interest	Principal
2019	\$ 705,000	\$ 476,975	\$ 1,187,791	\$ 373,587	\$ 5,603
2020	685,000	451,369	1,225,501	335,873	5,602
2021	705,000	424,008	1,264,409	296,961	5,602
2022	725,000	392,609	1,304,551	256,814	5,603
2023	745,000	360,330	1,345,968	215,392	5,602
2024 - 2028	3,260,000	1,317,129	5,824,975	384,659	28,011
2029 - 2033	3,015,000	480,519	-	-	11,204
2034 - 2037	655,000	44,685	-	-	-
Total	<u>\$ 10,495,000</u>	<u>\$ 3,947,624</u>	<u>\$ 12,153,195</u>	<u>\$ 1,863,286</u>	<u>\$ 67,227</u>

Stranded Costs Payable

The City is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's project share was 34,650 kilowatts (kW) of a total 771,281 kW, giving the City a 4.49 percent project share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. All project costs incurred prior to the cancellation and related to the cancellation were therefore deemed impaired and participants were obligated to pay those incurred costs. As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The City's estimated share of the impaired costs at March 31, 2014 was \$6,014,238. The City received a credit of \$1,372,291 related to their participation in the AMP Fremont Energy Center (AFEC) Project and a credit of \$1,567,041 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU). The City also made payments totaling \$425,037 leaving an estimated net impaired costs balance of \$2,649,869. Because payment is now probable and reasonably estimable, the City is reporting a payable to AMP in its business-type activities and in its electric enterprise fund for these impaired costs. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the City's net impaired cost balance either positively or negatively. These amounts will be recorded as they become estimable.

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

Since March 31, 2014 the City has made payments of \$1,097,861 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the City's allocation of additional costs incurred by the project is \$71,317 and interest expense incurred on AMP's line-of-credit of \$102,422, resulting in a net impaired cost estimate at December 31, 2017 of \$1,725,747. The City does have a potential PHFU Liability of \$1,640,865 resulting in a net total potential liability of \$3,326,977, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the City's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

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

NOTE 17 - INTERFUND TRANSACTIONS

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

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

Following is a detail of Interfund Notes Receivable/Payable, by debt issue, during 2018:

	<u>Balance</u> <u>1/1/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/18</u>
Governmental Activities:				
Non-major Governmental Funds:				
Recreation Improvements				
2012 YMCA Equipment				
Issue 11/18, maturity 11/19, rate 1.0%	\$ 181,929	\$ 145,544	\$ (181,929)	\$ 145,544
2012 ERP System Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	422,148	337,720	(422,148)	337,720
2013 Outdoor Pool				
Issue 11/18, maturity 11/19, rate 1.0%	828,667	753,334	(828,667)	753,334
High Street Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	157,400	135,650	(157,400)	135,650
2012 Airport Land Acquisition				
Issue 11/18, maturity 11/19, rate 1.0%	<u>90,000</u>	<u>81,000</u>	<u>(90,000)</u>	<u>81,000</u>
Total nonmajor governmental funds	<u>\$ 1,680,144</u>	<u>\$ 1,453,248</u>	<u>\$ (1,680,144)</u>	<u>\$ 1,453,248</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 17 - INTERFUND TRANSACTIONS - (Continued)

	<u>Balance</u> <u>1/1/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/18</u>
Governmental Activities:				
Internal Service Fund				
2015 Information Technology Equipment				
Issue 11/18, maturity 11/19, rate 1.0%	\$ 290,270	\$ 193,514	\$ (290,270)	\$ 193,514
	<u>Balance</u> <u>1/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2018</u>
Business-Type Activities:				
Water Fund:				
2004 Rogues Hollow Well				
Issue 11/18, maturity 11/19, rate 1.0%	\$ 731,575	\$ 675,300	\$ (731,575)	\$ 675,300
2009 Water Tank Maintenance				
Issue 11/18, maturity 11/19, rate 1.0%	30,033	15,038	(30,033)	15,038
2009 Water System Improvement				
Issue 11/18 maturity 11/19, rate 1.0%	210,000	192,500	(210,000)	192,500
2012 Water Distribution Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	240,000	224,000	(240,000)	224,000
2011 Water Distribution Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	185,500	172,250	(185,500)	172,250
2012 Water Plan Generator				
Issue 11/18, maturity 11/19, rate 1.0%	281,250	262,500	(281,250)	262,500
2013 Water Tank Maintenance				
Issue 11/18, maturity 11/19, rate 1.0%	300,000	250,000	(300,000)	250,000
2013 Water Distribution Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	280,000	262,500	(280,000)	262,500
2013 Water Plant Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	80,000	75,000	(80,000)	75,000
2014 Water Distribution Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	<u>218,875</u>	<u>206,000</u>	<u>(218,875)</u>	<u>206,000</u>
Total Water Fund	<u>\$ 2,557,233</u>	<u>\$ 2,335,088</u>	<u>\$ (2,557,233)</u>	<u>\$ 2,335,088</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 17 - INTERFUND TRANSACTIONS - (Continued)

	<u>Balance</u> <u>1/1/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/18</u>
Business-Type Activities:				
Electric Fund:				
2006 Valleyview Sub Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	\$ 133,750	\$ 120,375	\$ (133,750)	\$ 120,375
2007 Subs/Dist/Meters				
Issue 11/18, maturity 11/19, rate 1.0%	385,742	347,168	(385,742)	347,168
2008 Electric Capital Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	431,750	392,500	(431,750)	392,500
2009 Electric Capital Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	354,000	324,500	(354,000)	324,500
2010 Electric Capital Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	741,334	648,668	(741,334)	648,668
2011 Electric Capital Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	850,500	789,750	(850,500)	789,750
2012 Electric Capital Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	<u>437,500</u>	<u>375,000</u>	<u>(437,500)</u>	<u>375,000</u>
Total Electric Fund	<u>\$ 3,334,576</u>	<u>\$ 2,997,961</u>	<u>\$ (3,334,576)</u>	<u>\$ 2,997,961</u>
	<u>Balance</u> <u>1/1/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/18</u>
Business-Type Activities:				
Sewer Fund:				
2011 WWTP Phosphorus Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	\$ 80,000	\$ 60,000	\$ (80,000)	\$ 60,000
2012 Brookwood Gravity Sewer				
Issue 11/18, maturity 11/19, rate 1.0%	<u>427,500</u>	<u>399,000</u>	<u>(427,500)</u>	<u>399,000</u>
Total Sewer Fund	<u>\$ 507,500</u>	<u>\$ 459,000</u>	<u>\$ (507,500)</u>	<u>\$ 459,000</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 17 - INTERFUND TRANSACTIONS - (Continued)

	<u>Balance</u> <u>1/1/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/18</u>
Business-Type Activities:				
Storm Water Fund:				
2012 Stormwater Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	\$ 168,750	\$ 157,500	\$ (168,750)	\$ 157,500
2011 Stormwater Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	98,000	91,000	(98,000)	91,000
2010 Stormwater Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	66,667	58,334	(66,667)	58,334
2006 Stormwater Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	37,334	28,001	(37,334)	28,001
2013 Stormwater Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	80,000	75,000	(80,000)	75,000
2015 Stormwater Improvements				
Issue 11/18, maturity 11/19, rate 1.0%	<u>101,880</u>	<u>89,145</u>	<u>(101,880)</u>	<u>89,145</u>
Total Storm Water Fund	<u>\$ 552,631</u>	<u>\$ 498,980</u>	<u>\$ (552,631)</u>	<u>\$ 498,980</u>
	<u>Balance</u> <u>1/1/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/18</u>
Business-Type Activities:				
Telecom Fund:				
2016 Broadband Communication Digital				
Issue 11/18, maturity 11/19, rate 1.0%	\$ 352,133	\$ 72,266	\$ 352,133	\$ 776,532
2013 Broadband Communication Digital				
Issue 11/18, maturity 11/19, rate 1.0%	11,000	-	(11,000)	-
2014 Broadband Communication Digital				
Issue 11/18, maturity 11/19, rate 1.0%	<u>46,000</u>	<u>23,000</u>	<u>(46,000)</u>	<u>23,000</u>
Total Telecom Fund	<u>\$ 409,133</u>	<u>\$ 95,266</u>	<u>\$ 295,133</u>	<u>\$ 799,532</u>
Total Proprietary Funds	<u>\$ 7,361,073</u>	<u>\$ 6,386,295</u>	<u>\$ (7,361,073)</u>	<u>\$ 6,386,295</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 17 - INTERFUND TRANSACTIONS - (Continued)

	<u>Balance</u> <u>1/1/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/18</u>
Governmental Activities:				
2014 Sidewalk Assessments				
Issue 11/14, maturity 11/19, rate 1.50%	\$ 5,799	\$ -	\$ (2,878)	\$ 2,921
2015 Sidewalk Assessments				
Issue 11/15, maturity 11/20, rate 1.50%	<u>7,394</u>	<u>-</u>	<u>(2,428)</u>	<u>4,966</u>
Total Governmental Activities	<u>\$ 13,193</u>	<u>\$ -</u>	<u>\$ (5,306)</u>	<u>\$ 7,887</u>

The following is a detail of Advances In/Out included in interfund receivable/payable during 2018:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Nonmajor governmental funds	General fund	\$ 27,492

The following is a summary of Interfund Receivable/Payable, outstanding at December 31, 2018:

	<u>Total Interfund Payable Activity</u>
<u>Interfund Payable Funds:</u>	
Governmental Funds:	
Nonmajor Governmental Funds	\$ 1,488,627
Total Governmental Funds	<u>1,488,627</u>
Proprietary Funds:	
Storm Water	498,980
Telecom	95,266
Sewer	459,000
Water	2,335,088
Electric	<u>2,997,961</u>
Total Proprietary Funds	<u>6,386,295</u>
Internal Service Funds	<u>193,514</u>
Total Interfund Payable	<u>\$ 8,068,436</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 17 - INTERFUND TRANSACTIONS - (Continued)

	Total Interfund Receivable Activity
<u>Interfund Receivable Funds:</u>	
Governmental Funds:	
General Fund	\$ 1,546,789
Nonmajor Governmental Funds	<u>2,517,773</u>
Total Governmental Funds	<u>4,064,562</u>
Proprietary Funds:	
Storm Water	33,459
Telecom	345,488
Water	550,401
Sewer	486,094
Electric	1,863,685
Sanitation	<u>353,542</u>
Total Proprietary Funds	<u>3,632,669</u>
Internal Service Funds	<u>371,205</u>
 Total Interfund Receivable	 <u>\$ 8,068,436</u>

Interfund transfers for the year ended December 31, 2018 consisted of the following:

	<u>Transfers In</u>	
	Internal Service Funds	Nonmajor Governmental Funds
<u>Transfers Out</u>		
General Fund	\$ 12,827	\$ 110,281
Nonmajor Governmental Funds	<u>-</u>	<u>5,504</u>
Total Transfers In	<u>\$ 12,827</u>	<u>\$ 115,785</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 17 - INTERFUND TRANSACTIONS - (Continued)

Transfers In - Continued							
	Electric Fund	Telecom Fund	Water Fund	Sewer Fund	Sanitation Fund	Storm Water Fund	Total
<u>Transfers Out</u>							
General Fund	\$ 86,074	\$ 8,165	\$ 31,440	\$ 16,262	\$ 6,009	\$ 2,501	\$ 273,559
Nonmajor							
Governmental Funds	-	-	-	-	-	-	5,504
Total Transfers In	\$ 86,074	\$ 8,165	\$ 31,440	\$ 16,262	\$ 6,009	\$ 2,501	\$ 279,063

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. The City transferred \$5,689 between nonmajor governmental funds for debt payments. In addition, the City had various transfers between funds related to capital assets.

NOTE 18 - RELATED ORGANIZATIONS

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

NOTE 19 - JOINT VENTURES

OMEGA JV 1

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 19 - JOINT VENTURES - (Continued)

The OMEGA JV1 Participants approved the discontinuation and disposition of the generating units and related facilities of OMEGA JV1. And authorized American Municipal Power, Inc. (“AMP”) to act as agent in the sale of those assets. All physical assets of OMEGA JV1 were sold and transferred to the City of Cuyahoga Falls, effective November 21, 2017. OMEGA JV1 Has been dissolved with remaining funds paid out to the Participants in accordance with their ownership interests as established in the OMEGA JV1 Joint Venture Agreement.

The following is a summary of audited financial information of OMEGA JV1 for the year ended December 31, 2018:

	<u>OMEGA JV 1</u>
Total Revenues	\$ (317,841)
Total Expenses	3,557
Change in Net Position	(321,398)

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

OMEGA JV2

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

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

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Distributive Generation Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant’s System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. Under the terms of the Agreement each Financing Participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV2 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2018 the City of Wadsworth has met their debt coverage obligation.

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 19 - JOINT VENTURES - (Continued)

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants' entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero. As of December 31, 2018, the City's net investment and its share of operating results of OMEGA JV2 are reported in the City's electric fund (an enterprise fund). The City's net investment in OMEGA JV2 was \$385,498 at December 31, 2018. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2018 are:

Municipality	Percent Ownership	Kw Entitlement	Municipality	Percent Ownership	Kw Entitlement
Hamilton	23.87%	32,000	Grafton	0.79%	1,056
Bowling Green	14.32%	19,198	Brewster	0.75%	1,000
Niles	11.49%	15,400	Monroeville	0.57%	764
Cuyahoga Falls	7.46%	10,000	Milan	0.55%	737
Wadsworth	5.81%	7,784	Oak Harbor	0.55%	737
Painesville	5.22%	7,000	Elmore	0.27%	364
Dover	5.22%	7,000	Jackson Center	0.22%	300
Galion	4.29%	5,753	Napoleon	0.20%	264
Amherst	3.73%	5,000	Lodi	0.16%	218
St. Mary's	2.98%	4,000	Genoa	0.15%	199
Montpelier	2.98%	4,000	Pemberville	0.15%	197
Shelby	1.89%	2,536	Lucas	0.12%	161
Versailles	1.24%	1,660	South Vienna	0.09%	123
Edgerton	1.09%	1,460	Bradner	0.09%	119
Yellow Springs	1.05%	1,408	Woodville	0.06%	81
Oberlin	0.91%	1,217	Haskins	0.05%	73
Pioneer	0.86%	1,158	Arcanum	0.03%	44
Seville	0.79%	1,066	Custar	0.00%	4
	95.20	127,640		4.80	6,441
Grand Total				100.00%	134,081

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 19 - JOINT VENTURES - (Continued)

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

	OMEGA JV 2
Total Assets	\$ 16,309,777
Total Liabilities	4,065,364
Deferred Inflows	5,609,336
Net Position	6,635,077
Total Revenues	12,369,963
Total Expenses	15,778,054
Change in Net Position	(3,408,091)

OMEGA JV 5

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

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

OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGA JV5 Participants.

Also pursuant to the Agreement, each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2018, Wadsworth has met its debt coverage obligation.

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 19 - JOINT VENTURES - (Continued)

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

The City’s net investment and its share of operating results of OMEGA JV5 are reported in the City’s electric fund (an enterprise fund). The City’s net investment to date in OMEGA JV5 was \$167,919 at December 31, 2018. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor’s website at www.ohioauditor.gov.

The following is a summary of audited financial information of OMEGAJV5 for the year ended December 31, 2018:

	OMEGA JV 5
Total Assets	\$ 113,377,212
Total Liabilities	66,618,755
Deferred Inflows	43,770,570
Net Position	2,987,887
Total Revenues	24,641,249
Total Expenses	24,641,249
Change in Net Position	-

OMEGA JV 6

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

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

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 19 - JOINT VENTURES - (Continued)

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

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Adjustable Rate Revenue Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV6, any excess funds shall be refunded to the Non-Financing Participants in proportion to each Participant's Project Share and to Financing Participant's respective obligations first by credit against the Financing Participant's respective obligations. Any other excess funds shall be paid to the Participants in proportion to their respective Project Shares. Under the terms of the Agreement each financing participant is to fix, charge and collect rates, fees, charges, including other available funds, at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV6 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2018 Wadsworth has met its debt coverage obligation.

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

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

The City's net investment and its share of operating results of OMEGA JV6 are reported in the City's electric fund (an enterprise fund). The City's net investment to date in OMEGA JV6 was \$168,594 at December 31, 2018. Complete financial statements for OMEGA JV6 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

THIS SPACE INTENTIONALLY LEFT BLANK

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 19 - JOINT VENTURES - (Continued)

The ten participating subdivisions and their respective ownership shares at December 31, 2018 are:

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

The following is a summary of audited financial information of OMEGA JV 6 for the year ended December 31, 2018:

	OMEGA JV 6
Total Assets	\$ 7,118,819
Total Liabilities	1,205,986
Total Deferred Inflows	1,054,206
Net Position	4,858,627
Total Revenues	1,072,651
Total Expenses	1,372,360
Change in Net Position	(299,709)

Woodlawn Union Cemetery

The City is a participant along with Wadsworth Township in a joint venture to establish and manage the Woodlawn Union Cemetery. This establishment is allowable under Ohio Revised Code Section 759.27. This joint venture is considered a separate reporting entity by the City and has not been included in these basic financial statements. Complete financial statements for the Woodlawn Cemetery can be obtained from the Secretary-Treasurer of the Cemetery. Financial information for the Cemetery for the year ended December 31, 2018 was not available, financial information for the year ended December 31, 2017 was as follows:

Total Receipts	\$ 293,783
Total Disbursements	(244,530)
Change in Net Income	\$ 49,253

The Cemetery has no outstanding debt.

CITY OF WADSWORTH, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 20 - JOINTLY GOVERNED ORGANIZATION

Municipal Energy Services Agency (MESA)

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

NOTE 21 - CONTINGENCIES

A. Grants

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

B. Litigation

The City is not currently a party to any legal proceedings that would have a materially adverse effect on the financial statements at December 31, 2018.

C. Community Center

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

NOTE 22 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year End Encumbrances</u>
General fund	\$ 99,516
Tax increment financing	19,521
Nonmajor governmental funds	<u>489,426</u>
Total	<u>\$ 608,463</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 23 - FUND BALANCE

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

<u>Fund balance</u>	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Materials and supplies inventory	\$ 179,602	\$ 391,545	\$ 571,147
Prepayments	58,941	27,672	86,613
Interfund loan receivable	<u>1,546,789</u>	<u>-</u>	<u>1,546,789</u>
Total nonspendable	<u>1,785,332</u>	<u>419,217</u>	<u>2,204,549</u>
Restricted:			
Capital projects	-	4,544,967	4,544,967
Street maintenance	-	1,745,643	1,745,643
Emergency medical services	-	2,436,097	2,436,097
Municipal court	-	925,846	925,846
Law enforcement	-	290,664	290,664
Other purposes	-	165,481	165,481
Community improvements	-	331,768	331,768
Community developments	-	101,457	101,457
Fire protection	-	13,650	13,650
Debt service	<u>-</u>	<u>2,020</u>	<u>2,020</u>
Total restricted	<u>-</u>	<u>10,557,593</u>	<u>10,557,593</u>
Committed:			
Capital projects	-	2,601,855	2,601,855
Recreation	-	232,434	232,434
Other	<u>-</u>	<u>91,888</u>	<u>91,888</u>
Total committed	<u>-</u>	<u>2,926,177</u>	<u>2,926,177</u>
Assigned:			
General government	26,487	-	26,487
Security of persons and property	20,653	-	20,653
Leisure time activities	<u>95,161</u>	<u>-</u>	<u>95,161</u>
Total assigned	<u>142,301</u>	<u>-</u>	<u>142,301</u>
Unassigned (deficit)	<u>7,076,962</u>	<u>(437,646)</u>	<u>6,639,316</u>
Total fund balances	<u>\$ 9,004,595</u>	<u>\$ 13,465,341</u>	<u>\$ 22,469,936</u>

CITY OF WADSWORTH, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 24 - CONTRACTUAL COMMITMENTS

As of December 31, 2018, the City had the following contractual commitments outstanding related to various City projects and purchases:

<u>Vendor</u>	<u>Amount of Contract</u>	<u>Amount Paid as of 12/31/2018</u>	<u>Remaining Commitment 12/31/2018</u>
Chagrin Valley Paving Inc	\$ 536,563	\$ 391,983	\$ 144,580
Engineering Associates	59,715	57,393	2,322
Enviromental Design Group LLC	97,500	-	97,500
JD Striping & Service Inc	50,000	-	50,000
Kents Excavating Services Inc	663,696	621,261	42,435
Liberta Construction	212,544	210,521	2,023
Nordonia Landscape Supplies LLC	165,300	-	165,300
Otoole Mclaughlin Dooley & Pecora Co	75,244	65,723	9,521
Penn Line Services	179,314	115,145	64,169
Quality Control Inspection	59,000	48,894	10,106
Redzone Robotics	148,016	100,000	48,016
Terex Utilities Inc	148,850	-	148,850
Total	<u>\$ 2,395,743</u>	<u>\$ 1,610,920</u>	<u>\$ 784,823</u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WADSWORTH, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>					
City's proportion of the net pension liability	0.075270%	0.078938%	0.079541%	0.080360%	0.080360%
City's proportionate share of the net pension liability	\$ 11,808,403	\$ 17,925,477	\$ 13,777,505	\$ 9,692,314	\$ 9,473,397
City's covered payroll	\$ 9,973,654	\$ 9,878,042	\$ 9,878,600	\$ 9,860,667	\$ 10,202,015
City's proportionate share of the net pension liability as a percentage of its covered payroll	118.40%	181.47%	139.47%	98.29%	92.86%
Plan fiduciary net position as a percentage of the total pension liability	84.66%	77.25%	81.08%	86.45%	86.36%
<i>Combined Plan:</i>					
City's proportion of the net pension asset	0.082516%	0.087455%	0.088980%	0.091286%	0.091286%
City's proportionate share of the net pension asset	\$ 112,331	\$ 48,676	\$ 43,300	\$ 35,148	\$ 9,578
City's covered payroll	\$ 330,554	\$ 340,425	\$ 319,175	\$ 333,683	*
City's proportionate share of the net pension asset as a percentage of its covered payroll	33.98%	14.30%	13.57%	10.53%	*
Plan fiduciary net position as a percentage of the total pension asset	137.28%	116.55%	116.90%	114.83%	104.56%
<i>Member Directed Plan:</i>					
City's proportion of the net pension asset	0.039616%	0.035981%	0.031724%	n/a	n/a
City's proportionate share of the net pension asset	\$ 1,383	\$ 150	\$ 121	n/a	n/a
City's covered payroll	\$ 217,130	\$ 186,789	\$ 223,168	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.64%	0.08%	0.05%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	124.46%	103.40%	103.91%	n/a	n/a

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WADSWORTH, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.13130000%	0.13532300%	0.13101700%	0.10724110%	0.10724110%
City's proportionate share of the net pension liability	\$ 8,058,476	\$ 8,571,192	\$ 8,428,423	\$ 6,597,877	\$ 5,222,978
City's covered payroll	\$ 3,006,826	\$ 2,953,904	\$ 2,778,726	\$ 3,300,129	\$ 2,526,022
City's proportionate share of the net pension liability as a percentage of its covered payroll	268.01%	290.16%	303.32%	199.93%	206.77%
Plan fiduciary net position as a percentage of the total pension liability	70.91%	68.36%	66.77%	72.20%	73.00%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WADSWORTH, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 1,386,893	\$ 1,296,575	\$ 1,185,365	\$ 1,185,432
Contributions in relation to the contractually required contribution	<u>(1,386,893)</u>	<u>(1,296,575)</u>	<u>(1,185,365)</u>	<u>(1,185,432)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 9,906,379	\$ 9,973,654	\$ 9,878,042	\$ 9,878,600
Contributions as a percentage of covered payroll	14.00%	13.00%	12.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 56,639	\$ 42,972	\$ 40,851	\$ 38,301
Contributions in relation to the contractually required contribution	<u>(56,639)</u>	<u>(42,972)</u>	<u>(40,851)</u>	<u>(38,301)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 404,564	\$ 330,554	\$ 340,425	\$ 319,175
Contributions as a percentage of covered payroll	14.00%	13.00%	12.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 22,924	\$ 21,713	\$ 17,745	\$ 21,201
Contributions in relation to the contractually required contribution	<u>(22,924)</u>	<u>(21,713)</u>	<u>(17,745)</u>	<u>(21,201)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 229,240	\$ 217,130	\$ 147,875	\$ 176,675
Contributions as a percentage of covered payroll	10.00%	10.00%	12.00%	12.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 1,183,280	\$ 1,326,262	\$ 936,483	\$ 918,519	\$ 850,973	\$ 833,367
<u>(1,183,280)</u>	<u>(1,326,262)</u>	<u>(936,483)</u>	<u>(918,519)</u>	<u>(850,973)</u>	<u>(833,367)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,860,667	\$ 10,202,015	\$ 9,364,830	\$ 9,185,190	\$ 9,543,622	\$ 10,256,825
12.00%	13.00%	10.00%	10.00%	8.92%	8.13%

\$ 40,042
<u>(40,042)</u>
<u>\$ -</u>
\$ 333,683
12.00%

CITY OF WADSWORTH, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>Police:</i>				
Contractually required contribution	\$ 458,071	\$ 416,861	\$ 417,026	\$ 402,612
Contributions in relation to the contractually required contribution	<u>(458,071)</u>	<u>(416,861)</u>	<u>(417,026)</u>	<u>(402,612)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,410,900	\$ 2,194,005	\$ 2,194,874	\$ 2,119,011
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 172,812	\$ 191,013	\$ 178,372	\$ 155,033
Contributions in relation to the contractually required contribution	<u>(172,812)</u>	<u>(191,013)</u>	<u>(178,372)</u>	<u>(155,033)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 735,370	\$ 812,821	\$ 759,030	\$ 659,715
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 481,740	\$ 310,231	\$ 258,958	\$ 250,581	\$ 240,768	\$ 228,912
<u>(481,740)</u>	<u>(310,231)</u>	<u>(258,958)</u>	<u>(250,581)</u>	<u>(240,768)</u>	<u>(228,912)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,535,474	\$ 1,953,186	\$ 2,031,043	\$ 1,965,341	\$ 1,888,376	\$ 1,795,388
19.00%	15.88%	12.75%	12.75%	12.75%	12.75%
\$ 179,694	\$ 116,763	\$ 91,242	\$ 94,982	\$ 91,263	\$ 86,768
<u>(179,694)</u>	<u>(116,763)</u>	<u>(91,242)</u>	<u>(94,982)</u>	<u>(91,263)</u>	<u>(86,768)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 764,655	\$ 572,836	\$ 528,939	\$ 550,620	\$ 529,061	\$ 503,003
23.50%	20.38%	17.25%	17.25%	17.25%	17.25%

CITY OF WADSWORTH, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO YEARS

	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.074170%	0.077379%
City's proportionate share of the net OPEB liability	\$ 8,054,315	\$ 7,815,570
City's covered payroll	\$ 10,521,338	\$ 10,405,256
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	76.55%	75.11%
Plan fiduciary net position as a percentage of the total OPEB liability	54.14%	54.05%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WADSWORTH, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO YEARS

	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.13130000%	0.13532300%
City's proportionate share of the net OPEB liability	\$ 7,439,280	\$ 6,423,478
City's covered payroll	\$ 3,006,826	\$ 2,953,904
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	247.41%	217.46%
Plan fiduciary net position as a percentage of the total OPEB liability	14.13%	15.96%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WADSWORTH, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 9,169	\$ 111,727	\$ 212,774	\$ 203,956
Contributions in relation to the contractually required contribution	<u>(9,169)</u>	<u>(111,727)</u>	<u>(212,774)</u>	<u>(203,956)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 10,540,183	\$ 10,521,338	\$ 10,366,342	\$ 10,374,450
Contributions as a percentage of covered payroll	0.09%	1.06%	2.05%	1.97%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 203,487	\$ 101,976	\$ 374,593	\$ 367,408	\$ 486,270	\$ 602,589
<u>(203,487)</u>	<u>(101,976)</u>	<u>(374,593)</u>	<u>(367,408)</u>	<u>(486,270)</u>	<u>(602,589)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 10,194,350	\$ 10,202,015	\$ 9,364,830	\$ 9,185,190	\$ 9,543,622	\$ 10,256,825
2.00%	1.00%	4.00%	4.00%	5.10%	5.88%

CITY OF WADSWORTH, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>Police:</i>				
Contractually required contribution	\$ 12,054	\$ 10,970	\$ 11,271	\$ 10,881
Contributions in relation to the contractually required contribution	<u>(12,054)</u>	<u>(10,970)</u>	<u>(11,271)</u>	<u>(10,881)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,410,900	\$ 2,194,005	\$ 2,194,874	\$ 2,119,011
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>				
Contractually required contribution	\$ 3,677	\$ 4,064	\$ 3,975	\$ 3,299
Contributions in relation to the contractually required contribution	<u>(3,677)</u>	<u>(4,064)</u>	<u>(3,975)</u>	<u>(3,299)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 735,370	\$ 812,821	\$ 759,030	\$ 659,715
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 10,092	\$ 70,097	\$ 137,123	\$ 132,687	\$ 127,465	\$ 121,189
<u>(10,092)</u>	<u>(70,097)</u>	<u>(137,123)</u>	<u>(132,687)</u>	<u>(127,465)</u>	<u>(121,189)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,535,474	\$ 1,953,186	\$ 2,031,043	\$ 1,965,341	\$ 1,888,376	\$ 1,795,388
0.50%	3.62%	6.75%	6.75%	6.75%	6.75%
\$ 3,167	\$ 20,682	\$ 35,695	\$ 37,158	\$ 35,712	\$ 33,953
<u>(3,167)</u>	<u>(20,682)</u>	<u>(35,695)</u>	<u>(37,158)</u>	<u>(35,712)</u>	<u>(33,953)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 764,655	\$ 572,836	\$ 528,939	\$ 550,620	\$ 529,061	\$ 503,003
0.50%	3.62%	6.75%	6.75%	6.75%	6.75%

CITY OF WADSWORTH, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

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

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

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

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

CITY OF WADSWORTH, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Capital Projects Funds

Airport Improvements Fund

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

General Capital Improvements Fund

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

EMS Reserve Fund

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

Fire Levy Fund

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

Park Land Acquisition Fund

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

Street Improvement Fund

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

West Street Improvements Fund

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

Special Assessments Fund

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

Nonmajor Debt Service Funds

Special Assessment Bond Retirement Fund

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

CITY OF WADSWORTH, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

Recreation Fund

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

Street Maintenance Fund

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

Emergency Medical Services Fund

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

Municipal Court Special Programs Fund

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

Municipal Court Improvements Fund

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

Developers Shade Tree Fund

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

Drug Law Enforcement Fund

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

Law Enforcement and Education Fund

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

Indigent Drivers Alcohol Treatment Fund

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

CITY OF WADSWORTH, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - (continued)

Law Enforcement Trust Fund

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

Permissive Motor Vehicle License Fund

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

State Highway Fund

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

Abatement of Public Nuisance Fund

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

Chippewa Creek Well Reserve Fund

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

Community Reinvestment Fund

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

Safe Routes to School Fund

To account for grants received from the State restricted cost associated with the safety improvement around schools.

Fire Department Education Grant Fund

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

Police Continuing Professional Training Fund

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

Community Development Block Grant (CDBG) Fund

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

Community Housing Improvement Program (CHIP) Grants Fund

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

CITY OF WADSWORTH, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - (continued)

CHIP Revolving Loan Fund

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

Economic Development Fund

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

Recreation Tax Fund

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

Revolving Loan Fund

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

Tax Increment Financing Fund

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

CITY OF WADSWORTH, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 5,934,156	\$ 59,159	\$ 5,458,619	\$ 11,451,934
Receivables:				
Income taxes	416,819	315,260	517,534	1,249,613
Real and other taxes	-	-	1,261,685	1,261,685
Accounts	-	-	713,632	713,632
Special assessments	6,772	93,632	22,077	122,481
Interfund loans	1,354,061	7,887	1,155,825	2,517,773
Due from other governments	148,193	-	550,456	698,649
Materials and supplies inventory	882	-	390,663	391,545
Prepayments	-	-	27,672	27,672
Total assets	\$ 7,860,883	\$ 475,938	\$ 10,098,163	\$ 18,434,984
Liabilities:				
Accounts payable	\$ 1,800	\$ -	\$ 29,562	\$ 31,362
Accrued wages and benefits payable	-	-	94,040	94,040
Interfund loans payable	454,099	135,650	898,878	1,488,627
Due to other governments	-	-	19,230	19,230
Matured interest payable	-	128	-	128
Total liabilities	455,899	135,778	1,041,710	1,633,387
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	1,228,856	1,228,856
Delinquent property tax revenue not available	-	-	32,829	32,829
Special assessments revenue not available	6,772	93,632	22,077	122,481
Miscellaneous revenue not available	-	-	572,746	572,746
Income tax revenue not available	323,274	244,508	401,386	969,168
Intergovernmental revenue not available	22,727	-	387,449	410,176
Total deferred inflows of resources	352,773	338,140	2,645,343	3,336,256
Fund balances:				
Nonspendable	882	-	418,335	419,217
Restricted	4,473,404	2,020	6,082,169	10,557,593
Committed	2,601,855	-	324,322	2,926,177
Unassigned (deficit)	(23,930)	-	(413,716)	(437,646)
Total fund balances	7,052,211	2,020	6,411,110	13,465,341
Total liabilities, deferred inflows of resources & fund balance	\$ 7,860,883	\$ 475,938	\$ 10,098,163	\$ 18,434,984

CITY OF WADSWORTH, OHIO

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

	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
Revenues:				
Income taxes	\$ 951,895	\$ 459,659	\$ 1,487,525	\$ 2,899,079
Real and other taxes	104,395	-	1,152,379	1,256,774
Charges for services	109,724	531,391	1,513,956	2,155,071
Licenses and permits	17,200	-	-	17,200
Fines and forfeitures	-	-	136,548	136,548
Intergovernmental	452,739	-	1,401,470	1,854,209
Special assessments	12,722	92,774	-	105,496
Investment income	-	-	1,663	1,663
Rental income	-	-	44,932	44,932
Contributions and donations	7,270	-	8,488	15,758
Other	117,377	-	99,023	216,400
Total revenues	<u>1,773,322</u>	<u>1,083,824</u>	<u>5,845,984</u>	<u>8,703,130</u>
Expenditures:				
<i>Current:</i>				
General government	116,607	-	143,961	260,568
Security of persons and property	88,394	-	1,700,522	1,788,916
Public health	-	-	1,889	1,889
Transportation	1,102,046	-	2,514,953	3,616,999
Leisure time services	711	-	145,121	145,832
Community and economic development	-	-	197,501	197,501
Capital outlay	330,028	-	-	330,028
<i>Debt service:</i>				
Principal retirement	-	480,000	-	480,000
Interest and fiscal charges	7,880	622,598	15,159	645,637
Total expenditures	<u>1,645,666</u>	<u>1,102,598</u>	<u>4,719,106</u>	<u>7,467,370</u>
Excess of revenues over (under) expenditures	<u>127,656</u>	<u>(18,774)</u>	<u>1,126,878</u>	<u>1,235,760</u>
Other financing sources (uses):				
Loan issuance	-	-	4,544	4,544
Sale of capital assets	-	-	3,300	3,300
Transfers in	37,957	185	77,643	115,785
Transfers (out)	-	(5,504)	-	(5,504)
Total other financing sources (uses)	<u>37,957</u>	<u>(5,319)</u>	<u>85,487</u>	<u>118,125</u>
Net change in fund balances	165,613	(24,093)	1,212,365	1,353,885
Fund balances at beginning of year	<u>6,886,598</u>	<u>26,113</u>	<u>5,198,745</u>	<u>12,111,456</u>
Fund balances at end of year	<u>\$ 7,052,211</u>	<u>\$ 2,020</u>	<u>\$ 6,411,110</u>	<u>\$ 13,465,341</u>

CITY OF WADSWORTH, OHIO
COMBINING BALANCE SHEET
INDIVIDUAL NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	Nonmajor Capital Projects			
	Airport Improvements Fund	General Capital Improvements Fund	EMS Reserve Fund	Fire Levy Fund
Assets:				
Equity in pooled cash and cash equivalents	\$ 59,385	\$ 884,224	\$ 1,079,161	\$ 3,341,905
Receivables:				
Income taxes	-	-	-	-
Real and other taxes	-	-	-	-
Accounts	-	-	-	-
Special assessments	-	-	-	-
Interfund loans	13,501	194,452	247,836	767,488
Due from other governments	125,466	-	-	-
Materials and supplies inventory	-	-	-	882
Prepayments	-	-	-	-
Total assets	<u>\$ 198,352</u>	<u>\$ 1,078,676</u>	<u>\$ 1,326,997</u>	<u>\$ 4,110,275</u>
Liabilities:				
Accounts payable	\$ -	\$ 1,800	\$ -	\$ -
Accrued wages and benefits payable	-	-	-	-
Interfund loans payable	81,000	337,720	-	-
Due to other governments	-	-	-	-
Matured interest payable	-	-	-	-
Total liabilities	<u>81,000</u>	<u>339,520</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Special assessments revenue not available	-	-	-	-
Miscellaneous revenue not available	-	-	-	-
Income tax revenue not available	-	-	-	-
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	882
Restricted	-	-	-	4,109,393
Committed	117,352	739,156	1,326,997	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>117,352</u>	<u>739,156</u>	<u>1,326,997</u>	<u>4,110,275</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 198,352</u>	<u>\$ 1,078,676</u>	<u>\$ 1,326,997</u>	<u>\$ 4,110,275</u>

Continued

Nonmajor Capital Projects					Nonmajor Debt Service
Park Land Acquisition Fund	Street Improvement Fund	West Street Improvement Fund	Special Assessments Fund	Total Capital Projects	Special Assessment Bond Retirement Fund
\$ 340,217	\$ 223,506	\$ -	\$ 5,758	\$ 5,934,156	\$ 59,159
-	397,354	-	19,465	416,819	315,260
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,772	6,772	93,632
78,133	51,329	-	1,322	1,354,061	7,887
-	-	22,727	-	148,193	-
-	-	-	-	882	-
-	-	-	-	-	-
<u>\$ 418,350</u>	<u>\$ 672,189</u>	<u>\$ 22,727</u>	<u>\$ 33,317</u>	<u>\$ 7,860,883</u>	<u>\$ 475,938</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,800	\$ -
-	-	-	-	-	-
-	-	22,727	12,652	454,099	135,650
-	-	-	-	-	-
-	-	-	-	-	128
-	-	22,727	12,652	455,899	135,778
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,772	6,772	93,632
-	308,178	-	15,096	323,274	244,508
-	-	22,727	-	22,727	-
-	308,178	22,727	21,868	352,773	338,140
-	-	-	-	882	-
-	364,011	-	-	4,473,404	2,020
418,350	-	-	-	2,601,855	-
-	-	(22,727)	(1,203)	(23,930)	-
<u>418,350</u>	<u>364,011</u>	<u>(22,727)</u>	<u>(1,203)</u>	<u>7,052,211</u>	<u>2,020</u>
<u>\$ 418,350</u>	<u>\$ 672,189</u>	<u>\$ 22,727</u>	<u>\$ 33,317</u>	<u>\$ 7,860,883</u>	<u>\$ 475,938</u>

Continued

CITY OF WADSWORTH, OHIO
COMBINING BALANCE SHEET
INDIVIDUAL NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2018

	Nonmajor Special Revenue			
	Recreation Fund	Street Maintenance Fund	Emergency Medical Services Fund	Municipal Court Special Programs Fund
Assets:				
Equity in pooled cash and cash equivalents	\$ 357,642	\$ 792,634	\$ 1,958,471	\$ 147,373
Receivables:				
Income taxes	42,317	475,217	-	-
Real and other taxes	-	-	1,261,685	-
Accounts	44,932	192	668,508	-
Special assessments	-	-	-	-
Interfund loans	73,091	182,033	449,774	33,845
Due from other governments	-	394,332	64,444	-
Materials and supplies inventory	-	272,454	-	-
Prepayments	3,027	4,432	1,789	-
Total assets	<u>\$ 521,009</u>	<u>\$ 2,121,294</u>	<u>\$ 4,404,671</u>	<u>\$ 181,218</u>
Liabilities:				
Accounts payable	\$ -	\$ 14,635	\$ 3,542	\$ -
Accrued wages and benefits payable	-	39,486	53,448	-
Interfund loans payable	898,878	-	-	-
Due to other governments	-	8,038	11,007	-
Matured interest payable	-	-	-	-
Total liabilities	<u>898,878</u>	<u>62,159</u>	<u>67,997</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	1,228,856	-
Delinquent property tax revenue not available	-	-	32,829	-
Special assessments revenue not available	-	-	-	-
Miscellaneous revenue not available	-	87	572,659	-
Income tax revenue not available	32,820	368,566	-	-
Intergovernmental revenue not available	-	262,710	64,444	-
Total deferred inflows of resources	<u>32,820</u>	<u>631,363</u>	<u>1,898,788</u>	<u>-</u>
Fund balances:				
Nonspendable	3,027	276,886	1,789	-
Restricted	-	1,150,886	2,436,097	181,218
Committed	-	-	-	-
Unassigned (deficit)	(413,716)	-	-	-
Total fund balances (deficit)	<u>(410,689)</u>	<u>1,427,772</u>	<u>2,437,886</u>	<u>181,218</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 521,009</u>	<u>\$ 2,121,294</u>	<u>\$ 4,404,671</u>	<u>\$ 181,218</u>

Continued

Nonmajor Special Revenue

Municipal Court Improvements Fund	Developers Shade Tree Fund	Drug Law Enforcement Fund	Law Enforcement and Education Fund	Indigent Drivers Alcohol Treatment Fund	Law Enforcement Trust Fund	Permissive Motor Vehicle License Fund
\$ 450,213	\$ 74,727	\$ 45,264	\$ 22,908	\$ 155,345	\$ 181,295	\$ 336,917
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
103,394	17,161	10,394	5,261	35,676	-	77,375
-	-	-	-	-	-	20,713
-	-	-	-	-	-	79,266
-	-	-	-	18,424	-	-
<u>\$ 553,607</u>	<u>\$ 91,888</u>	<u>\$ 55,658</u>	<u>\$ 28,169</u>	<u>\$ 209,445</u>	<u>\$ 181,295</u>	<u>\$ 514,271</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	18,424	-	79,266
553,607	-	55,658	28,169	191,021	181,295	435,005
-	91,888	-	-	-	-	-
-	-	-	-	-	-	-
<u>553,607</u>	<u>91,888</u>	<u>55,658</u>	<u>28,169</u>	<u>209,445</u>	<u>181,295</u>	<u>514,271</u>
<u>\$ 553,607</u>	<u>\$ 91,888</u>	<u>\$ 55,658</u>	<u>\$ 28,169</u>	<u>\$ 209,445</u>	<u>\$ 181,295</u>	<u>\$ 514,271</u>

Continued

CITY OF WADSWORTH, OHIO
COMBINING BALANCE SHEET
INDIVIDUAL NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2018

	Nonmajor Special Revenue			
	State Highway Fund	Abatement of Public Nuisance Fund	Chippewa Creek Well Reserve Fund	Community Reinvestment Fund
Assets:				
Equity in pooled cash and cash equivalents	\$ 130,496	\$ 72,165	\$ 81,324	\$ 32,054
Receivables:				
Income taxes	-	-	-	-
Real and other tax	-	-	-	-
Accounts	-	-	-	-
Special assessments	-	22,077	-	-
Interfund loans	29,969	16,573	18,676	7,362
Due from other governments	31,973	-	-	-
Materials and supplies inventory	38,943	-	-	-
Prepayments	-	-	-	-
Total assets	<u>\$ 231,381</u>	<u>\$ 110,815</u>	<u>\$ 100,000</u>	<u>\$ 39,416</u>
Liabilities:				
Accounts payable	\$ 11,385	\$ -	\$ -	\$ -
Accrued wages and benefits payable	-	-	-	-
Interfund loans payable	-	-	-	-
Due to other governments	-	-	-	-
Matured interest payable	-	-	-	-
Total liabilities	<u>11,385</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Special assessments revenue not available	-	22,077	-	-
Miscellaneous revenue not available	-	-	-	-
Income tax revenue not available	-	-	-	-
Intergovernmental revenue not available	21,301	-	-	-
Total deferred inflows of resources	<u>21,301</u>	<u>22,077</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	38,943	-	-	-
Restricted	159,752	88,738	100,000	39,416
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>198,695</u>	<u>88,738</u>	<u>100,000</u>	<u>39,416</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 231,381</u>	<u>\$ 110,815</u>	<u>\$ 100,000</u>	<u>\$ 39,416</u>

Continued

CITY OF WADSWORTH, OHIO
COMBINING BALANCE SHEET
INDIVIDUAL NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2018

	Nonmajor Special Revenue			
	Tax Increment Financing Fund	Safe Routes to School Grant Fund	Total Special Revenue	Totals
Assets:				
Equity in pooled cash and cash equivalents	\$ 58,198	\$ -	\$ 5,458,619	\$ 11,451,934
Receivables:				
Income taxes	-	-	517,534	1,249,613
Real and other taxes	-	-	1,261,685	1,261,685
Accounts	-	-	713,632	713,632
Special assessments	-	-	22,077	122,481
Interfund loans	13,365	-	1,155,825	2,517,773
Due from other governments	-	17,276	550,456	698,649
Materials and supplies inventory	-	-	390,663	391,545
Prepayments	-	-	27,672	27,672
Total assets	<u>\$ 71,563</u>	<u>\$ 17,276</u>	<u>\$ 10,098,163</u>	<u>\$ 18,434,984</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 29,562	\$ 31,362
Accrued wages and benefits payable	-	-	94,040	94,040
Interfund loans payable	-	-	898,878	1,488,627
Due to other governments	-	-	19,230	19,230
Matured interest payable	-	-	-	128
Total liabilities	<u>-</u>	<u>-</u>	<u>1,041,710</u>	<u>1,633,387</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	1,228,856	1,228,856
Delinquent property tax revenue not available	-	-	32,829	32,829
Special assessments revenue not available	-	-	22,077	122,481
Miscellaneous revenue not available	-	-	572,746	572,746
Income tax revenue not available	-	-	401,386	969,168
Intergovernmental revenue not available	-	17,276	387,449	410,176
Total deferred inflows of resources	<u>-</u>	<u>17,276</u>	<u>2,645,343</u>	<u>3,336,256</u>
Fund balances:				
Nonspendable	-	-	418,335	419,217
Restricted	71,563	-	6,082,169	10,557,593
Committed	-	-	324,322	2,926,177
Unassigned (deficit)	-	-	(413,716)	(437,646)
Total fund balances (deficit)	<u>71,563</u>	<u>-</u>	<u>6,411,110</u>	<u>13,465,341</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 71,563</u>	<u>\$ 17,276</u>	<u>\$ 10,098,163</u>	<u>\$ 18,434,984</u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

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

	Nonmajor Capital Projects			
	Airport Improvements Fund	General Capital Improvements Fund	EMS Reserve Fund	Fire Levy Fund
Revenues:				
Income taxes	\$ 46,262	\$ -	\$ -	\$ -
Real and other taxes	-	104,395	-	-
Charges for services	-	-	109,724	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	125,466	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Rental income	-	-	-	-
Contributions and donations	-	7,270	-	-
Other	-	112,576	-	-
Total revenues	171,728	224,241	109,724	-
Expenditures:				
<i>Current:</i>				
General government	31,785	68,033	-	-
Security of persons and property	-	-	408	87,986
Public health	-	-	-	-
Transportation	-	-	-	-
Leisure time services	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	334,211	-	(4,183)
<i>Debt service:</i>				
Principal retirement	-	-	-	-
Interest and fiscal charges	1,350	6,332	-	-
Total expenditures	33,135	408,576	408	83,803
Excess (deficiency) of revenues over/(under) expenditures	138,593	(184,335)	109,316	(83,803)
Other financing sources (uses):				
Loan issuance	-	-	-	-
Sale of assets	-	-	-	-
Transfer in	-	7,336	5,586	16,526
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	7,336	5,586	16,526
Net change in fund balances	138,593	(176,999)	114,902	(67,277)
Fund balances (deficit) at beginning of year	(21,241)	916,155	1,212,095	4,177,552
Fund balances (deficit) at end of year	\$ 117,352	\$ 739,156	\$ 1,326,997	\$ 4,110,275

Continued

Nonmajor Capital Projects					Nonmajor Debt Service	Nonmajor Special Revenue
Park Land Acquisition Fund	Street Improvement Fund	West Street Improvement Fund	Special Assessments Fund	Total Capital Projects	Special Assessment Bond Retirement Fund	Recreation Fund
\$ -	\$ 899,564	\$ -	\$ 6,069	\$ 951,895	\$ 459,659	\$ 345,153
-	-	-	-	104,395	-	-
-	-	-	-	109,724	531,391	59,695
17,200	-	-	-	17,200	-	-
-	-	-	-	-	-	-
-	-	327,273	-	452,739	-	-
-	-	-	12,722	12,722	92,774	-
-	-	-	-	-	-	-
-	-	-	-	-	-	44,932
-	-	-	-	7,270	-	-
-	4,801	-	-	117,377	-	-
17,200	904,365	327,273	18,791	1,773,322	1,083,824	449,780
-	-	-	16,789	116,607	-	-
-	-	-	-	88,394	-	-
-	-	-	-	-	-	-
-	752,046	350,000	-	1,102,046	-	-
711	-	-	-	711	-	118,192
-	-	-	-	-	-	-
-	-	-	-	330,028	-	-
-	-	-	-	-	480,000	-
-	-	-	198	7,880	622,598	15,159
711	752,046	350,000	16,987	1,645,666	1,102,598	133,351
16,489	152,319	(22,727)	1,804	127,656	(18,774)	316,429
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,097	1,908	-	5,504	37,957	185	2,451
-	-	-	-	-	(5,504)	-
1,097	1,908	-	5,504	37,957	(5,319)	2,451
17,586	154,227	(22,727)	7,308	165,613	(24,093)	318,880
400,764	209,784	-	(8,511)	6,886,598	26,113	(729,569)
\$ 418,350	\$ 364,011	\$ (22,727)	\$ (1,203)	\$ 7,052,211	\$ 2,020	\$ (410,689)

Continued

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

	Nonmajor Special Revenue			
	Street Maintenance Fund	Emergency Medical Services Fund	Municipal Court Special Programs Fund	Municipal Court Improvements Fund
Revenues:				
Income taxes	\$ 1,142,372	\$ -	\$ -	\$ -
Real and other taxes	-	1,070,579	-	-
Charges for services	338,433	872,776	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	29,276	57,751
Intergovernmental	810,728	136,714	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Rental income	-	-	-	-
Contributions and donations	-	825	-	-
Other	4,576	23,144	-	-
Total revenues	2,296,109	2,104,038	29,276	57,751
Expenditures:				
<i>Current:</i>				
General government	-	-	29,271	39,513
Security of persons and property	-	1,671,394	-	-
Public health	-	-	-	-
Transportation	2,192,709	-	-	-
Leisure time services	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	2,192,709	1,671,394	29,271	39,513
Excess (deficiency) of revenues over/(under) expenditures	103,400	432,644	5	18,238
Other financing sources (uses):				
Loan issuance	-	-	-	-
Sale of assets	3,300	-	-	-
Transfer in	4,270	11,240	919	2,603
Transfers (out)	-	-	-	-
Total other financing sources (uses)	7,570	11,240	919	2,603
Net change in fund balances	110,970	443,884	924	20,841
Fund balances (deficit) at beginning of year	1,316,802	1,994,002	180,294	532,766
Fund balances (deficit) at end of year	\$ 1,427,772	\$ 2,437,886	\$ 181,218	\$ 553,607

Continued

Nonmajor Special Revenue

Developers Shade Tree Fund	Drug Law Enforcement Fund	Law Enforcement and Education Fund	Indigent Drivers Alcohol Treatment Fund	Law Enforcement Trust Fund	Permissive Motor Vehicle License Fund	State Highway Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17,494	-	-	-	-	-	-
-	10,298	3,286	18,052	7,273	-	-
-	-	-	14,787	-	261,778	65,734
-	-	-	-	1,283	-	-
-	7,663	-	-	-	-	-
-	-	-	-	-	-	-
<u>17,494</u>	<u>17,961</u>	<u>3,286</u>	<u>32,839</u>	<u>8,556</u>	<u>261,778</u>	<u>65,734</u>
31,370	-	3,339	39,808	-	-	-
-	14,303	-	-	10,754	-	-
-	-	-	-	-	169,679	24,875
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>31,370</u>	<u>14,303</u>	<u>3,339</u>	<u>39,808</u>	<u>10,754</u>	<u>169,679</u>	<u>24,875</u>
<u>(13,876)</u>	<u>3,658</u>	<u>(53)</u>	<u>(6,969)</u>	<u>(2,198)</u>	<u>92,099</u>	<u>40,859</u>
-	-	-	-	-	-	-
476	362	125	1,110	-	1,441	530
-	-	-	-	-	-	-
<u>476</u>	<u>362</u>	<u>125</u>	<u>1,110</u>	<u>-</u>	<u>1,441</u>	<u>530</u>
(13,400)	4,020	72	(5,859)	(2,198)	93,540	41,389
<u>105,288</u>	<u>51,638</u>	<u>28,097</u>	<u>215,304</u>	<u>183,493</u>	<u>420,731</u>	<u>157,306</u>
<u>\$ 91,888</u>	<u>\$ 55,658</u>	<u>\$ 28,169</u>	<u>\$ 209,445</u>	<u>\$ 181,295</u>	<u>\$ 514,271</u>	<u>\$ 198,695</u>

Continued

CITY OF WADSWORTH, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Nonmajor Special Revenue			
	Abatement of Public Nuisance Fund	Chippewa Creek Well Reserve Fund	Community Reinvestment Fund	Fire Department Education Grant Fund
Revenues:				
Income taxes	\$ -	\$ -	\$ -	\$ -
Real and other taxes	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	10,612	-	-	-
Intergovernmental	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Rental income	-	-	-	-
Contributions and donations	-	-	-	-
Other	-	-	2,500	-
Total revenues	10,612	-	2,500	-
Expenditures:				
<i>Current:</i>				
General government	-	-	-	-
Security of persons and property	-	-	-	3,952
Public health	1,889	-	-	-
Transportation	-	-	-	-
Leisure time services	-	-	-	-
Community and economic development	-	-	186	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,889	-	186	3,952
Excess (deficiency) of revenues over/(under) expenditures	8,723	-	2,314	(3,952)
Other financing sources (uses):				
Loan issuance	-	-	-	-
Sale of assets	-	-	-	-
Transfer in	369	-	186	115
Transfers (out)	-	-	-	-
Total other financing sources (uses)	369	-	186	115
Net change in fund balances	9,092	-	2,500	(3,837)
Fund balances (deficit) at beginning of year	79,646	100,000	36,916	17,487
Fund balances (deficit) at end of year	\$ 88,738	\$ 100,000	\$ 39,416	\$ 13,650

Continued

Nonmajor Special Revenue

Police Continuing Professional Training Fund	Community Development Block Grant (CDBG) Fund	CHIP Revolving Loan Fund	Economic Development Fund	Recreation Tax Fund	Revolving Loan Fund	Tax Increment Financing Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	30,000	51,800	-	-
-	-	25,558	200,000	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	111,729
-	-	-	-	-	380	-
-	-	-	-	-	-	-
-	67,303	-	1,500	-	-	-
-	67,303	25,558	231,500	51,800	380	111,729
-	-	-	-	-	660	-
119	-	-	-	-	-	-
-	-	-	-	-	-	127,690
-	-	-	-	26,929	-	-
-	25,278	5,237	166,800	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
119	25,278	5,237	166,800	26,929	660	127,690
(119)	42,025	20,321	64,700	24,871	(280)	(15,961)
-	-	-	-	-	-	4,544
-	-	-	-	-	-	-
65	-	102	273	907	-	50,099
-	-	-	-	-	-	-
65	-	102	273	907	-	54,643
(54)	42,025	20,423	64,973	25,778	(280)	38,682
25,596	(37,358)	83,191	100,508	206,656	97,070	32,881
\$ 25,542	\$ 4,667	\$ 103,614	\$ 165,481	\$ 232,434	\$ 96,790	\$ 71,563

Continued

CITY OF WADSWORTH, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Nonmajor Special Revenue	
	Total Special Revenue	Total
Revenues:		
Income taxes	\$ 1,487,525	\$ 2,899,079
Real and other taxes	1,152,379	1,256,774
Charges for services	1,513,956	2,155,071
Licenses and permits	-	17,200
Fines and forfeitures	136,548	136,548
Intergovernmental	1,401,470	1,854,209
Special assessments	-	105,496
Investment income	1,663	1,663
Rental income	44,932	44,932
Contributions and donations	8,488	15,758
Other	99,023	216,400
Total revenues	5,845,984	8,703,130
Expenditures:		
<i>Current:</i>		
General government	143,961	260,568
Security of persons and property	1,700,522	1,788,916
Public health	1,889	1,889
Transportation	2,514,953	3,616,999
Leisure time services	145,121	145,832
Community and economic development	197,501	197,501
Capital outlay	-	330,028
<i>Debt service:</i>		
Principal retirement	-	480,000
Interest and fiscal charges	15,159	645,637
Total expenditures	4,719,106	7,467,370
Excess (deficiency) of revenues over/(under) expenditures	1,126,878	1,235,760
Other financing sources (uses):		
Loan issuance	4,544	4,544
Sale of assets	3,300	3,300
Transfer in	77,643	115,785
Transfers (out)	-	(5,504)
Total other financing sources (uses)	85,487	118,125
Net change in fund balances	1,212,365	1,353,885
Fund balances (deficit) at beginning of year	5,198,745	12,111,456
Fund balances (deficit) at end of year	\$ 6,411,110	\$ 13,465,341

CITY OF WADSWORTH, OHIO

MAJOR FUNDS

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

Street/Utility Maintenance Guarantees Fund

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

Parking Fund

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

WCTV Fund

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

Fire Dept HazMat Clean Up Fund

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

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET/UTILITY MAINTENANCE GUARANTEES FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
<i>Current:</i>			
Transportation			
Contractual services	\$ 135	\$ 135	\$ -
Materials and supplies	10,000	-	10,000
Total expenditures	10,135	135	10,000
Excess of expenditures over revenues	(10,135)	(135)	10,000
Other financing sources:			
Transfers in	280	280	-
Total other financing sources	280	280	-
Net change in fund balance	(9,855)	145	10,000
Fund balance at beginning of year	52,412	52,412	-
Fund balance at end of year	\$ 42,557	\$ 52,557	\$ 10,000

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 7,000	\$ 6,559	\$ (441)
Other	-	264	264
Total revenues	<u>7,000</u>	<u>6,823</u>	<u>(177)</u>
Expenditures:			
<i>Current:</i>			
General government			
Contractual services	22,642	2,643	19,999
Materials and supplies	10,000	-	10,000
Other	87	78	9
Capital outlay	105,800	71,000	34,800
Total expenditures	<u>138,529</u>	<u>73,721</u>	<u>64,808</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(131,529)</u>	<u>(66,898)</u>	<u>64,631</u>
Other financing sources:			
Transfers in	655	655	-
Total other financing sources	<u>655</u>	<u>655</u>	<u>-</u>
Net change in fund balance	(130,874)	(66,243)	64,631
Fund balance at beginning of year	<u>163,813</u>	<u>163,813</u>	<u>-</u>
Fund balance at end of year	<u>\$ 32,939</u>	<u>\$ 97,570</u>	<u>\$ 64,631</u>

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$ 39,000	\$ 50,154	\$ 11,154
Licenses and permits	329,650	343,130	13,480
Total revenues	<u>368,650</u>	<u>393,284</u>	<u>24,634</u>
Expenditures:			
<i>Current:</i>			
Leisure time activities			
Personal services	284,416	275,223	9,193
Contractual services	61,856	58,575	3,281
Materials and supplies	33,395	26,229	7,166
Other	1,040	287	753
Total expenditures	<u>380,707</u>	<u>360,314</u>	<u>20,393</u>
Net change in fund balance	(12,057)	32,970	45,027
Fund balance at beginning of year	38,477	38,477	-
Prior year encumbrances appropriated	<u>83</u>	<u>83</u>	<u>-</u>
Fund balance at end of year	<u>\$ 26,503</u>	<u>\$ 71,530</u>	<u>\$ 45,027</u>

CITY OF WADSWORTH, OHIO

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

FIRE DEPT. HAZMAT CLEAN UP FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ 1,500	\$ -	\$ (1,500)
Total revenues	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
Expenditures:			
<i>Current:</i>			
Security of persons and property			
Contractual services	152	152	-
Materials and supplies	2,200	562	1,638
Total expenditures	<u>2,352</u>	<u>714</u>	<u>1,638</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(852)</u>	<u>(714)</u>	<u>138</u>
Other financing sources:			
Transfers in	123	123	-
Total other financing sources	<u>123</u>	<u>123</u>	<u>-</u>
Net change in fund balance	(729)	(591)	138
Fund balance at beginning of year	<u>23,492</u>	<u>23,492</u>	<u>-</u>
Fund balance at end of year	<u>\$ 22,763</u>	<u>\$ 22,901</u>	<u>\$ 138</u>

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Income taxes	\$ 50,000	\$ 50,000	\$ -
Intergovernmental	189,000	-	(189,000)
Total revenues	<u>239,000</u>	<u>50,000</u>	<u>(189,000)</u>
Expenditures:			
<i>Current:</i>			
General government			
Contractual services	3,437	3,437	-
Capital outlay	28,799	28,348	451
Total general government	<u>32,236</u>	<u>31,785</u>	<u>451</u>
Debt service:			
Principal retirement	90,000	90,000	-
Interest and fiscal charges	1,350	1,350	-
Total debt service	<u>91,350</u>	<u>91,350</u>	<u>-</u>
Total expenditures	<u>123,586</u>	<u>123,135</u>	<u>451</u>
Excess (deficiency) of revenues over (under) expenditures	<u>115,414</u>	<u>(73,135)</u>	<u>(188,549)</u>
Other financing sources (uses):			
Internal note issuance	81,000	81,000	-
Total other financing sources (uses)	<u>81,000</u>	<u>81,000</u>	<u>-</u>
Net change in fund balance	196,414	7,865	(188,549)
Fund balance at beginning of year	<u>65,021</u>	<u>65,021</u>	<u>-</u>
Fund balance at end of year	<u>\$ 261,435</u>	<u>\$ 72,886</u>	<u>\$ (188,549)</u>

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property taxes	\$ 120,000	\$ 104,395	\$ (15,605)
Contributions and donations	-	7,270	7,270
Other	112,444	112,576	132
Total revenues	<u>232,444</u>	<u>224,241</u>	<u>(8,203)</u>
Expenditures:			
<i>Current:</i>			
General government			
Contractual services	72,978	66,808	6,170
Materials and Supplies	3,950	875	3,075
Capital outlay	307,322	154,055	153,267
Total general government	<u>384,250</u>	<u>221,738</u>	<u>162,512</u>
Security of persons and property			
Capital outlay	24,500	24,498	2
Total security of persons and property	<u>24,500</u>	<u>24,498</u>	<u>2</u>
Transportation			
Capital outlay	139,833	128,898	10,935
Total transportation	<u>139,833</u>	<u>128,898</u>	<u>10,935</u>
Leisure time activities			
Capital outlay	143,094	73,724	69,370
Total leisure time activities	<u>143,094</u>	<u>73,724</u>	<u>69,370</u>
Debt service:			
Principal retirement	422,148	422,148	-
Interest and fiscal charges	6,333	6,332	1
Total debt service	<u>428,481</u>	<u>428,480</u>	<u>1</u>
Total expenditures	<u>1,120,158</u>	<u>877,338</u>	<u>242,820</u>
Excess of expenditures over revenues	<u>(887,714)</u>	<u>(653,097)</u>	<u>234,617</u>
Other financing sources:			
Transfers in	7,336	7,336	-
Internal note issuance	337,718	337,720	2
Total other financing sources	<u>345,054</u>	<u>345,056</u>	<u>2</u>
Net change in fund balance	(542,660)	(308,041)	234,619
Fund balance at beginning of year	1,178,575	1,178,575	-
Prior year encumbrances appropriated	194,482	194,482	-
Fund balance at end of year	<u>\$ 830,397</u>	<u>\$ 1,065,016</u>	<u>\$ 234,619</u>

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

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 109,724	\$ 109,724	\$ -
Total revenues	<u>109,724</u>	<u>109,724</u>	<u>-</u>
Expenditures:			
<i>Current:</i>			
Security of persons and property			
Contractual services	407	408	(1)
Capital outlay	-	-	-
Total expenditures	<u>407</u>	<u>408</u>	<u>(1)</u>
Excess of expenditures over revenues	<u>109,317</u>	<u>109,316</u>	<u>(1)</u>
Other financing sources:			
Transfers in	5,586	5,586	-
Total other financing sources	<u>5,586</u>	<u>5,586</u>	<u>-</u>
Net change in fund balance	114,903	114,902	(1)
Fund balance at beginning of year	1,012,095	1,012,095	-
Prior year encumbrances appropriated	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,326,998</u>	<u>\$ 1,326,997</u>	<u>\$ (1)</u>

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

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$ 10,000	\$ -	\$ (10,000)
Total revenues	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Expenditures:			
<i>Current:</i>			
Security of persons and property			
Contractual services	31,369	10,946	20,423
Materials and supplies	62,358	48,873	13,485
Capital outlay	49,500	34,502	14,998
Total expenditures	<u>143,227</u>	<u>94,321</u>	<u>48,906</u>
Excess of expenditures over revenues	<u>(133,227)</u>	<u>(94,321)</u>	<u>38,906</u>
Other financing sources:			
Transfers in	16,526	16,526	-
Total other financing sources	<u>16,526</u>	<u>16,526</u>	<u>-</u>
Net change in fund balance	(116,701)	(77,795)	38,906
Fund balance at beginning of year	3,976,670	3,976,670	-
Prior year encumbrances appropriated	<u>204,183</u>	<u>204,183</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,064,152</u>	<u>\$ 4,103,058</u>	<u>\$ 38,906</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARK LAND ACQUISITION FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses and permits	\$ 14,000	\$ 17,200	\$ 3,200
Total revenues	<u>14,000</u>	<u>17,200</u>	<u>3,200</u>
Expenditures:			
<i>Current:</i>			
Leisure time activities			
Contractual services	711	711	-
Capital outlay	150,000	-	150,000
Total expenditures	<u>150,711</u>	<u>711</u>	<u>150,000</u>
Excess of revenues over expenditures	<u>(136,711)</u>	<u>16,489</u>	<u>153,200</u>
Other financing sources:			
Transfers in	1,097	1,097	-
Total other financing sources	<u>1,097</u>	<u>1,097</u>	<u>-</u>
Net change in fund balance	(135,614)	17,586	153,200
Fund balance at beginning of year	<u>400,764</u>	<u>400,764</u>	<u>-</u>
Fund balance at end of year	<u>\$ 265,150</u>	<u>\$ 418,350</u>	<u>\$ 153,200</u>

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

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Income taxes	\$ 910,000	\$ 878,837	\$ (31,163)
Other	-	4,801	4,801
Total revenues	<u>910,000</u>	<u>883,638</u>	<u>(26,362)</u>
Expenditures:			
<i>Current:</i>			
Transportation			
Contractual services	4,174	2,964	1,210
Capital outlay	941,823	938,121	3,702
Total expenditures	<u>945,997</u>	<u>941,085</u>	<u>4,912</u>
Excess of expenditures over revenues	<u>(35,997)</u>	<u>(57,447)</u>	<u>(21,450)</u>
Other financing sources:			
Transfers in	1,908	1,908	-
Total other financing sources	<u>1,908</u>	<u>1,908</u>	<u>-</u>
Net change in fund balance	(34,089)	(55,539)	(21,450)
Fund balance at beginning of year	137,812	137,812	-
Prior year encumbrances appropriated	<u>3,523</u>	<u>3,523</u>	<u>-</u>
Fund balance at end of year	<u>\$ 107,246</u>	<u>\$ 85,796</u>	<u>\$ (21,450)</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WEST STREET IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 350,000	\$ 327,273	\$ (22,727)
Expenditures:			
<i>Current:</i>			
Transportation			
Capital outlay	350,000	350,000	-
Total expenditures	350,000	350,000	-
Excess (deficiency) of expenditures over (under) revenues	-	(22,727)	(22,727)
Other financing sources (uses):			
Advance in	-	22,727	22,727
Total other financing sources/(uses)	-	22,727	22,727
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Income tax	\$ 45,465	\$ 1,700	\$ (43,765)
Special assessments	131,500	16,093	(115,407)
Total revenues	<u>176,965</u>	<u>17,793</u>	<u>(159,172)</u>
Expenditures:			
<i>Current:</i>			
General government			
Contractual services	20,939	20,939	-
Total expenditures	<u>20,939</u>	<u>20,939</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>156,026</u>	<u>(3,146)</u>	<u>(159,172)</u>
Other financing sources (uses):			
Advance (out)	-	(4,143)	(4,143)
Total other financing sources (uses)	<u>-</u>	<u>(4,143)</u>	<u>(4,143)</u>
Net change in fund balance	156,026	(7,289)	(163,315)
Fund balance at beginning of year	10,219	10,219	-
Prior year encumbrances appropriated	<u>4,150</u>	<u>4,150</u>	<u>-</u>
Fund balance at end of year	<u>\$ 170,395</u>	<u>\$ 7,080</u>	<u>\$ (163,315)</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL ASSESSMENT BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Income tax	\$ 420,566	\$ 420,566	\$ -
Charges for services	531,391	531,391	-
Special assessments	92,960	92,774	(186)
Total revenues	<u>1,044,917</u>	<u>1,044,731</u>	<u>(186)</u>
Expenditures:			
<i>Current:</i>			
Debt Service			
Principal retirement	697,985	642,706	55,279
Interest and fiscal charges	622,796	622,796	-
Total expenditures	<u>1,320,781</u>	<u>1,265,502</u>	<u>55,279</u>
Excess of expenditures over revenues	<u>(275,864)</u>	<u>(220,771)</u>	<u>55,093</u>
Other financing sources:			
Transfer in	-	185	(185)
Internal note issuance	135,650	135,650	-
Total other financing sources	<u>135,650</u>	<u>135,835</u>	<u>(185)</u>
Net change in fund balance	(140,214)	(84,936)	55,278
Fund balance at beginning of year	<u>151,982</u>	<u>151,982</u>	<u>-</u>
Fund balance at end of year	<u>\$ 11,768</u>	<u>\$ 67,046</u>	<u>\$ 55,278</u>

CITY OF WADSWORTH, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RECREATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Income taxes	\$ 362,992	\$ 362,992	\$ -
Charges for services	104,623	104,627	4
Total revenues	<u>467,615</u>	<u>467,619</u>	<u>4</u>
Expenditures:			
<i>Current:</i>			
Leisure time activities			
Contractual services	111,521	110,020	1,501
Materials and supplies	4,900	4,500	400
Capital outlay	22,650	4,775	17,875
Total - leisure time activities	<u>139,071</u>	<u>119,295</u>	<u>19,776</u>
Debt Service			
Principal retirement	1,010,596	1,010,596	-
Interest and fiscal charges	15,159	15,159	-
Total - debt service	<u>1,025,755</u>	<u>1,025,755</u>	<u>-</u>
Total expenditures	<u>1,164,826</u>	<u>1,145,050</u>	<u>19,776</u>
Excess of expenditures over revenues	<u>(697,211)</u>	<u>(677,431)</u>	<u>19,780</u>
Other financing sources:			
Internal note issuance	898,878	898,878	-
Transfers in	2,451	2,451	-
Total other financing sources	<u>901,329</u>	<u>901,329</u>	<u>-</u>
Net change in fund balance	204,118	223,898	19,780
Fund balance at beginning of year	205,593	205,593	-
Prior year encumbrances appropriated	<u>1,242</u>	<u>1,242</u>	<u>-</u>
Fund balance at end of year	<u>\$ 410,953</u>	<u>\$ 430,733</u>	<u>\$ 19,780</u>
	\$	-	

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Income taxes	\$ 1,120,000	\$ 1,120,000	\$ -
Charges for services	339,760	338,433	(1,327)
Intergovernmental	780,000	811,501	31,501
Other	-	4,471	4,471
Total revenues	<u>2,239,760</u>	<u>2,274,405</u>	<u>34,645</u>
Expenditures:			
<i>Current:</i>			
Transportation			
Personal services	1,394,008	1,286,759	107,249
Contractual services	706,920	649,448	57,472
Materials and supplies	573,385	509,594	63,791
Other	17,018	7,169	9,849
Total expenditures	<u>2,691,331</u>	<u>2,452,970</u>	<u>238,361</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(451,571)</u>	<u>(178,565)</u>	<u>273,006</u>
Other financing sources:			
Transfers in	4,270	4,270	-
Sale of assets	2,500	3,300	800
Total other financing sources	<u>6,770</u>	<u>7,570</u>	<u>800</u>
Net change in fund balance	(444,801)	(170,995)	273,806
Fund balance at beginning of year	895,408	895,408	-
Prior year encumbrances appropriated	<u>15,639</u>	<u>15,639</u>	<u>-</u>
Fund balance at end of year	<u>\$ 466,246</u>	<u>\$ 740,052</u>	<u>\$ 273,806</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property and other local taxes	\$ 1,008,356	\$ 1,070,579	\$ 62,223
Charges for services	769,448	857,231	87,783
Intergovernmental	156,445	136,714	(19,731)
Contributions and donations	350	825	475
Other	950	23,144	22,194
Total revenues	<u>1,935,549</u>	<u>2,088,493</u>	<u>152,944</u>
Expenditures:			
<i>Current:</i>			
Security of persons and property			
Personal services	1,443,848	1,341,604	102,244
Contractual services	231,006	218,013	12,993
Materials and supplies	67,581	55,874	11,707
Other	17,256	15,344	1,912
Capital outlay	52,000	51,294	706
Total expenditures	<u>1,811,691</u>	<u>1,682,129</u>	<u>129,562</u>
Excess of expenditures over revenues	<u>123,858</u>	<u>406,364</u>	<u>282,506</u>
Other financing sources:			
Transfers in	11,240	11,240	-
Total other financing sources	<u>11,240</u>	<u>11,240</u>	<u>-</u>
Net change in fund balance	135,098	417,604	282,506
Fund balance at beginning of year	1,979,036	1,979,036	-
Prior year encumbrances appropriated	<u>11,605</u>	<u>11,605</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,125,739</u>	<u>\$ 2,408,245</u>	<u>\$ 282,506</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL COURT SPECIAL PROGRAMS FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 40,919	\$ 29,276	\$ (11,643)
Total revenues	<u>40,919</u>	<u>29,276</u>	<u>(11,643)</u>
Expenditures:			
<i>Current:</i>			
General government			
Contractual services	31,630	28,399	3,231
Materials and supplies	1,500	872	628
Total expenditures	<u>33,130</u>	<u>29,271</u>	<u>3,859</u>
Excess of revenues over expenditures	<u>7,789</u>	<u>5</u>	<u>(7,784)</u>
Other financing sources:			
Transfers in	919	919	-
Total other financing sources	<u>919</u>	<u>919</u>	<u>-</u>
Net change in fund balance	8,708	924	(7,784)
Fund balance at beginning of year	<u>180,294</u>	<u>180,294</u>	<u>-</u>
Fund balance at end of year	<u>\$ 189,002</u>	<u>\$ 181,218</u>	<u>\$ (7,784)</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUNICIPAL COURT IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 80,000	\$ 57,751	\$ (22,249)
Total revenues	<u>80,000</u>	<u>57,751</u>	<u>(22,249)</u>
Expenditures:			
<i>Current:</i>			
General government			
Contractual services	18,403	17,294	1,109
Materials and supplies	140,000	10,382	129,618
Capital outlay	90,000	11,837	78,163
Total expenditures	<u>248,403</u>	<u>39,513</u>	<u>208,890</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(168,403)</u>	<u>18,238</u>	<u>186,641</u>
Other financing sources:			
Transfers in	2,603	2,603	-
Total other financing sources	<u>2,603</u>	<u>2,603</u>	<u>-</u>
Net change in fund balance	(165,800)	20,841	186,641
Fund balance at beginning of year	<u>532,766</u>	<u>532,766</u>	<u>-</u>
Fund balance at end of year	<u>\$ 366,966</u>	<u>\$ 553,607</u>	<u>\$ 186,641</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEVELOPERS SHADE TREE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$ 4,000	\$ 17,494	\$ 13,494
Total revenues	<u>4,000</u>	<u>17,494</u>	<u>13,494</u>
Expenditures:			
<i>Current:</i>			
General government			
Contractual services	17,727	17,726	1
Materials and supplies	15,119	14,924	195
Other	295	40	255
Total expenditures	<u>33,141</u>	<u>32,690</u>	<u>451</u>
Excess of expenditures over revenues	<u>(29,141)</u>	<u>(15,196)</u>	<u>13,945</u>
Other financing sources:			
Transfers in	476	476	-
Total other financing sources	<u>476</u>	<u>476</u>	<u>-</u>
Net change in fund balance	(28,665)	(14,720)	13,945
Fund balance at beginning of year	100,023	100,023	-
Prior year encumbrances appropriated	<u>5,265</u>	<u>5,265</u>	<u>-</u>
Fund balance at end of year	<u>\$ 76,623</u>	<u>\$ 90,568</u>	<u>\$ 13,945</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 5,000	\$ 10,298	\$ 5,298
Contributions and donations	2,500	7,663	5,163
Total revenues	<u>7,500</u>	<u>17,961</u>	<u>10,461</u>
Expenditures:			
<i>Current:</i>			
Security of persons and property			
Contractual services	2,989	2,499	490
Materials and supplies	18,900	11,804	7,096
Total expenditures	<u>21,889</u>	<u>14,303</u>	<u>7,586</u>
Excess of expenditures over revenues	<u>(14,389)</u>	<u>3,658</u>	<u>18,047</u>
Other financing sources:			
Transfers in	<u>362</u>	<u>362</u>	<u>-</u>
Total other financing sources	<u>362</u>	<u>362</u>	<u>-</u>
Net change in fund balance	(14,027)	4,020	18,047
Fund balance at beginning of year	<u>51,638</u>	<u>51,638</u>	<u>-</u>
Fund balance at end of year	<u>\$ 37,611</u>	<u>\$ 55,658</u>	<u>\$ 18,047</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT AND EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 4,000	\$ 3,286	\$ (714)
Total revenues	<u>4,000</u>	<u>3,286</u>	<u>(714)</u>
Expenditures:			
<i>Current:</i>			
General government			
Contractual services	339	339	-
Materials and supplies	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total expenditures	<u>3,339</u>	<u>3,339</u>	<u>-</u>
Excess of revenues over expenditures	<u>661</u>	<u>(53)</u>	<u>(714)</u>
Other financing sources:			
Transfers in	<u>125</u>	<u>125</u>	<u>-</u>
Total other financing sources	<u>125</u>	<u>125</u>	<u>-</u>
Net change in fund balance	786	72	(714)
Fund balance at beginning of year	<u>28,097</u>	<u>28,097</u>	<u>-</u>
Fund balance at end of year	<u>\$ 28,883</u>	<u>\$ 28,169</u>	<u>\$ (714)</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INDIGENT DRIVERS ALCOHOL TREATMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 31,000	\$ 18,052	\$ (12,948)
Intergovernmental	-	14,787	14,787
Total revenues	<u>31,000</u>	<u>32,839</u>	<u>1,839</u>
Expenditures:			
<i>Current:</i>			
General government			
Contractual services	45,897	38,050	7,847
Total expenditures	<u>45,897</u>	<u>38,050</u>	<u>7,847</u>
Excess of expenditures over revenues	<u>(14,897)</u>	<u>(5,211)</u>	<u>9,686</u>
Other financing sources:			
Transfers in	1,110	1,110	-
Total other financing sources	<u>1,110</u>	<u>1,110</u>	<u>-</u>
Net change in fund balance	(13,787)	(4,101)	9,686
Fund balance at beginning of year	<u>195,122</u>	<u>195,122</u>	<u>-</u>
Fund balance at end of year	<u>\$ 181,335</u>	<u>\$ 191,021</u>	<u>\$ 9,686</u>

CITY OF WADSWORTH, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 4,000	\$ 7,273	\$ 3,273
Investment income	140	1,283	1,143
Total revenues	<u>4,140</u>	<u>8,556</u>	<u>4,416</u>
Expenditures:			
<i>Current:</i>			
Security of persons and property			
Contractual services	4,562	3,881	681
Materials and supplies	25,200	4,373	20,827
Other	2,500	2,500	-
Total expenditures	<u>32,262</u>	<u>10,754</u>	<u>21,508</u>
Net change in fund balance	(28,122)	(2,198)	25,924
Fund balance at beginning of year	<u>183,493</u>	<u>183,493</u>	-
Fund balance at end of year	<u>\$ 155,371</u>	<u>\$ 181,295</u>	<u>\$ 25,924</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMISSIVE MOTOR VEHICLE LICENSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 250,000	\$ 261,739	\$ 11,739
Total revenues	<u>250,000</u>	<u>261,739</u>	<u>11,739</u>
Expenditures:			
<i>Current:</i>			
Transportation			
Contractual services	168,498	167,448	1,050
Materials and supplies	10,200	9,498	702
Capital outlay	<u>50,745</u>	<u>5,745</u>	<u>45,000</u>
Total expenditures	<u>229,443</u>	<u>182,691</u>	<u>46,752</u>
Excess of revenues over expenditures	<u>20,557</u>	<u>79,048</u>	<u>58,491</u>
Other financing sources:			
Transfers in	<u>1,441</u>	<u>1,441</u>	<u>-</u>
Total other financing sources	<u>1,441</u>	<u>1,441</u>	<u>-</u>
Net change in fund balance	21,998	80,489	58,491
Fund balance at beginning of year	313,795	313,795	-
Prior year encumbrances appropriated	<u>16,745</u>	<u>16,745</u>	<u>-</u>
Fund balance at end of year	<u>\$ 352,538</u>	<u>\$ 411,029</u>	<u>\$ 58,491</u>

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 60,000	\$ 65,797	\$ 5,797
Total revenues	<u>60,000</u>	<u>65,797</u>	<u>5,797</u>
Expenditures:			
<i>Current:</i>			
Transportation			
Contractual services	75,688	38,892	36,796
Materials and supplies	22,584	3,830	18,754
Total expenditures	<u>98,272</u>	<u>42,722</u>	<u>55,550</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(38,272)</u>	<u>23,075</u>	<u>61,347</u>
Other financing sources:			
Transfers in	530	530	-
Total other financing sources	<u>530</u>	<u>530</u>	<u>-</u>
Net change in fund balance	(37,742)	23,605	61,347
Fund balance at beginning of year	110,111	110,111	-
Prior year encumbrances appropriated	1,749	1,749	-
Fund balance at end of year	<u>\$ 74,118</u>	<u>\$ 135,465</u>	<u>\$ 61,347</u>

CITY OF WADSWORTH, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ABATEMENT OF PUBLIC NUISANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 27,188	\$ 10,612	\$ (16,576)
Total revenues	<u>27,188</u>	<u>10,612</u>	<u>(16,576)</u>
Expenditures:			
<i>Current:</i>			
Public health			
Contractual services	35,210	1,889	33,321
Total expenditures	<u>35,210</u>	<u>1,889</u>	<u>33,321</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,022)</u>	<u>8,723</u>	<u>16,745</u>
Other financing sources:			
Transfer in	369	369	-
Total other financing sources	<u>369</u>	<u>369</u>	<u>-</u>
Net change in fund balance	(7,653)	9,092	16,745
Fund balance at beginning of year	<u>79,646</u>	<u>79,646</u>	<u>-</u>
Fund balance at end of year	<u>\$ 71,993</u>	<u>\$ 88,738</u>	<u>\$ 16,745</u>

CITY OF WADSWORTH, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CHIPPEWA CREEK WELL RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ 2,500	\$ 2,500	\$ -
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Expenditures:			
<i>Current:</i>			
Community and economic development			
Contractual services	2,386	186	2,200
Total expenditures	<u>2,386</u>	<u>186</u>	<u>2,200</u>
Excess of revenues over expenditures	<u>114</u>	<u>2,314</u>	<u>2,200</u>
Other financing sources:			
Transfers in	186	186	-
Total other financing sources	<u>186</u>	<u>186</u>	<u>-</u>
Net change in fund balance	300	2,500	2,200
Fund balance at beginning of year	<u>36,916</u>	<u>36,916</u>	<u>-</u>
Fund balance at end of year	<u>\$ 37,216</u>	<u>\$ 39,416</u>	<u>\$ 2,200</u>

CITY OF WADSWORTH, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SAFE ROUTES TO SCHOOL GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 198,895	\$ -	\$ (198,895)
Total revenues	<u>198,895</u>	<u>-</u>	<u>(198,895)</u>
Net change in fund balances	198,895	-	(198,895)
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 198,895</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (198,895)</u></u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE DEPARTMENT EDUCATION GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 2,500	\$ -	\$ (2,500)
Total revenues	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
Expenditures:			
<i>Current:</i>			
Security of persons and property			
Contractual services	152	152	-
Other	5,000	3,800	1,200
Total expenditures	<u>5,152</u>	<u>3,952</u>	<u>1,200</u>
Excess of expenditures over revenues	<u>(2,652)</u>	<u>(3,952)</u>	<u>(1,300)</u>
Other financing sources:			
Transfers in	115	115	-
Total other financing sources	<u>115</u>	<u>115</u>	<u>-</u>
Net change in fund balance	(2,537)	(3,837)	(1,300)
Fund balance at beginning of year	<u>17,487</u>	<u>17,487</u>	<u>-</u>
Fund balance at end of year	<u>\$ 14,950</u>	<u>\$ 13,650</u>	<u>\$ (1,300)</u>

CITY OF WADSWORTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE CONTINUING PROFESSIONAL TRAINING FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 12,000	\$ 12,040	\$ 40
Total revenues	<u>12,000</u>	<u>12,040</u>	<u>40</u>
Expenditures:			
<i>Current:</i>			
Security of persons and property			
Contractual services	119	119	-
Other	14,000	-	14,000
Total expenditures	<u>14,119</u>	<u>119</u>	<u>14,000</u>
Excess of revenues over expenditures	<u>(2,119)</u>	<u>11,921</u>	<u>14,040</u>
Other financing sources:			
Transfer in	65	65	-
Total other financing sources	<u>65</u>	<u>65</u>	<u>-</u>
Net change in fund balance	(2,054)	11,986	14,040
Fund balance at beginning of year	<u>13,556</u>	<u>13,556</u>	<u>-</u>
Fund balance at end of year	<u>\$ 11,502</u>	<u>\$ 25,542</u>	<u>\$ 14,040</u>

CITY OF WADSWORTH, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ 35,000	\$ 67,303	\$ 32,303
Total revenues	<u>35,000</u>	<u>67,303</u>	<u>32,303</u>
Expenditures:			
<i>Current:</i>			
Community and economic development			
Contractual services	<u>75,523</u>	<u>55,134</u>	<u>20,389</u>
Total expenditures	<u>75,523</u>	<u>55,134</u>	<u>20,389</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,523)</u>	<u>12,169</u>	<u>52,692</u>
Other financing sources (uses):			
Advance (out)	<u>-</u>	<u>(55,193)</u>	<u>(55,193)</u>
Total other financing sources (uses)	<u>-</u>	<u>(55,193)</u>	<u>(55,193)</u>
Net change in fund balance	(40,523)	(43,024)	(2,501)
Fund balance at beginning of year	4,667	4,667	-
Prior year encumbrances appropriated	<u>43,024</u>	<u>43,024</u>	<u>-</u>
Fund balance at end of year	<u>\$ 7,168</u>	<u>\$ 4,667</u>	<u>\$ (2,501)</u>

CITY OF WADSWORTH, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY HOUSING IMPROVEMENT PROGRAM (CHIP) GRANTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 141,000	\$ -	\$ (141,000)
Total revenues	<u>141,000</u>	<u>-</u>	<u>(141,000)</u>
Excess of revenues over expenditures			
Net change in fund balance	141,000	-	(141,000)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 141,000</u>	<u>\$ -</u>	<u>\$ (141,000)</u>

CITY OF WADSWORTH, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CHIP REVOLVING LOAN FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$ 5,600	\$ 25,558	\$ 19,958
Total revenues	<u>5,600</u>	<u>25,558</u>	<u>19,958</u>
Expenditures:			
<i>Current:</i>			
Community and economic development			
Contractual services	30,804	5,237	25,567
Total expenditures	<u>30,804</u>	<u>5,237</u>	<u>25,567</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,204)</u>	<u>20,321</u>	<u>45,525</u>
Other financing sources:			
Transfers in	102	102	-
Total other financing sources	<u>102</u>	<u>102</u>	<u>-</u>
Net change in fund balance	(25,102)	20,423	45,525
Fund balance at beginning of year	<u>83,191</u>	<u>83,191</u>	<u>-</u>
Fund balance at end of year	<u>\$ 58,089</u>	<u>\$ 103,614</u>	<u>\$ 45,525</u>

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property and other local taxes	\$ 30,000	\$ 30,000	\$ -
Charges for services	200,000	200,000	-
Other	-	1,500	1,500
Total revenues	<u>230,000</u>	<u>231,500</u>	<u>1,500</u>
Expenditures:			
<i>Current:</i>			
Community and economic development			
Personal services	36,149	22,456	13,693
Contractual services	193,070	136,922	56,148
Materials and supplies	10,600	954	9,646
Other	52,384	44,994	7,390
Total expenditures	<u>292,203</u>	<u>205,326</u>	<u>86,877</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(62,203)</u>	<u>26,174</u>	<u>88,377</u>
Other financing sources:			
Transfers in	<u>273</u>	<u>273</u>	<u>-</u>
Total other financing sources	<u>273</u>	<u>273</u>	<u>-</u>
Net change in fund balance	(61,930)	26,447	88,377
Fund balance at beginning of year	88,320	88,320	-
Prior year encumbrances appropriated	<u>21,688</u>	<u>21,688</u>	<u>-</u>
Fund balance at end of year	<u>\$ 48,078</u>	<u>\$ 136,455</u>	<u>\$ 88,377</u>

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property tax	\$ 65,000	\$ 51,800	\$ (13,200)
Total revenues	<u>65,000</u>	<u>51,800</u>	<u>(13,200)</u>
Expenditures:			
<i>Current:</i>			
Leisure time activities			
Contractual services	1,930	1,930	-
Other	4,634	2,286	2,348
Capital outlay	129,001	24,999	104,002
Total expenditures	<u>135,565</u>	<u>29,215</u>	<u>106,350</u>
Excess of expenditures over revenues	<u>(70,565)</u>	<u>22,585</u>	<u>93,150</u>
Other financing sources:			
Transfer in	907	907	-
Total other financing sources	<u>907</u>	<u>907</u>	<u>-</u>
Net change in fund balance	(69,658)	23,492	93,150
Fund balance at beginning of year	183,943	183,943	-
Prior year encumbrances appropriated	24,999	24,999	-
Fund balance at end of year	<u>\$ 139,284</u>	<u>\$ 232,434</u>	<u>\$ 93,150</u>

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment income	\$ 100	\$ 380	\$ 280
Total revenues	<u>100</u>	<u>380</u>	<u>280</u>
Expenditures:			
<i>Current:</i>			
General government			
Contractual services	40,660	660	40,000
Total expenditures	<u>40,660</u>	<u>660</u>	<u>40,000</u>
Net change in fund balance	(40,560)	(280)	40,280
Fund balance at beginning of year	<u>97,070</u>	<u>97,070</u>	<u>-</u>
Fund balance at end of year	<u>\$ 56,510</u>	<u>\$ 96,790</u>	<u>\$ 40,280</u>

CITY OF WADSWORTH, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TAX INCREMENT FINANCING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ -	\$ 111,729	\$ 111,729
Total revenues	<u>-</u>	<u>111,729</u>	<u>111,729</u>
Expenditures:			
<i>Current:</i>			
Transportation			
Capital outlay	154,103	149,841	4,262
Total transportation	<u>154,103</u>	<u>149,841</u>	<u>4,262</u>
Total expenditures	<u>154,103</u>	<u>149,841</u>	<u>4,262</u>
Excess of expenditures over revenues	<u>(154,103)</u>	<u>(38,112)</u>	<u>115,991</u>
Other financing sources (uses):			
Advance (out)	-	(96,199)	(96,199)
Loan issuance	-	4,544	4,544
Transfers in	50,099	50,099	-
Total other financing sources (uses)	<u>50,099</u>	<u>(41,556)</u>	<u>(91,655)</u>
Net change in fund balance	(104,004)	(79,668)	24,336
Fund balance at beginning of year	22,286	22,286	-
Prior year encumbrances appropriated	<u>109,424</u>	<u>109,424</u>	<u>-</u>
Fund balance at end of year	<u>\$ 27,706</u>	<u>\$ 52,042</u>	<u>\$ 24,336</u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF WADSWORTH, OHIO

Fund Descriptions – Proprietary Funds

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

Internal Service Funds

Equipment Maintenance

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

Information Technology

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

Health Insurance Retention

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

Liability Insurance Retention

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

Benefits Reserve Fund

To account for resources used to pay accrued benefits to City employees and salaries during any fiscal year when the number of pay periods exceeds the usual and customary number of pay periods.

Workers' Compensation Retention

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

CITY OF WADSWORTH, OHIO

COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2018

	Equipment Maintenance	Information Technology	Health Insurance Retention	Liability Insurance Retention
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 104,817	\$ 418,458	\$ 528,108	\$ 6,396
Receivables:				
Interfund loans	24,072	93,783	121,283	1,469
Materials and supplies inventory	332,174	-	-	-
Prepayments	3,021	61,799	-	-
Total current assets	<u>464,084</u>	<u>574,040</u>	<u>649,391</u>	<u>7,865</u>
Noncurrent assets:				
Net pension asset	2,892	5,478	-	-
Depreciable capital assets, net	178,597	191,974	-	-
Total noncurrent assets	<u>181,489</u>	<u>197,452</u>	<u>-</u>	<u>-</u>
Total assets	<u>645,573</u>	<u>771,492</u>	<u>649,391</u>	<u>7,865</u>
Deferred outflows of resources:				
Pension	78,660	155,171	-	-
OPEB	15,308	40,356	-	-
Total deferred outflows of resources	<u>93,968</u>	<u>195,527</u>	<u>-</u>	<u>-</u>
Total asset and deferred outflows	<u>739,541</u>	<u>967,019</u>	<u>649,391</u>	<u>7,865</u>
Liabilities:				
Current liabilities:				
Accounts payable	2,987	1,116	-	-
Accrued wages and benefits payable	12,062	23,043	-	-
Due to other governments	2,015	3,807	-	-
Interfund loans payable	-	193,514	-	-
Compensated absences payable - current	11,980	16,926	-	-
Claims payable	-	-	445,812	-
Total current liabilities	<u>29,044</u>	<u>238,406</u>	<u>445,812</u>	<u>-</u>
Long-term liabilities:				
Compensated absences payable	47,952	67,746	-	-
Net pension liability	300,318	568,898	-	-
Net OPEB liability	204,842	388,036	-	-
Total long-term liabilities	<u>553,112</u>	<u>1,024,680</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>582,156</u>	<u>1,263,086</u>	<u>445,812</u>	<u>-</u>
Deferred inflows of resources:				
Pension	78,706	136,355	-	-
OPEB	19,165	28,906	-	-
Total Deferred Inflows of Resources	<u>97,871</u>	<u>165,261</u>	<u>-</u>	<u>-</u>
Net position:				
Net investment in capital assets	178,597	191,974	-	-
Unrestricted (deficit)	(119,083)	(653,302)	203,579	7,865
Total net position (deficit)	<u>\$ 59,514</u>	<u>\$ (461,328)</u>	<u>\$ 203,579</u>	<u>\$ 7,865</u>

Continued

Benefits Reserve Fund	Workers' Compensation Retention	Total
\$ 99,038	\$ 469,629	\$ 1,626,446
22,745	107,853	371,205
-	-	332,174
-	45,523	110,343
<u>121,783</u>	<u>623,005</u>	<u>2,440,168</u>
-	-	8,370
-	-	370,571
-	-	378,941
<u>121,783</u>	<u>623,005</u>	<u>2,819,109</u>
-	-	233,831
-	-	55,664
-	-	289,495
<u>121,783</u>	<u>623,005</u>	<u>3,108,604</u>
-	2,284	6,387
-	-	35,105
-	-	5,822
-	-	193,514
-	-	28,906
-	70,334	516,146
-	<u>72,618</u>	<u>785,880</u>
-	-	115,698
-	-	869,216
-	-	592,878
-	-	1,577,792
-	<u>72,618</u>	<u>2,363,672</u>
-	-	215,061
-	-	48,071
-	-	263,132
-	-	370,571
<u>121,783</u>	<u>550,387</u>	<u>111,229</u>
<u>\$ 121,783</u>	<u>\$ 550,387</u>	<u>\$ 481,800</u>

CITY OF WADSWORTH, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Equipment Maintenance	Information Technology	Health Insurance Retention	Liability Insurance Retention
Revenues:				
Charges for services	\$ 875,432	\$ 945,214	\$ 4,388,855	\$ -
Refunds	-	-	10,000	-
Other	927	-	-	-
Total operating revenues	<u>876,359</u>	<u>945,214</u>	<u>4,398,855</u>	<u>-</u>
Operating expenses:				
Personal services	454,230	847,900	-	-
Contract services	90,255	286,093	910,439	4,550
Materials and supplies	303,854	129,457	-	-
Claims expense	-	-	3,206,077	-
Depreciation	29,511	80,549	-	-
Other	4,210	13,555	-	-
Total operating expenditures	<u>882,060</u>	<u>1,357,554</u>	<u>4,116,516</u>	<u>4,550</u>
Operating income (loss)	<u>(5,701)</u>	<u>(412,340)</u>	<u>282,339</u>	<u>(4,550)</u>
Nonoperating (expenses):				
Miscellaneous	-	(4,354)	-	-
Gain (loss) on sale of capital assets	(100)	1,675	-	-
Total nonoperating (expenses)	<u>(100)</u>	<u>(2,679)</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	<u>(5,801)</u>	<u>(415,019)</u>	<u>282,339</u>	<u>(4,550)</u>
Transfers in	32	3,748	6,192	84
Change in net position	(5,769)	(411,271)	288,531	(4,466)
Net position at beginning of year	<u>65,283</u>	<u>(50,057)</u>	<u>(84,952)</u>	<u>12,331</u>
Net position (deficit) at end of year	<u>\$ 59,514</u>	<u>\$ (461,328)</u>	<u>\$ 203,579</u>	<u>\$ 7,865</u>

Continued

Benefits Reserve Fund	Workers' Compensation Retention	Total
\$ -	\$ 176,292	\$ 6,385,793
-	-	10,000
-	-	927
-	176,292	6,396,720
-	-	1,302,130
-	183,342	1,474,679
-	-	433,311
-	35,803	3,241,880
-	-	110,060
-	8,100	25,865
-	227,245	6,587,925
-	(50,953)	(191,205)
-	-	(4,354)
-	-	1,575
-	-	(2,779)
-	(50,953)	(193,984)
-	2,771	12,827
-	(48,182)	(181,157)
121,783	598,569	662,957
<u>\$ 121,783</u>	<u>\$ 550,387</u>	<u>\$ 481,800</u>

CITY OF WADSWORTH, OHIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Equipment Maintenance	Information Technology	Health Insurance Retention	Liability Insurance Retention
Cash flows from operating activities:				
Cash received from charges for service	\$ 875,432	\$ 945,214	\$ 4,388,855	\$ -
Cash received from other operations	927	-	10,000	-
Cash payments to personal services	(405,436)	(742,538)	-	-
Cash payments for contractual services	(90,109)	(291,274)	(910,439)	(4,550)
Cash payments for claims	-	-	(3,205,642)	-
Cash payments for other expenses	(4,210)	(13,555)	-	-
Cash payments for materials and supplies	(319,641)	(136,236)	-	-
Net cash provided by (used in) operating activities	<u>56,963</u>	<u>(238,389)</u>	<u>282,774</u>	<u>(4,550)</u>
Cash flows from noncapital financing activities				
Proceeds of internal notes	23,820	387,078	84,594	2,894
Cash payments from internal notes	(24,072)	(384,053)	(121,283)	(1,469)
Transfers in from other funds	32	3,748	6,192	84
Net cash provided by (used in) noncapital financing activities	<u>(220)</u>	<u>6,773</u>	<u>(30,497)</u>	<u>1,509</u>
Cash flows from capital and related financing activities:				
Sale or transfer of capital assets	900	1,675	-	-
Acquisition of capital assets	(30,495)	-	-	-
Interest and fiscal charges	-	(4,354)	-	-
Net cash used in capital and related financing activities	<u>(29,595)</u>	<u>(2,679)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	27,148	(234,295)	252,277	(3,041)
Cash and cash equivalents at beginning of year	<u>77,669</u>	<u>652,753</u>	<u>275,831</u>	<u>9,437</u>
Cash and cash equivalents at end of year	<u>\$ 104,817</u>	<u>\$ 418,458</u>	<u>\$ 528,108</u>	<u>\$ 6,396</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (5,701)	\$ (412,340)	\$ 282,339	\$ (4,550)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	29,511	80,549	-	-
Changes in assets and liabilities				
(Increase) decrease in materials and supplies inventory	(15,860)	-	-	-
(Increase) decrease in prepayments	146	(5,181)	-	-
(Increase) in net pension asset	(1,669)	(3,328)	-	-
(Increase) in deferred outflows - pension	104,075	149,705	-	-
(Increase) in deferred outflows - OPEB	(12,504)	(35,440)	-	-
(Increase) decrease in accounts payable	73	(6,779)	-	-
Increase in accrued wages and benefits	1,105	4,508	-	-
Increase in compensated absences payable	4,051	8,299	-	-
Increase (decrease) in intergovernmental	193	809	-	-
Increase (Decrease) in net pension liability	(148,672)	(220,412)	-	-
Increase in net OPEB liability	8,671	44,151	-	-
(Decrease) in deferred inflows - pension	74,379	128,164	-	-
(Decrease) in deferred inflows - OPEB	19,165	28,906	-	-
Increase (decrease) in claims payable	-	-	435	-
Net cash provided by (used in) operating activities	<u>\$ 56,963</u>	<u>\$ (238,389)</u>	<u>\$ 282,774</u>	<u>\$ (4,550)</u>

Continued

Benefits Reserve Fund	Workers' Compensation Retention	Total
\$ -	\$ 176,292	\$ 6,385,793
-	-	10,927
-	-	(1,147,974)
-	(172,414)	(1,468,786)
-	-	(3,205,642)
-	(8,100)	(25,865)
-	-	(455,877)
-	(4,222)	92,576
28,583	22,783	549,752
(22,745)	(107,853)	(661,475)
-	2,771	12,827
5,838	(82,299)	(98,896)
-	-	2,575
-	-	(30,495)
-	-	(4,354)
-	-	(32,274)
5,838	(86,521)	(38,594)
93,200	556,150	1,665,040
<u>\$ 99,038</u>	<u>\$ 469,629</u>	<u>\$ 1,626,446</u>
\$ -	\$ (50,953)	\$ (191,205)
-	-	110,060
-	-	(15,860)
-	8,644	3,609
-	-	(4,997)
-	-	253,780
-	-	(47,944)
-	2,284	(4,422)
-	-	5,613
-	-	12,350
-	-	1,002
-	-	(369,084)
-	-	52,822
-	-	202,543
-	-	48,071
-	35,803	36,238
<u>\$ -</u>	<u>\$ (4,222)</u>	<u>\$ 92,576</u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF WADSWORTH, OHIO

FUND DESCRIPTIONS - FIDUCIARY FUNDS

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

Agency Funds

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

Escrow Accounts

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

Memorial Park Trust

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

Unclaimed Funds Muni Court

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

Unclaimed Funds-City

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

Utility Assistance Fund

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

Community Center Project

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

Clearing Fund

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

Payroll Fund

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

Water Assessment Trust

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

Sewer Deferred Assessment

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

Clearing - Utility Assessment

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

Muni Court

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

Customer Deposits

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

CITY OF WADSWORTH, OHIO

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 DECEMBER 31, 2018

	<u>Escrow Accounts</u>	<u>Memorial Park Trust</u>	<u>Unclaimed Funds Muni Court</u>	<u>Unclaimed Funds-City</u>
Assets:				
Current Assets:				
Equity in pooled cash and investments	\$ -	\$ 369	\$ 23,369	\$ 28,925
Cash in segregated accounts	350,133	-	-	-
Restricted Assets:				
Equity in pooled cash and investments	-	-	-	-
Deposits held and due to others	-	-	-	-
Total assets	<u>\$ 350,133</u>	<u>\$ 369</u>	<u>\$ 23,369</u>	<u>\$ 28,925</u>
Liabilities:				
Retainage payable	\$ 350,133	\$ -	\$ -	\$ -
Deposits held and due to others	-	369	23,369	28,925
Refundable deposits	-	-	-	-
Total liabilities	<u>\$ 350,133</u>	<u>\$ 369</u>	<u>\$ 23,369</u>	<u>\$ 28,925</u>

Continued

<u>Utility Assistance Fund</u>	<u>Community Center Project</u>	<u>Clearing Fund</u>	<u>Payroll Fund</u>	<u>Water Assessment Trust</u>	<u>Sewer Deferred Assessment</u>
\$ 1,043	\$ 1,984,310	\$ 156,023	\$ 297,569	\$ 8,746	\$ 14,747
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,043</u>	<u>\$ 1,984,310</u>	<u>\$ 156,023</u>	<u>\$ 297,569</u>	<u>\$ 8,746</u>	<u>\$ 14,747</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,043	1,984,310	156,023	297,569	8,746	14,747
-	-	-	-	-	-
<u>\$ 1,043</u>	<u>\$ 1,984,310</u>	<u>\$ 156,023</u>	<u>\$ 297,569</u>	<u>\$ 8,746</u>	<u>\$ 14,747</u>

Continued

CITY OF WADSWORTH, OHIO

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 DECEMBER 31, 2018

	<u>Clearing - Utility Assessment</u>	<u>Muni Court</u>	<u>Customer Deposits</u>	<u>Total</u>
Assets:				
Current Assets:				
Equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ 2,515,101
Cash in segregated accounts	-	126,723	-	476,856
Restricted Assets:				
Equity in pooled cash and investments	-	-	896,408	896,408
Deposits held and due to others	12,492	-	-	12,492
Total assets	<u>\$ 12,492</u>	<u>\$ 126,723</u>	<u>\$ 896,408</u>	<u>\$ 3,900,857</u>
Liabilities:				
Retainage payable	\$ -	\$ -	\$ -	\$ 350,133
Deposits held and due to others	12,492	126,723	-	2,654,316
Refundable deposits	-	-	896,408	896,408
Total liabilities	<u>\$ 12,492</u>	<u>\$ 126,723</u>	<u>\$ 896,408</u>	<u>\$ 3,900,857</u>

CITY OF WADSWORTH, OHIO
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018

Escrow Accounts	Balance 1/1/2018	Additions	Reductions	Balance 12/31/2018
Assets:				
Cash in segregated accounts	\$ 302,146	\$ 350,133	\$ 302,146	\$ 350,133
Total assets	<u>\$ 302,146</u>	<u>\$ 350,133</u>	<u>\$ 302,146</u>	<u>\$ 350,133</u>
Liabilities:				
Retainage Payable	\$ 302,146	\$ 350,133	\$ 302,146	\$ 350,133
Total liabilities	<u>\$ 302,146</u>	<u>\$ 350,133</u>	<u>\$ 302,146</u>	<u>\$ 350,133</u>
Memorial Park Trust				
Assets:				
Equity in pooled cash and investments	\$ 369	\$ 369	\$ 369	\$ 369
Total assets	<u>\$ 369</u>	<u>\$ 369</u>	<u>\$ 369</u>	<u>\$ 369</u>
Liabilities:				
Deposits held and due to others	\$ 369	\$ 369	\$ 369	\$ 369
Total liabilities	<u>\$ 369</u>	<u>\$ 369</u>	<u>\$ 369</u>	<u>\$ 369</u>
Unclaimed Funds Muni Court				
Assets:				
Equity in pooled cash and investments	\$ 23,086	\$ 23,369	\$ 23,086	\$ 23,369
Total assets	<u>\$ 23,086</u>	<u>\$ 23,369</u>	<u>\$ 23,086</u>	<u>\$ 23,369</u>
Liabilities:				
Deposits held and due to others	\$ 23,086	\$ 23,369	\$ 23,086	\$ 23,369
Total liabilities	<u>\$ 23,086</u>	<u>\$ 23,369</u>	<u>\$ 23,086</u>	<u>\$ 23,369</u>
Unclaimed Funds-City				
Assets:				
Equity in pooled cash and investments	\$ 24,684	\$ 28,925	\$ 24,684	\$ 28,925
Total assets	<u>\$ 24,684</u>	<u>\$ 28,925</u>	<u>\$ 24,684</u>	<u>\$ 28,925</u>
Liabilities:				
Deposits held and due to others	\$ 24,684	\$ 28,925	\$ 24,684	\$ 28,925
Total liabilities	<u>\$ 24,684</u>	<u>\$ 28,925</u>	<u>\$ 24,684</u>	<u>\$ 28,925</u>
Utility Assistance Fund				
Assets:				
Equity in pooled cash and investments	\$ 944	\$ 1,043	\$ 944	\$ 1,043
Total assets	<u>\$ 944</u>	<u>\$ 1,043</u>	<u>\$ 944</u>	<u>\$ 1,043</u>
Liabilities:				
Deposits held and due to others	\$ 944	\$ 1,043	\$ 944	\$ 1,043
Total liabilities	<u>\$ 944</u>	<u>\$ 1,043</u>	<u>\$ 944</u>	<u>\$ 1,043</u>

Continued

CITY OF WADSWORTH, OHIO
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2018

Community Center Project	Balance 1/1/2018	Additions	Reductions	Balance 12/31/2018
Assets:				
Equity in pooled cash and investments	\$ 1,984,310	\$ 1,984,310	\$ 1,984,310	\$ 1,984,310
Total assets	<u>\$ 1,984,310</u>	<u>\$ 1,984,310</u>	<u>\$ 1,984,310</u>	<u>\$ 1,984,310</u>
Liabilities:				
Deposits held and due to others	\$ 1,984,310	\$ 1,984,310	\$ 1,984,310	\$ 1,984,310
Total liabilities	<u>\$ 1,984,310</u>	<u>\$ 1,984,310</u>	<u>\$ 1,984,310</u>	<u>\$ 1,984,310</u>
Clearing Fund				
Assets:				
Equity in pooled cash and investments	\$ 96,365	\$ 156,023	\$ 96,365	\$ 156,023
Total assets	<u>\$ 96,365</u>	<u>\$ 156,023</u>	<u>\$ 96,365</u>	<u>\$ 156,023</u>
Liabilities:				
Deposits held and due to others	\$ 96,365	\$ 156,023	\$ 96,365	\$ 156,023
Total liabilities	<u>\$ 96,365</u>	<u>\$ 156,023</u>	<u>\$ 96,365</u>	<u>\$ 156,023</u>
Payroll Fund				
Assets:				
Equity in pooled cash and investments	\$ 283,039	\$ 297,569	\$ 283,039	\$ 297,569
Total assets	<u>\$ 283,039</u>	<u>\$ 297,569</u>	<u>\$ 283,039</u>	<u>\$ 297,569</u>
Liabilities:				
Deposits held and due to others	\$ 283,039	\$ 297,569	\$ 283,039	\$ 297,569
Total liabilities	<u>\$ 283,039</u>	<u>\$ 297,569</u>	<u>\$ 283,039</u>	<u>\$ 297,569</u>
Water Assessment Trust				
Assets:				
Equity in pooled cash and investments	\$ 10,134	\$ 8,746	\$ 10,134	\$ 8,746
Total assets	<u>\$ 10,134</u>	<u>\$ 8,746</u>	<u>\$ 10,134</u>	<u>\$ 8,746</u>
Liabilities:				
Deposits held and due to others	\$ 10,134	\$ 8,746	\$ 10,134	\$ 8,746
Total liabilities	<u>\$ 10,134</u>	<u>\$ 8,746</u>	<u>\$ 10,134</u>	<u>\$ 8,746</u>

Continued

CITY OF WADSWORTH, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

Sewer Deferred Assessment	Balance 1/1/2018	Additions	Reductions	Balance 12/31/2018
Assets:				
Equity in pooled cash and investments	\$ 27,705	\$ 14,747	\$ 27,705	\$ 14,747
Total assets	<u>\$ 27,705</u>	<u>\$ 14,747</u>	<u>\$ 27,705</u>	<u>\$ 14,747</u>
Liabilities:				
Deposits held and due to others	\$ 27,705	\$ 14,747	\$ 27,705	\$ 14,747
Total liabilities	<u>\$ 27,705</u>	<u>\$ 14,747</u>	<u>\$ 27,705</u>	<u>\$ 14,747</u>
Clearing - Utility Assessment				
Assets:				
Equity in pooled cash and investments	\$ 4,418	\$ -	\$ 4,418	\$ -
Deposits held and due to others	-	12,492	-	12,492
Total assets	<u>\$ 4,418</u>	<u>\$ 12,492</u>	<u>\$ 4,418</u>	<u>\$ 12,492</u>
Liabilities:				
Deposits held and due to others	\$ 4,418	\$ 12,492	\$ 4,418	\$ 12,492
Total liabilities	<u>\$ 4,418</u>	<u>\$ 12,492</u>	<u>\$ 4,418</u>	<u>\$ 12,492</u>
Muni Court				
Assets:				
Cash in segregated accounts	\$ 21,068	\$ 126,723	\$ 21,068	\$ 126,723
Total assets	<u>\$ 21,068</u>	<u>\$ 126,723</u>	<u>\$ 21,068</u>	<u>\$ 126,723</u>
Liabilities:				
Deposits held and due to others	\$ 21,068	\$ 126,723	\$ 21,068	\$ 126,723
Total liabilities	<u>\$ 21,068</u>	<u>\$ 126,723</u>	<u>\$ 21,068</u>	<u>\$ 126,723</u>
Customer Deposits				
Assets:				
Restricted Assets:				
Equity in pooled cash and investments	\$ 869,900	\$ 896,408	\$ 869,900	\$ 896,408
Total assets	<u>\$ 869,900</u>	<u>\$ 896,408</u>	<u>\$ 869,900</u>	<u>\$ 896,408</u>
Liabilities:				
Refundable Deposits	\$ 869,900	\$ 896,408	\$ 869,900	\$ 896,408
Total liabilities	<u>\$ 869,900</u>	<u>\$ 896,408</u>	<u>\$ 869,900</u>	<u>\$ 896,408</u>
TOTAL AGENCY FUNDS				
Assets:				
Equity in pooled cash and investments	\$ 2,455,054	\$ 2,515,101	\$ 2,455,054	\$ 2,515,101
Cash in segregated accounts	323,214	476,856	323,214	476,856
Restricted Assets:				
Equity in pooled cash, cash equivalents and investments	869,900	896,408	869,900	896,408
Deposits held and due to others	-	12,492	-	12,492
Total assets	<u>\$ 3,648,168</u>	<u>\$ 3,900,857</u>	<u>\$ 3,648,168</u>	<u>\$ 3,900,857</u>
Liabilities:				
Retainage payable	\$ 302,146	\$ 350,133	\$ 302,146	\$ 350,133
Deposits held and due to others	2,476,122	2,654,316	2,476,122	2,654,316
Refundable deposits	869,900	896,408	869,900	896,408
Total liabilities	<u>\$ 3,648,168</u>	<u>\$ 3,900,857</u>	<u>\$ 3,648,168</u>	<u>\$ 3,900,857</u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

STATISTICAL SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK

City of Wadsworth, Ohio

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S1 - S12
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue sources: the municipal income tax and the property tax.	S13 - S18
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S19 - S25
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	S26
Operating Information These schedules contain services and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S28 - S38
Sources: Sources of the information presented in this section are provided at the bottom of each schedule. The City implemented the new reporting model prescribed by GASB Statement 34 for the year ended December 31, 2003.	

City of Wadsworth, Ohio

Net Position By Component

Last Ten Years

(Accrual Basis of Accounting)

	2018 (3)	Restated 2017	2016	2015
Governmental Activities				
Net Investment in Capital Assets	\$ 42,064,162	\$ 41,370,066	\$ 40,055,196	\$ 37,607,541
Restricted	7,939,948	8,848,050	8,973,458	10,496,479
Unrestricted	<u>(6,626,114)</u>	<u>(10,211,475)</u>	<u>1,615,807</u>	<u>(196,242)</u>
<i>Total Governmental Activities Net Position</i>	<u>43,377,996</u>	<u>40,006,641</u>	<u>50,644,461</u>	<u>47,907,778</u>
Business Type - Activities				
Net Investment in Capital Assets	68,618,524	67,445,155	67,042,743	63,019,576
Unrestricted	<u>16,463,634</u>	<u>14,093,370</u>	<u>16,481,948</u>	<u>15,605,300</u>
<i>Total Business-Type Activities Net Position</i>	<u>85,082,158</u>	<u>81,538,525</u>	<u>83,524,691</u>	<u>78,624,876</u>
Primary Government				
Net Investment in Capital Assets	110,682,686	108,815,221	107,097,939	100,627,117
Restricted	7,939,948	8,848,050	8,973,458	10,496,479
Unrestricted	<u>9,837,520</u>	<u>3,881,895</u>	<u>18,097,755</u>	<u>15,409,058</u>
<i>Total Primary Government Net Position</i>	<u>\$ 128,460,154</u>	<u>\$ 121,545,166</u>	<u>\$ 134,169,152</u>	<u>\$ 126,532,654</u>

NOTES:

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

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

(3) The City implemented GASB 75 during 2018, and as a result 2017 was restated.

Continued

Restated 2014 (2)	2013	2012	2011 (1)	2010	2009
\$ 34,082,257	\$ 30,975,468	\$ 27,652,789	\$ 24,968,078	\$ 38,668,682	\$ 38,890,685
12,647,495	12,544,168	12,444,429	15,067,789	15,528,872	11,157,801
7,664,110	7,012,414	7,876,795	5,904,151	3,659,079	5,513,182
<u>54,393,862</u>	<u>50,532,050</u>	<u>47,974,013</u>	<u>45,940,018</u>	<u>57,856,633</u>	<u>55,561,668</u>
60,936,466	63,409,337	57,015,769	51,914,458	36,603,685	35,357,502
<u>18,848,040</u>	<u>12,827,606</u>	<u>12,387,704</u>	<u>18,514,874</u>	<u>16,141,933</u>	<u>15,103,425</u>
<u>79,784,506</u>	<u>76,236,943</u>	<u>69,403,473</u>	<u>70,429,332</u>	<u>52,745,618</u>	<u>50,460,927</u>
95,018,723	94,384,805	84,668,558	76,882,536	75,272,367	74,248,187
12,647,495	12,544,168	11,774,608	15,067,789	15,528,872	11,157,801
<u>26,512,150</u>	<u>19,840,020</u>	<u>20,934,320</u>	<u>24,419,025</u>	<u>19,801,012</u>	<u>20,616,607</u>
<u>\$134,178,368</u>	<u>\$126,768,993</u>	<u>\$117,377,486</u>	<u>\$116,369,350</u>	<u>\$110,602,251</u>	<u>\$106,022,595</u>

City of Wadsworth, Ohio

Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

	2018	2017	2016	2015
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 715,768	\$ 1,125,127	\$ 995,222	\$ 692,556
Security of Persons and Property	1,395,252	1,544,367	1,429,331	1,255,895
Public Health	0	0	18,107	23,908
Leisure Time Services	1,263,291	990,309	926,673	1,173,166
Community and Economic Development	296,861	257,916	127,665	366,728
Public Works ¹	0	0	0	0
Transportation	343,096	349,398	363,561	364,342
Intergovernmental	0	0	0	0
Subtotal - Charges for Services	<u>4,014,268</u>	<u>4,267,117</u>	<u>3,860,559</u>	<u>3,876,595</u>
Operating Grants and Contributions:				
General Government	15,167	18,957	6,703	24,490
Security of Persons and Property	9,771	15,262	33,613	4,866
Public Health	0	0	0	0
Leisure Time Services	21,718	6,942	101,850	0
Community and Economic Development	0	2,500	369,595	585,026
Public Works	0	0	0	0
Transportation	1,164,507	1,127,455	1,420,417	1,102,091
Intergovernmental	0	0	0	0
Subtotal - Operating Grants and Contributions	<u>1,211,163</u>	<u>1,171,116</u>	<u>1,932,178</u>	<u>1,716,473</u>
Capital Grants and Contributions:				
General Government	54,458	23,277	905,242	0
Security of Persons and Property	0	0	0	0
Public Health	0	0	0	0
Leisure Time Services	0	372,185	0	0
Community and Economic Development	0	0	0	0
Public Works	0	0	0	0
Transportation	1,197,179	246,434	477,433	1,119,844
	<u>1,251,637</u>	<u>641,896</u>	<u>1,382,675</u>	<u>1,119,844</u>
<i>Total Governmental Activities Program Revenues</i>	<u>6,477,068</u>	<u>6,080,129</u>	<u>7,175,412</u>	<u>6,712,912</u>

Continued

2014	2013	2012	2011	2010	2009
\$ 545,039	\$ 660,499	\$ 517,728	\$ 616,010	\$ 415,956	\$ 1,804,234
1,368,456	1,310,679	1,340,579	1,388,280	1,053,063	1,019,968
6,703	43,597	10,997	16,799	14,508	12,637
1,047,403	1,020,645	615,348	226,537	460,552	759,662
22,526	16,481	49,559	42,082	40,288	48,260
0	0	0	0	828,752	0
344,096	322,749	50,209	31,754	1,037	20,452
0	0	0	0	828	0
<u>3,334,223</u>	<u>3,374,650</u>	<u>2,584,420</u>	<u>2,321,462</u>	<u>2,814,984</u>	<u>3,665,213</u>
5,021	50,711	27,364	46,244	14,222	188,200
31,372	3,069	99,958	226,398	84,341	75,909
5,133	0	1,029	741	701	336
50,783	230,000	7,909	8,986	7,244	2,643
2,241,748	478,423	528,546	277,912	2,265	16,637
0	0	4,778	93,093	0	0
991,154	777,475	10,615	1,740,863	0	0
0	0	0	0	52	0
<u>3,325,211</u>	<u>1,539,678</u>	<u>680,199</u>	<u>2,394,237</u>	<u>108,825</u>	<u>283,725</u>
188,574	136,725	145,251	0	566,630	859,483
0	0	20,662	74,447	0	311,907
0	0	129	0	0	6,828
0	0	990	0	258,347	82,761
0	206,469	545	117,146	209,486	414,934
0	0	0	0	785	0
0	0	5,356	239,370	624,234	136,363
<u>188,574</u>	<u>343,194</u>	<u>172,933</u>	<u>430,963</u>	<u>1,659,482</u>	<u>1,812,276</u>
<u>6,848,008</u>	<u>5,257,522</u>	<u>3,437,552</u>	<u>5,146,662</u>	<u>4,583,291</u>	<u>5,761,214</u>

Continued

City of Wadsworth, Ohio

Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

	2018	2017	2016	2015
Business-Type Activities:				
Charges for Services:				
Electric	35,104,298	32,891,494	33,086,099	30,158,308
Sanitation	2,732,683	2,684,429	2,544,085	2,478,382
Sewer	4,163,397	4,114,742	4,088,798	4,057,291
Storm Water ¹	892,003	891,881	861,624	844,995
Telecom	5,778,436	5,505,819	5,248,649	4,950,215
Water	3,536,688	3,629,400	4,077,047	4,017,560
Subtotal - Charges for Services	<u>52,207,505</u>	<u>49,717,765</u>	<u>49,906,302</u>	<u>46,506,751</u>
Operating & Capital Grants and Contributions				
Electric	0	0	0	15,387
Sewer	146,293	52,563	0	0
Storm Water ¹	818,707	161,166	627,189	0
Water	221,468	546,703	613,978	0
Subtotal - Operating & Capital Grants and Contributions	<u>1,186,468</u>	<u>760,432</u>	<u>1,241,167</u>	<u>15,387</u>
 <i>Total Business-Type Activities Program Revenues</i>	 <u>53,393,973</u>	 <u>50,478,197</u>	 <u>51,147,469</u>	 <u>46,522,138</u>
 <i>Total Primary Government Program Revenues</i>	 <u>59,871,041</u>	 <u>56,558,326</u>	 <u>58,322,881</u>	 <u>53,235,050</u>
 Expenses				
Governmental Activities:				
General Government	3,970,706	3,258,300	3,673,205	2,787,972
Security of Persons and Property	8,592,269	8,344,719	6,645,484	8,000,937
Public Health	126,351	127,183	130,369	121,952
Leisure Time Services	1,747,771	1,626,512	2,440,724	1,431,808
Community and Economic Development	487,254	675,036	1,252,104	1,159,127
Public Works	0	0	0	0
Transportation	3,568,642	4,507,027	3,696,010	3,110,416
Intergovernmental	0	0	0	0
Interest and Fiscal Charges	687,349	780,103	936,989	749,206
Subtotal - Governmental Activities Expenses	<u>19,180,342</u>	<u>19,318,880</u>	<u>18,774,885</u>	<u>17,361,418</u>
 <i>Total Governmental Activities Expenses</i>	 <u>19,180,342</u>	 <u>19,318,880</u>	 <u>18,774,885</u>	 <u>17,361,418</u>
Business-Type Activities:				
Electric	34,759,321	32,860,925	31,952,924	29,730,644
Sanitation	2,032,266	2,369,691	1,913,821	2,012,855
Sewer	3,682,447	3,819,324	3,571,494	3,815,598
Storm Water ¹	728,796	1,059,202	1,081,718	1,089,434
Telecom	5,172,951	5,012,234	4,959,269	4,639,496
Water	3,796,867	4,205,204	3,828,272	3,648,343
Subtotal - Business-Type Activities Expenses	<u>50,172,648</u>	<u>49,326,580</u>	<u>47,307,498</u>	<u>44,936,370</u>
 <i>Total Business-Type Activities Expenses</i>	 <u>50,172,648</u>	 <u>49,326,580</u>	 <u>47,307,498</u>	 <u>44,936,370</u>
 <i>Total Primary Government Expenses</i>	 <u>69,352,990</u>	 <u>68,645,460</u>	 <u>66,082,383</u>	 <u>62,297,788</u>

Continued

2014	2013	2012	2011	2010	2009
31,212,822	30,664,529	28,735,362	30,579,103	30,330,442	29,851,125
2,380,196	2,362,918	2,206,598	2,188,061	2,071,234	1,984,672
4,038,723	3,804,179	3,531,295	3,342,729	3,145,489	3,319,499
842,103	846,807	820,242	833,778	0	0
4,606,769	4,267,447	3,784,001	3,628,336	3,342,778	2,993,393
3,580,692	3,755,438	3,797,973	3,726,491	3,684,369	3,395,906
46,661,305	45,701,318	42,875,471	44,298,498	42,574,312	41,544,595
0	877,724	1,428,578	2,381,437	740,554	0
0	245,002	0	0	267,446	428,629
305,331	124,949	0	82,970	0	0
0	0	208,316	0	0	297,069
305,331	1,247,675	1,636,894	2,464,407	1,008,000	725,698
46,966,636	46,948,993	44,512,365	46,762,905	43,582,312	42,270,293
53,814,644	52,206,515	47,949,917	51,909,567	48,165,603	48,031,507
3,683,873	3,985,055	3,769,536	3,809,401	3,341,356	5,561,354
6,531,114	5,946,408	6,221,933	6,512,974	6,601,561	5,804,358
125,292	125,186	109,054	105,261	103,060	128,140
1,467,632	1,609,321	1,604,855	1,510,485	2,351,287	1,946,859
389,592	1,023,032	929,492	660,516	522,242	616,764
0	0	121,471	200,224	711,713	0
3,192,863	2,893,421	2,920,887	3,186,302	2,928,565	2,803,257
0	0	0	0	7,499	0
751,170	775,567	793,123	781,845	149,109	135,705
16,141,536	16,357,990	16,470,351	16,767,008	16,716,392	16,996,437
30,297,757	27,789,052	26,625,458	28,946,483	28,572,879	28,338,305
2,293,352	2,221,316	2,232,922	2,082,729	2,075,807	1,951,471
3,168,619	3,245,256	3,629,162	3,573,261	3,310,275	3,727,726
821,058	904,253	871,099	986,089	0	0
4,565,953	4,574,954	4,010,252	3,631,490	3,416,318	3,258,997
3,387,965	3,227,991	3,462,781	3,456,315	4,397,523	3,091,449
44,534,704	41,962,822	40,831,674	42,676,367	41,772,802	40,367,948
60,676,240	58,320,812	57,302,025	59,443,375	58,489,194	57,364,385

Continued

City of Wadsworth, Ohio

Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

	2018	2017	2016	2015
Net (Expense)/Revenue				
Governmental Activities	(12,703,274)	(13,238,751)	(11,599,473)	(10,648,506)
Business-Type Activities	3,221,325	1,151,617	3,839,971	1,585,768
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(9,481,949)</u>	<u>(12,087,134)</u>	<u>(7,759,502)</u>	<u>(9,062,738)</u>
General Revenues				
Governmental Activities				
Taxes:				
Property and Other Taxes Levied For:				
General Purposes	2,150,408	2,028,563	1,941,290	2,267,673
Capital Projects	104,395	96,989	105,388	460,081
Emergency Medical Services	1,070,815	962,802	934,032	887,573
Other	81,800	104,600	113,600	100,585
Income Taxes	10,980,927	8,626,387	10,511,611	8,164,920
Payments in Lieu of Taxes	0	0	492,917	832,556
Grants and Entitlements not Restricted to				
Specific Programs	791,624	736,152	909,328	785,870
Investment Earnings	748,380	435,239	249,689	179,246
Other Income	238,037	186,651	225,975	189,990
<i>Total Governmental Activities</i>	<u>16,166,386</u>	<u>13,177,383</u>	<u>15,483,830</u>	<u>13,868,494</u>
Business-Type Activities				
Investment Earnings	423	6	53	2
Special Item - Stranded Costs	0	0	0	0
Other Income	230,128	398,049	271,269	350,569
<i>Total Business-Type Activities</i>	<u>230,551</u>	<u>398,055</u>	<u>271,322</u>	<u>350,571</u>
<i>Total Primary Government General Revenues</i>	<u>16,396,937</u>	<u>13,575,438</u>	<u>15,755,152</u>	<u>14,219,065</u>
Transfers				
Governmental Activities	(91,757)	(150,453)	(1,147,674)	(744,229)
Business-Type Activities	91,757	150,453	1,147,674	744,229
Change in Net Position				
Governmental Activities	3,371,355	(211,821)	2,736,683	2,475,759
Business-Type Activities	3,543,633	1,700,125	5,258,967	2,680,568
<i>Total Primary Government Change in Net Position</i>	<u>\$ 6,914,988</u>	<u>\$ 1,488,304</u>	<u>\$ 7,995,650</u>	<u>\$ 5,156,327</u>

Continued

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

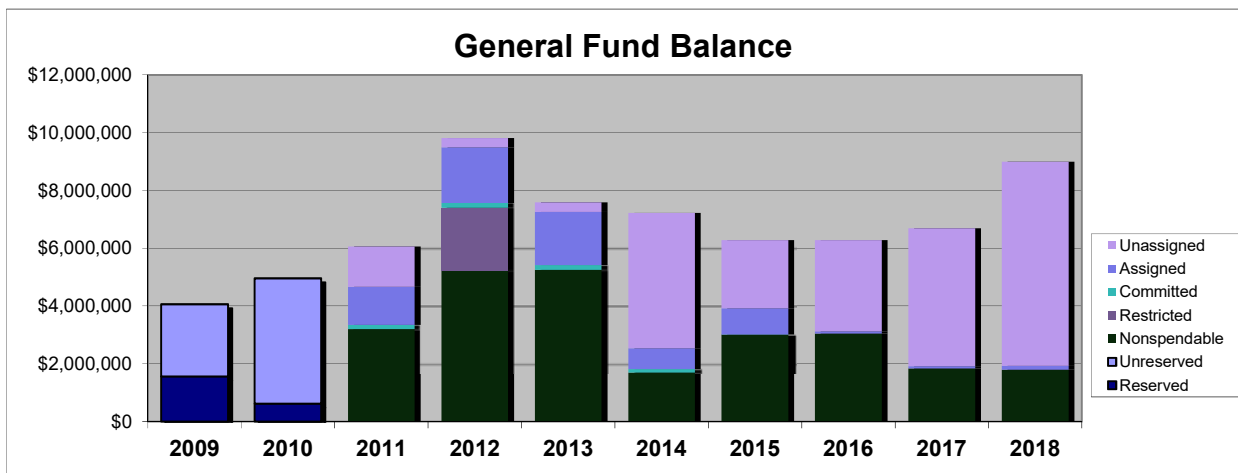
2014	2013	2012	2011	2010	2009
(9,293,528)	(11,100,468)	(13,032,799)	(11,620,346)	(12,133,101)	(11,235,223)
2,431,932	4,986,171	3,680,691	4,086,538	1,809,510	1,902,345
(6,861,596)	(6,114,297)	(9,352,108)	(7,533,808)	(10,323,591)	(9,332,878)
1,839,371	1,160,532	975,659	959,950	1,064,928	1,052,918
449,916	738,827	1,089,450	1,190,052	362,949	416,378
1,130,356	665,179	952,861	891,198	1,613,748	1,717,949
0	0	0	0	0	0
8,661,560	8,532,860	7,679,436	6,851,870	6,480,155	6,477,735
653,962	612,180	115,400	105,000	99,000	0
840,111	1,692,722	3,194,245	2,527,284	4,495,881	4,398,252
212,384	174,447	145,550	150,965	109,972	195,647
131,219	144,354	25,268	76,641	201,433	88,582
13,918,879	13,721,101	14,177,869	12,752,960	14,428,066	14,347,461
2	2	56,115	40,295	23,885	108,016
0	1,510,027	(4,584,933)	0	0	0
352,090	274,674	131,222	507,652	451,296	6,915
352,092	1,784,703	(4,397,596)	547,947	475,181	114,931
14,270,971	15,505,804	9,780,273	13,300,907	14,903,247	14,462,392
(763,539)	(62,596)	0	0	0	69,566
763,539	62,596	0	0	0	(69,566)
3,861,812	2,558,037	1,145,070	1,132,614	2,294,965	3,181,804
3,547,563	6,833,470	(716,905)	4,634,485	2,284,691	1,947,710
\$ 7,409,375	\$ 9,391,507	\$ 428,165	\$ 5,767,099	\$ 4,579,656	\$ 5,129,514

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

	2018	2017	2016	2015	2014
General Fund					
Nonspendable	\$ 1,785,332	\$ 1,838,054	\$ 3,041,640	\$ 3,003,364	\$ 1,688,467
Restricted ¹	0	0	0	0	0
Committed	0	0	0	1,400	128,232
Assigned	142,301	70,493	77,857	906,761	713,106
Unassigned	7,076,962	4,782,304	3,170,977	2,370,945	4,695,499
Reserved	0	0	0	0	0
Unreserved	0	0	0	0	0
Total General Fund	9,004,595	6,690,851	6,290,474	6,282,470	7,225,304
All Other Governmental Funds					
Nonspendable	419,217	373,202	322,769	1,073,212	255,470
Restricted	10,557,593	9,697,141	9,485,052	9,492,012	11,769,497
Committed	2,926,177	2,840,958	2,515,396	2,589,267	211,731
Unassigned	(437,646)	(799,845)	(4,337,035)	(1,929,869)	(2,020,725)
Reserved	0	0	0	0	0
Unreserved, Undesignated (Deficit), Reported in:					
Special Revenue Funds	0	0	0	0	0
Capital Projects Funds	0	0	0	0	0
Total All Other Governmental Funds	13,465,341	12,111,456	7,986,182	11,224,622	10,215,973
Total Governmental Funds	\$ 22,469,936	\$ 18,802,307	\$ 14,276,656	\$ 17,507,092	\$ 17,441,277

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

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



Continued

2013	2012 ¹	2011	2010	2009
\$ 5,243,091	\$ 5,223,616	\$ 3,191,006	0	0
0	2,181,148	0	0	0
170,028	162,176	150,998	0	0
1,849,862	1,934,414	1,315,726	0	0
331,919	317,964	1,406,960	0	0
0	0	0	\$ 611,466	\$ 1,557,563
0	0	0	4,344,340	2,503,732
<u>7,594,900</u>	<u>9,819,318</u>	<u>6,064,690</u>	<u>4,955,806</u>	<u>4,061,295</u>
308,564	3,798,311	336,264	0	0
11,805,616	6,258,676	14,058,202	0	0
169,956	1,661,064	1,458,238	0	0
(1,331,229)	(740,323)	(340,450)	0	0
0	0	0	3,264,480	3,473,817
0	0	0	8,075,725	8,404,961
0	0	0	4,674,201	490,946
<u>10,952,907</u>	<u>10,977,728</u>	<u>15,512,254</u>	<u>16,014,406</u>	<u>12,369,724</u>
<u>\$ 18,547,807</u>	<u>\$ 20,797,046</u>	<u>\$ 21,576,944</u>	<u>\$ 20,970,212</u>	<u>\$ 16,431,019</u>

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

	2018	2017	2016	2015
Revenues				
Real and Other Taxes	\$ 3,406,732	\$ 3,188,601	\$ 3,071,586	\$ 3,720,489
Income Taxes	10,199,442	9,164,893	8,672,404	8,062,643
Payments in Lieu of Taxes	0	0	492,917	832,556
Special Assessments	105,822	17,465	165,842	68,538
Charges for Services	2,684,917	2,112,710	1,880,994	2,214,049
Licenses and Permits	470,067	508,462	532,199	524,437
Fines and Forfeitures	573,889	616,296	541,708	593,603
Intergovernmental	2,504,549	3,067,807	3,272,209	2,981,735
Investment income	750,043	435,770	250,050	179,406
Rental income	71,721	28,432	516,312	25,737
Contributions and Donations	19,158	13,692	130,786	2,988
Refunds and Reimbursements	0	123,358	148,355	111,697
Other	449,462	767,071	177,397	448,902
<i>Total Revenues</i>	<u>21,235,802</u>	<u>20,044,557</u>	<u>19,852,759</u>	<u>19,766,780</u>
Expenditures				
Current:				
General Government	3,288,046	3,354,738	3,318,672	3,513,440
Security of Persons and Property	7,018,647	6,900,401	6,533,973	6,639,490
Public Health	126,342	127,183	130,405	121,980
Leisure Time Services	1,414,085	1,760,184	2,181,849	1,297,382
Community and Economic Development	494,444	615,836	1,237,451	1,156,155
Public Works	0	0	0	0
Transportation	3,617,134	2,832,557	3,779,405	2,654,515
Intergovernmental	0	0	0	0
Capital Outlay	330,028	1,869,605	4,880,254	3,068,043
Debt Service:				
Principal Retirement	483,026	172,871	2,782	452,646
Interest and Fiscal Charges	648,849	672,290	637,848	746,308
Issuance Costs	0	59,917	196,717	0
<i>Total Expenditures</i>	<u>17,420,601</u>	<u>18,365,582</u>	<u>22,899,356</u>	<u>19,649,959</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,815,201</u>	<u>1,678,975</u>	<u>(3,046,597)</u>	<u>116,821</u>
Other Financing Sources (Uses)				
Notes Issued	4,544	0	0	0
Bonds Issued	0	2,220,000	17,630,000	0
Premium on Debt Issued	0	102,668	598,691	0
Loans Issued	0	658,788	0	0
Proceeds from Sale of Capital Assets	11,162	28,500	113,128	66,015
Transfers In	115,785	1,973,521	251,299	151,467
Transfers Out	(279,063)	(2,136,801)	(739,700)	(268,488)
Other Financing Uses	0	0	(18,037,257)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(147,572)</u>	<u>2,846,676</u>	<u>(183,839)</u>	<u>(51,006)</u>
<i>Net Change in Fund Balances</i>	<u>\$ 3,667,629</u>	<u>\$ 4,525,651</u>	<u>\$ (3,230,436)</u>	<u>\$ 65,815</u>
Debt Service as a Percentage of Noncapital Expenditures	7.3%	5.7%	3.6%	7.2%

Continued

	2014	2013	2012	2011	2010	2009
\$	3,433,871	\$ 2,581,162	\$ 3,034,146	\$ 3,121,651	\$ 2,996,532	\$ 3,167,698
	8,613,796	8,262,502	7,611,247	6,741,133	6,573,369	6,591,226
	653,962	612,180	115,400	105,000	99,000	0
	86,206	117,860	128,722	117,146	184,287	84,377
	2,080,205	2,041,901	1,367,216	1,128,411	1,857,582	2,210,771
	446,013	415,605	486,210	407,278	390,012	938,955
	637,310	641,820	692,486	715,652	653,093	261,333
	3,575,058	3,186,386	4,576,149	4,537,339	6,145,906	5,475,695
	212,694	174,773	182,294	206,885	109,972	195,647
	72,519	72,295	5,400	1,400	9,400	236,945
	56,442	233,251	11,426	3,505	9,631	57,908
	123,039	0	0	0	0	0
	209,384	710,509	25,268	75,241	201,433	88,582
	<u>20,200,499</u>	<u>19,050,244</u>	<u>18,235,964</u>	<u>17,160,641</u>	<u>19,230,217</u>	<u>19,309,137</u>
	3,775,373	3,921,993	3,529,686	3,277,952	2,891,212	5,215,166
	6,383,016	6,419,692	5,999,955	5,986,941	6,034,330	5,418,631
	125,315	125,208	110,517	105,402	100,441	83,021
	1,331,935	1,668,959	1,551,703	1,461,356	2,099,175	1,855,581
	390,100	1,053,406	941,155	655,562	516,310	606,807
	0	0	123,100	200,224	690,694	4,636
	2,664,891	2,406,833	2,460,481	2,698,700	2,054,047	2,000,080
	0	0	0	0	7,499	0
	4,654,288	4,255,788	1,698,178	925,826	17,813,141	2,417,711
	667,558	642,455	627,351	197,254	252,161	372,072
	752,064	756,578	774,643	785,044	100,713	137,073
	0	0	0	0	360,988	53,149
	<u>20,744,540</u>	<u>21,250,912</u>	<u>17,816,769</u>	<u>16,294,261</u>	<u>32,920,711</u>	<u>18,163,927</u>
	<u>(544,041)</u>	<u>(2,200,668)</u>	<u>419,195</u>	<u>866,380</u>	<u>(13,690,494)</u>	<u>1,145,210</u>
	0	0	0	0	0	0
	0	0	0	0	18,290,000	2,015,000
	0	0	0	0	0	33,222
	0	0	0	0	0	0
	54,264	14,025	35,217	3,810	39,648	0
	121,096	215,252	1,594,303	6,914,635	6,845,800	7,339,800
	(737,849)	(277,848)	(1,594,303)	(6,911,048)	(6,842,213)	(7,339,800)
	0	0	0	0	(103,548)	0
	<u>(562,489)</u>	<u>(48,571)</u>	<u>35,217</u>	<u>7,397</u>	<u>18,229,687</u>	<u>2,048,222</u>
\$	<u>(1,106,530)</u>	<u>(2,249,239)</u>	<u>\$ 454,412</u>	<u>\$ 873,777</u>	<u>\$ 4,539,193</u>	<u>\$ 3,193,432</u>
	9.1%	8.4%	8.8%	6.4%	2.3%	3.4%

City of Wadsworth, Ohio

Assessed Valuation and Estimated Actual Values of Taxable Property

Last Ten Years

Collection Year	Real Property (a)		Public Utility Property (b)	Tangible Personal Property (c)	Tax Exempt Real Property
	Residential/Agricultural	Commercial Industrial/PU			
2018	\$389,480,310	\$ 128,841,150	\$ 829,030	0	\$ 91,909,620
2017	382,457,780	126,486,420	797,960	0	87,481,540
2016	345,155,040	109,741,200	761,170	0	91,083,610
2015	341,109,680	108,163,140	728,220	0	92,156,500
2014	336,977,510	104,328,790	705,290	0	93,134,100
2013	365,802,220	104,399,470	676,760	0	64,359,360
2012	362,232,680	105,674,510	615,470	0	64,973,380
2011	360,319,920	105,174,960	615,470	0	65,910,500
2010	398,307,240	102,405,800	596,720	\$ 272,055	65,973,740
2009	397,144,370	99,296,020	584,720	585,540	n/a

Source: Medina County Auditor, Medina Ohio

Property in the county is reassessed annually.

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

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

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

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

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

(d) Does not include tax-exempt property.

Continued

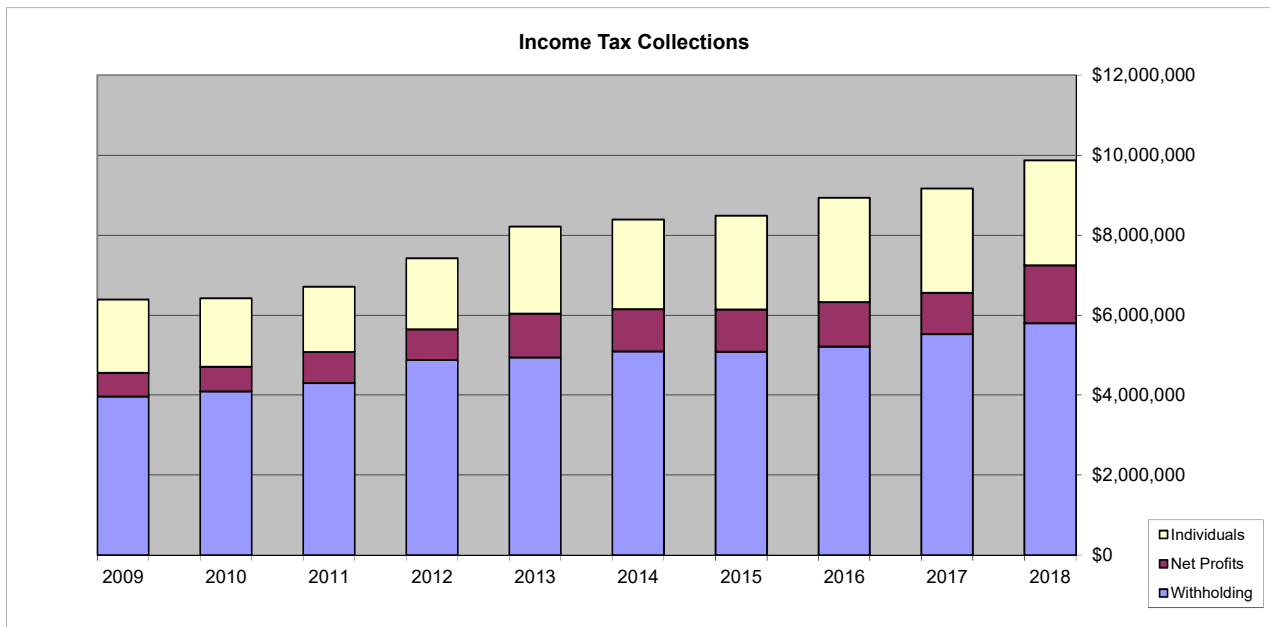
<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value (d)</u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$ 519,150,490	4.90	\$ 1,481,860,537	35.03%
509,742,160	4.70	1,455,033,058	35.03%
455,657,410	4.70	1,300,568,509	35.04%
450,001,040	5.80	1,284,464,151	35.03%
442,011,590	5.80	1,261,676,609	35.03%
470,878,450	5.80	1,344,202,445	35.03%
468,522,660	5.80	1,337,577,083	35.03%
466,110,350	5.80	1,330,684,769	35.03%
501,581,815	5.80	1,431,286,777	35.04%
497,610,650	5.80	1,419,065,569	35.07%

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

Tax Year	Tax Rate	Total Tax Collected (1)	Adjustments	Percentage of Adjustments	Taxes From Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes from Individual Payments	Percentage of Taxes from Individual Payments
2018	1.4%	\$ 9,979,235	\$ 109,567	1.10%	\$ 5,795,765	58.08%	\$ 1,447,273	14.50%	\$ 2,626,631	26.32%
2017	1.4%	9,221,134	57,472	0.62%	5,523,435	59.90%	1,032,256	11.19%	2,607,971	28.28%
2016	1.4%	8,921,694	(9,756)	-0.11%	5,210,661	58.40%	1,113,807	12.48%	2,606,982	29.22%
2015	1.4%	8,592,975	105,320	1.23%	5,082,661	59.15%	1,055,262	12.28%	2,349,732	27.34%
2014	1.4%	8,648,629	259,672	3.00%	5,090,287	58.86%	1,055,632	12.21%	2,243,038	25.94%
2013	1.4%	8,358,492	143,662	1.72%	4,937,985	59.08%	1,095,886	13.11%	2,180,959	26.09%
2012	1.4%	7,580,998	164,172	2.17%	4,871,985	64.27%	772,196	10.19%	1,772,645	23.38%
2011	1.3%	6,897,196	188,226	2.73%	4,297,884	62.31%	775,851	11.25%	1,635,235	23.71%
2010	1.3%	6,603,817	185,280	2.81%	4,094,600	62.00%	609,982	9.24%	1,713,955	25.95%
2009	1.3%	6,511,354	124,325	1.91%	3,960,924	60.83%	591,822	9.09%	1,834,283	28.17%

Source: Central Collection Agency - Cleveland, OH & Regional Income Tax Agency - Brecksville, OH

(1) Gross Collections - Cash Basis of Accounting



City of Wadsworth, Ohio

Principal Employers

2018 vs. 2009

Employer	2018		2009	
	Rank	Percent of Total Withholding Taxes Paid	Rank	Percent of Total Withholding Taxes Paid
Wadsworth City School District	1	6.70%	1	7.77%
City of Wadsworth	2	3.42%	3	4.84%
Rohrer Corporation	3	2.61%	4	2.74%
WalMart Assoc Inc	4	2.57%	5	2.47%
ECS Tuning LLC	5	2.43%		
Clampco Products	6	2.27%		
Remington Products	7	2.04%	10	1.53%
Soprema Inc	8	2.04%		
Parker Hannifin Corp	9	1.92%	6	2.30%
Distribution Services Co (Cornwell)	10	1.84%		
Summa Health System			2	7.45%
Louis Perry & Associates Inc.			7	2.02%
Omnicare ESC LLC			8	1.91%
Michael Day Enterprises Inc			9	1.60%
Total of Top Ten *		<u>27.84%</u>		<u>34.63%</u>

* Percentage presented is only for the top 10 employers in each respective year.

Source: Central Collection Agency records for 2009; Regional Income Tax Agency (RITA) records for 2018.

City of Wadsworth, Ohio

Principal Property Taxpayers

2018 vs. 2009

Taxpayer	2018	
	Property Assessed Valuation	Percentage of Total Assessed Valuation
FC Stratford Crossings LLC	\$6,365,820	1.23%
Liberty Residense Holding	3,479,190	0.67%
Walmart Real Estate	3,454,310	0.67%
Inn at Coalridge Limited	3,341,120	0.64%
T Wadsworth Crossings OH LLC	2,893,620	0.56%
Wadsworth Two LLC	2,310,380	0.45%
RC Wadsworth Funding Company	2,248,120	0.43%
HD Development of Maryland Inc	2,247,000	0.43%
Lowe's Home Centers Inc	2,283,320	0.44%
Big Sky Park LLC	2,143,920	0.41%
TOTAL	\$30,766,800	5.93%
Total Assessed Property Valuation	\$519,150,490	
	2009	
Taxpayer	Property Assessed Valuation	Percentage of Total Assessed Valuation
Big Sky Inc	\$3,279,400	0.66%
DJB No 23 LP	2,847,850	0.57%
Ebner Furnaces Inc	2,536,480	0.51%
Day Family Enterprises LLC	2,441,390	0.49%
Stratford Crossing LTD	2,368,340	0.48%
Rohrer Properties	1,852,900	0.37%
Priority II LLC	1,745,470	0.35%
Wal-Mart Real Estate	1,736,840	0.35%
Soprema USA Inc	1,519,710	0.31%
Buehler Food Market	1,500,480	0.30%
TOTAL	\$21,828,860	4.39%
Total Assessed Property Valuation	\$497,610,650	

Source: Medina County Auditor, Medina Ohio

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Collections to Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2018	\$2,504,941	\$ 2,401,375	95.87%	\$ 45,093	\$ 2,446,468	97.67%	\$ 31,449	1.26%
2017	2,359,935	2,279,087	96.57%	38,822	2,317,909	98.22%	29,245	1.24%
2016	2,188,167	2,097,774	95.87%	57,322	2,155,096	98.49%	8,648	0.40%
2015	2,577,229	2,422,194	93.98%	57,571	2,479,765	96.22%	9,429	0.37%
2014	2,587,604	2,411,866	93.21%	77,930	2,489,796	96.22%	55,938	2.16%
2013	2,745,491	2,535,165	92.34%	81,128	2,616,293	95.29%	67,120	2.44%
2012	2,728,428	2,504,698	91.80%	82,110	2,586,808	94.81%	82,720	3.03%
2011	2,574,610	2,487,748	96.63%	127,257	2,615,005	101.57%	108,640	4.22%
2010	2,802,032	2,531,524	90.35%	88,332	2,619,856	93.50%	115,559	4.12%
2009	2,745,743	2,491,596	90.74%	84,079	2,575,675	93.81%	74,096	2.70%

Source: Medina County, Ohio; County Auditor

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

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

City of Wadsworth, Ohio
Ratios of Outstanding Debt by Type
Last Ten Years

Fiscal Year	Governmental Activities					Business-type Activities										Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	General Obligation BANs	OWPC Loan	Income Tax Revenue Bonds	Stormwater G.O. Bonds	Sewer G.O. Bonds	Water G.O. Bonds	Electric G.O. Bonds	General Obligation BANs	Telecomm G.O. Bonds	OWPC Loan	OWDA Loan	Electric Revenue Bonds	Electric AMP Loan	Electric AMP Stranded Costs			
2018 (7 - 8)	\$ 2,235,125	\$ -	\$ 663,662	\$ 17,591,922	\$ 806,228	\$ 1,227,120	\$ 8,417,450	\$ 40,551	\$ -	\$ 154,452	\$ 67,228	\$ 12,153,195	\$ -	\$ 1,846,689	\$ 2,767,503	\$ 47,971,125	5.75%	\$ 2,043
2017	2,320,153	0	658,788	18,018,630	883,081	1,274,875	8,937,347	76,102	0	160,085	72,830	13,304,436	0	2,470,689	3,326,977	51,503,993	7.67%	2,226
2016	0	2,425,250	0	18,215,337	583,552	1,116,533	8,286,624	0	3,034,750	0	78,432	14,420,133	0	3,094,689	3,894,944	54,145,364	8.77%	2,477
2015	0	1,040,000	0	16,446,792	654,621	1,472,004	8,744,100	0	3,415,000	0	84,034	15,501,615	0	3,718,689	4,463,785	54,215,840	8.94%	2,482
2014 (6)	0	1,095,000	0	16,892,957	725,690	1,827,755	9,196,576	0	3,655,000	0	0	16,549,937	0	4,342,689	5,036,864	57,677,468	9.78%	2,641
2013 (5)	218,437	0	0	17,339,122	786,759	2,183,306	9,634,052	0	0	0	0	17,565,266	0	4,961,992	5,604,614	56,328,548	9.66%	2,579
2012 (4)	431,875	0	0	17,765,287	842,828	2,553,856	10,076,528	0	0	0	0	18,550,064	0	5,585,992	0	53,506,430	9.09%	2,468
2011	635,312	0	0	18,186,452	908,896	2,844,406	10,504,003	0	0	0	0	19,304,560	\$ 7,177,875	0	0	57,201,504	11.91%	3,045
2010 (3)	833,750	0	0	18,186,452	959,966	3,149,588	10,896,480	0	0	0	0	20,429,684	7,713,174	0	0	59,334,464	11.42%	3,102
2009 (2)	1,032,187	0	0	0	1,016,035	345,509	1,544,361	0	0	0	0	21,326,340	8,228,474	0	0	33,492,906	7.15%	1,956

- (1) See S-27 for personal income and population data.
- (2) The City issued \$3.9 million in General Obligation Bonds to retire \$3.2 million in interfund transactions and to fund new street improvement and stormwater drainage and management facilities.
- (3) The City issued \$18.3 million in Income Tax Revenue Bonds to construct a new community center. The City also issued \$9.4 million in G.O. Bonds to make water system improvements.
- (4) AMP loan proceeds were used to redeem the electric revenue bonds.
- (5) The City booked the AMP Stranded Liability of \$5,791M with a 10 year term.
- (6) The City issued \$4.75 million in General Obligation Notes for various capital improvements.
- (7) The City issued \$5.015 million in Various Purpose Bonds to pay off Street Improvement Notes, Series 2016 and Various Purpose Notes, Series 2016.
- (8) The City received \$658,788 in OPWC Loan proceeds for safety improvements.

City of Wadsworth, Ohio
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2018*

	Debt Attributable to Governmental Activities	Percentage Applicable to Wadsworth (1)	Amount of Direct and Overlapping Debt
<u>Direct Debt:</u>			
City of Wadsworth	\$20,490,709	100.00%	\$20,490,709
Total Direct Debt	\$20,490,709		\$20,490,709
<u>Overlapping Debt:</u>			
Payable from Property Taxes			
Medina County Bonds ⁽²⁾	\$8,923,767	10.25%	\$914,686
Highland School District ⁽⁴⁾	97,489,664	2.69%	2,622,472
Payable from Other Sources			
Medina County Special Assessment Bonds ⁽²⁾	215,000	10.25%	22,038
Medina County OPWC Loans ⁽²⁾	70,899	10.25%	7,267
Wadsworth City School District Bonds ⁽³⁾	72,577,592	66.87%	48,532,636
Total Overlapping Debt	\$179,276,922		\$52,099,098
Total	\$199,767,631		\$72,589,807

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations were for the 2018 collection year (2017 tax year.)

(2) Source - Medina County Auditor's Office

(3) Source - Highland Local School District CAFR - reported as of June 30, 2018

(4) Source - Wadsworth City Schools - reported as of June 30, 2018

City of Wadsworth, Ohio
*Ratio of General Obligation Bonded Debt to Estimated True
Value of Taxable Property and Bonded Debt Per Capita
Last Ten Years*

Fiscal Year	Total General Obligation Bonded Debt	Resources Available for Principal Payment	Net General Obligation Bonded Debt	Estimated Actual Value of Taxable Property	Ratio of Net General Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt per Capita
2018	\$12,880,926	\$2,020	\$12,878,906	\$1,481,860,537	0.87%	\$548.60
2017	13,651,643	26,113	13,625,530	1,455,033,058	0.94%	588.93
2016	12,016,579	17,958	11,998,621	1,300,568,509	0.92%	548.88
2015	12,960,925	744	12,960,181	1,284,464,151	1.01%	593.36
2014	13,760,021	1,052	13,758,969	1,261,676,609	1.09%	629.93
2013	10,857,554	5,316	10,852,238	1,344,202,445	0.81%	496.85
2012	11,605,087	200,371	11,404,716	1,337,577,083	0.85%	525.98
2011	12,332,617	1,089,861	11,242,756	1,330,684,769	0.84%	521.29
2010	13,005,154	1,197,458	11,807,696	1,431,286,777	0.82%	547.49
2009	3,938,092	1,152,383	2,785,709	1,419,065,569	0.20%	134.60

This page intentionally left blank.

City of Wadsworth, Ohio

Legal Debt Margin Information

Last Ten Years

	2018	2017	2016	2015	2014	2013
Overall Debt Limitation (10.5% of Assessed Valuation)	\$54,510,801	\$53,522,927	\$47,844,028	\$47,250,109	\$36,632,136	\$49,442,237
Net Debt Applicable to Debt Limit	<u>2,235,125</u>	<u>2,320,153</u>	<u>1,440,000</u>	<u>1,040,000</u>	<u>7,550,125</u>	<u>3,322,582</u>
Overall Legal Debt Margin (10.5% of Assessed Valuation)	<u>\$52,275,676</u>	<u>\$51,202,774</u>	<u>\$46,404,028</u>	<u>\$46,210,109</u>	<u>\$29,082,011</u>	<u>\$46,119,655</u>
Legal Debt Margin as a Percentage of Debt Limit	95.90%	95.67%	96.99%	97.80%	79.39%	93.28%
Unvoted Debt Limitation (5.5% of Assessed Valuation)	\$28,553,277	\$28,035,819	\$25,061,158	\$24,750,057	\$19,188,262	\$25,898,315
Net Debt Applicable to Debt Limit	<u>2,235,125</u>	<u>2,320,153</u>	<u>1,440,000</u>	<u>1,040,000</u>	<u>7,550,125</u>	<u>3,322,582</u>
Unvoted Legal Debt Margin (5.5% of Assessed Valuation)	<u>\$26,318,152</u>	<u>\$25,715,666</u>	<u>\$23,621,158</u>	<u>\$23,710,057</u>	<u>\$11,638,137</u>	<u>\$22,575,733</u>
Legal Debt Margin as a Percentage of Debt Limit	92.17%	91.72%	94.25%	95.80%	60.65%	87.17%

Legal Debt Margin Calculation for Fiscal Year 2018

	Unvoted Margin Within 5.5%	Overall Margin Within 10.5%
Assessed property value	<u>\$519,150,490</u>	<u>\$519,150,490</u>
Overall Debt Limitation (percentage of assessed valuation)	\$28,553,277	\$54,510,801
Gross Indebtedness	47,971,125	47,971,125
Less: Stormwater G.O. Bonds	(806,228)	(806,228)
OWPC Loan	(730,890)	(730,890)
Income Tax Revenue Bonds	(17,591,922)	(17,591,922)
Water Revenue Bonds	(8,417,450)	(8,417,450)
OWDA Loan	(12,153,195)	(12,153,195)
Sewer G.O. Bonds	(1,227,120)	(1,227,120)
Telecom G.O. Bonds	(154,452)	(154,452)
Electric G.O. Bonds	(40,551)	(40,551)
Electric AMP Loan	(1,846,689)	(1,846,689)
Electric AMP Stranded Costs	(2,767,503)	(2,767,503)
Net Debt Applicable to Debt Limit	<u>2,235,125</u>	<u>2,235,125</u>
Legal Debt Margin Within Limitations	<u>\$26,318,152</u>	<u>\$52,275,676</u>

Note: Under State of Ohio finance law, the City of Wadsworth's outstanding general obligation debt that is supported through real estate value should not exceed 10.5 percent of total assessed property value. In addition, the outstanding general obligation debt net of voted debt should not exceed 5.5 percent of total assessed property value. By law, the general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds.

Continued

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$49,194,879	\$48,941,587	\$52,666,091	\$52,249,118
<u>2,666,855</u>	<u>1,383,448</u>	<u>2,128,369</u>	<u>2,774,864</u>
<u>\$46,528,024</u>	<u>\$47,558,139</u>	<u>\$50,537,722</u>	<u>\$49,474,254</u>
94.58%	97.17%	95.96%	94.69%
\$25,768,746	\$25,636,069	\$27,587,000	\$27,368,586
<u>2,666,855</u>	<u>1,383,448</u>	<u>2,128,369</u>	<u>2,774,864</u>
<u>\$23,101,891</u>	<u>\$24,252,621</u>	<u>\$25,458,631</u>	<u>\$24,593,722</u>
89.65%	94.60%	92.28%	89.86%

City of Wadsworth, Ohio
Pledged Revenue Coverage
Income Tax Revenue Bonds
Last Nine Years

Fiscal Year	Income Taxes	Direct Operating Expenses (1)	Net Available Revenues	Debt Service (2)		Coverage
				Principal	Interest	
2018	\$ 10,199,442	\$ 321,884	\$ 9,877,558	\$ 400,000	\$ 551,956	1037.6%
2017	9,164,893	339,626	8,825,267	475,000	673,138	768.7%
2016	8,672,404	347,549	8,324,855	460,000	686,363	726.2%
2015	8,062,643	493,218	7,569,425	450,000	697,613	659.6%
2014	8,613,796	389,254	8,224,542	450,000	707,738	710.4%
2013	8,262,502	447,833	7,814,669	430,000	716,338	681.7%
2012	7,611,247	413,509	7,197,738	425,000	724,838	626.0%
2011	6,741,133	527,629	6,213,504	0	724,838	857.2%
2010	6,573,369	566,969	6,006,400	0	597,991	1004.4%

Note: For each type of non-general obligation debt backed by pledged revenues, the City should present gross revenues (and, if applicable, specific expenses, to produce net available revenues) principal and interest requirements, and a coverage ratio.

(1) Direct operating expenses do not include depreciation expense.

(2) Debt Service payments started in 2010.

City of Wadsworth, Ohio
Pledged Revenue Coverage
Ohio Water Development Authority Loan
Last Ten Years

Fiscal Year	Sewer Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2018	\$ 4,163,429	\$ 2,112,592	\$ 2,050,837	\$ 1,151,241	\$ 390,566	133.0%
2017	4,122,930	2,288,025	1,834,905	1,115,697	445,570	117.5%
2016	4,088,798	2,142,160	1,946,638	1,081,604	479,909	124.7%
2015	4,062,756	2,172,628	1,890,128	1,048,322	513,191	121.0%
2014	4,039,018	1,891,709	2,147,309	1,015,329	546,184	137.5%
2013	3,804,179	1,778,471	2,025,708	984,798	576,714	129.7%
2012	3,543,391	2,261,390	1,282,001	954,495	612,018	81.8%
2011	3,356,742	2,092,367	1,264,375	925,124	636,389	81.0%
2010	3,153,796	1,867,981	1,285,815	896,657	664,856	82.3%
2009	3,361,223	2,321,467	1,039,756	869,066	692,447	66.6%

Note: For each type of non-general obligation debt backed by pledged revenues, the City should present gross revenues (and, if applicable, specific expenses, to produce net available revenues) principal and interest requirements, and a coverage ratio.

(1) Direct operating expenses do not include depreciation expense.

City of Wadsworth, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1a)	Total Personal Income (5)	Personal Income Per Capita (1b)	Median Household Income (1b)	Unemployment Rate (2)		City Square Miles(3)	Average Sales Price of Residential Property (4)	Median Age(1c)
					Medina County	State of Ohio			
2018	23,476	\$ 833,844,044	\$ 35,519	\$ 70,232	4.1	4.6	11.294	\$ 158,879	39.6
2017	23,136	671,753,760	29,035	67,137	4.7	5	11.294	158,880	39.3
2016	21,860	617,370,120	28,242	64,806	4.3	4.9	11.294	148,701	39.7
2015	21,842	606,508,656	27,768	58,007	4.3	4.7	11.200	139,447	40.4
2014	21,842	589,712,158	26,999	57,539	5.2	5.7	11.070	146,127	37.6
2013	21,842	583,094,032	26,696	57,150	6.5	6.4	10.633	131,113	38.7
2012	21,683	588,433,254	27,138	58,868	6	7.2	10.633	137,441	40.2
2011	21,567	551,360,355	25,565	59,178	6.7	8.6	10.633	127,282	37.8
2010	21,567	586,083,225	27,175	57,060	8.4	10.1	10.633	130,649	37.5
2009	20,696	566,159,766	27,356	57,821	8.3	10.2	10.633	130,639	36.5

- (1) Source: (a) U.S. Census Bureau: U.S. Census Quick Facts
(b) U.S. Census Bureau: American Fact Finder - Community Facts
(c) U.S. Census Bureau: American Fact Finder - Community Facts
(2) Source: Ohio Labor Market Information, U.S. Bureau of Labor Statistics
(3) Source: City of Wadsworth Planning Department and Engineering Department
(4) Source: Medina County Auditor's Office Monthly Property Transfers
(5) Computation of per capita personal income multiplied by population

City of Wadsworth, 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
<u>Governmental-Type Activities:</u>										
General Government										
Auditor	7.0	6.5	6.5	7.0	6.5	6.0	6.0	6.0	6.0	6.0
Council	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Engineering	6.0	7.0	9.0	9.5	9.0	9.5	10.5	9.5	10.0	11.0
Human Resources	1.5	1.5	1.5	2.0	2.0	3.5	3.5	3.5	3.5	3.5
Income Tax	1.0	1.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Law Director	4.0	4.0	4.0	4.0	4.0	3.5	3.5	3.5	3.5	3.5
Mayor	3.0	2.5	3.0	3.5	3.5	3.0	3.0	3.0	2.5	3.0
Municipal Court	12.5	10.0	13.0	13.0	13.5	12.5	12.0	11.5	13.5	13.0
Service Director	2.5	3.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Treasurer	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Security of Persons and Property										
Emergency Medical Services	13.0	16.0	18.5	18.5	19.5	18.5	17.5	19.0	23.5	22.0
Fire	18.5	19.0	19.0	19.0	18.5	19.0	18.0	16.0	15.0	17.0
Police	40.5	40.5	41.5	39.5	39.0	40.0	39.5	41.5	39.5	44.5
Safety Director	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Health										
Animal Control	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Leisure Time Services										
Parks	11.0	8.5	10.0	9.5	8.0	10.0	10.0	14.0	14.0	13.0
Recreation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	35.5	44.0
Senior Center	2.5	2.5	2.5	2.5	2.5	2.5	3.0	3.0	2.5	3.0
Wadsworth Cable Television	4.5	4.0	4.0	4.5	4.0	5.0	5.0	5.0	4.5	5.5
Community and Economic Development										
Building & Planning	2.5	2.5	2.5	3.0	3.0	2.5	2.5	2.5	2.5	3.0
Transportation Services										
Streets	17.0	17.5	17.5	17.5	16.5	17.5	18.0	18.5	23.5	21.5
<u>Business-Type Activities:</u>										
Electric	41.0	38.0	40.5	40.0	38.0	42.5	42.5	43.5	41.5	45.0
Information Technology	7.5	6.5	7.5	6.5	6.5	8.0	4.5	4.0	4.0	2.0
Sanitation	8.5	7.5	8.0	9.5	8.5	8.5	9.0	10.0	8.5	9.0
Sewer	9.0	9.0	9.0	9.0	8.0	9.0	9.0	10.0	10.0	11.0
Stormwater	2.0	2.0	4.5	3.0	4.0	3.5	3.5	4.5	4.0	1.5
Telecommunications	14.0	11.5	12.0	13.5	13.0	13.0	12.5	12.5	12.5	15.5
Vehicle Maintenance	6.5	5.5	5.5	5.5	5.0	4.0	5.0	5.0	5.0	5.0
Water	16.0	14.5	16.0	17.0	17.0	16.0	17.0	18.5	18.0	20.0
Totals:	<u>259.5</u>	<u>249.0</u>	<u>267.5</u>	<u>269.0</u>	<u>261.5</u>	<u>269.5</u>	<u>267.0</u>	<u>276.5</u>	<u>315.0</u>	<u>334.5</u>

Note: All part-time employees, Council Members, Mayor, Treasurer, and Auditor were counted as 0.5 FTE's for the purposes of this table.

Source: City Payroll Records

City of Wadsworth, Ohio
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2018	2017	2016	2015
General Government				
Streets (miles)	98	95	95	94
Salt Domes	2	2	2	2
Airports	1	1	1	1
Fueling System	2	2	2	1
Vehicles	10	10	10	10
Security of Persons and Property				
<i>Service Director</i>				
Early Warning Sirens	9	9	9	9
Vehicles	1	1	1	1
<i>Police</i>				
Stations	1	1	1	1
Shooting Ranges	1	1	1	1
Vehicles	24	24	23	22
<i>Fire & EMS</i>				
Stations	2	2	2	2
Fire Apparatus	7	7	7	7
Rescue Squads	4	4	4	4
Other Vehicles	5	6	7	6
Leisure Time Activities				
<i>Parks & Recreation</i>				
Recreation Center	0	0	0	0
Public Swimming Pools	1	1	1	1
Parks	21	19	19	18
Playgrounds	13	13	13	13
Baseball Diamonds	17	13	13	13
Tennis Courts	6	6	6	6
Full Sized Soccer Fields	10	10	10	10
Vehicles	18	15	15	15
<i>Cable T.V. Access</i>				
Cameras	13	10	11	11
Vehicles	1	1	1	1
Community and Economic Development				
<i>Building and Zoning</i>				
Vehicles	1	1	1	1

Continued

2014	2013	2012	2011	2010	2009
94	94	94	94	96	95
2	2	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
10	10	10	10	10	10
9	8	8	8	8	8
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
22	21	21	21	21	21
2	2	2	2	2	2
8	8	8	8	8	8
5	5	5	5	5	5
5	5	5	5	5	5
0	0	0	0	0	1
1	0	0	0	0	2
16	16	16	16	16	16
13	13	14	14	14	14
13	13	13	13	13	15
9	9	9	9	9	9
10	10	10	10	10	10
11	11	11	11	11	12
11	11	11	11	11	11
1	1	1	1	1	1
1	1	1	1	1	1

Continued

City of Wadsworth, Ohio
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2018	2017	2016	2015
Storm Water				
Storm Sewers (miles)	104	103	103	102
Telecom				
Vehicles	14	15	15	15
Sewer				
Lines (miles)	104	104	104	104
Lift Stations	4	3	3	3
Treatment Plants	1	1	1	1
Vehicles	4	4	4	4
Water				
Wells	12	12	12	12
Towers	5	5	6	6
Lines (miles)	132	131	129	127
Treatment Plants	1	1	1	1
SCADA	1	1	1	1
Vehicles	11	11	11	14
Electric				
Substations	6	6	6	6
Aerial Lines (miles)	151	150	150	150
Transmission Lines (miles)	20	20	20	19
Underground Lines (miles)	85	83	80	76
SCADA	1	1	1	1
Meters	13,410	13,300	13,087	13,001
Vehicles	28	28	28	28
Sanitation				
Transfer Stations	1	1	1	1
Packer Trucks	3	4	4	4
Automated Trucks	4	4	4	5
Vehicles	6	6	5	4

Continued

2014	2013	2012	2011	2010	2009
98	98	98	98	97	97
14	14	14	14	14	14
102	102	102	102	104	100
3	3	4	4	4	4
1	1	1	1	1	1
5	5	5	5	5	5
12	12	12	12	12	12
6	6	5	5	5	5
121	121	121	121	122	121
1	1	1	1	1	1
1	1	1	1	1	1
13	13	13	13	13	13
6	6	6	6	6	6
230	230	230	230	230	229
19	19	19	19	19	19
69	69	69	69	69	68
1	1	1	1	1	1
12,317	12,317	12,510	12,726	12,726	12,192
28	28	28	28	28	28
1	1	1	1	1	1
4	4	4	4	4	5
4	4	4	4	4	3
4	4	4	4	4	4

City of Wadsworth, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2018	2017	2016	2015
General Government				
<i>Council and Clerk</i>				
Number of Ordinances Passed	113	148	178	169
Number of Resolutions Passed	13	11	10	17
<i>Finance Department</i>				
Number of checks/ vouchers issued (payroll not included)	4,520	4,240	4,396	4,565
Amount of checks written (cash basis)	\$ 51,243,315	\$ 53,501,689	\$ 56,099,787	\$ 52,993,480
Interest earnings for fiscal year (cash basis)	\$ 750,043	\$ 550,458	\$ 250,051	\$ 196,339
Number of Receipts issued (1)	163,570	161,765	157,323	154,500
General Fund Receipts (cash basis)	\$ 1,800,299	\$ 12,735,483	\$ 11,762,926	\$ 11,135,471
General Fund Expenditures (cash basis)	\$ 12,066,231	\$ 10,636,556	\$ 12,587,730	\$ 11,676,854
<i>Income Tax Department</i>				
Number of Business net profit forms processed	2,496	3,301	2,076	1,764
Number of Individual forms processed	19,048	19,387	18,503	17,832
Number of business withholding accounts	2,027	21,422	1,947	1,802
Amount of Penalties and Interest Collected	\$ 335,385	\$ 305,535	\$ 139,899	\$ 127,338
<i>Civil Service</i>				
Number of police entry tests administered	1	1	1	2
Number of fire entry tests administered	1	0	0	1
Number of police promotional tests administered	1	0	1	0
Number of fire promotional tests administered	0	0	0	0
Number of hires of Police Officers from certified lists	1	1	1	1
Number of hires of Fire/Medics from certified lists	4	0	0	1
Number of promotions from police certified lists	1	0	2	0
Number of promotions from fire certified lists	0	0	0	0
<i>Engineering</i>				
Number of New Subdivision	2	2	3	0
Number of New Lots	51	44	79	0
Number of Plat/Surveys Completed	7	2	7	20
Streets Constructed (linear feet)	1,556	690	5,768	0
Streets Resurfaced (linear feet)	27,130	13,675	20,266	83,504
Storm Sewer Lines Constructed (linear feet)	7,450	2,684	10,029	1,540
Number of New Catch Basins	100	22	83	26
Number of New Storm Manholes	42	7	48	6
Water Lines Constructed (linear feet)	9,229	7,861	9,458	9,287
Raw Water Lines Constructed (linear feet)	0	0	0	0
Number of New Hydrants	26	23	41	33
Number of New Valves	60	32	45	31
Sanitary Sewer Lines Constructed (linear feet)	1,627	824	1,101	1,000
Force Mains Constructed (linear feet)	0	0	0	0
Number of New Sanitary Manholes	6	4	4	4
Culverts Constructed (linear feet), not including drive culverts	102	0	0	15

Continued

2014	2013	2012	2011	2010	2009
193	145	160	133	143	150
62	9	13	16	15	14
4,942	5,240	5,117	5,209	5,396	5,552
\$ 57,468,760	\$ 61,302,919	\$ 74,451,412	\$ 79,755,372	\$ 68,250,591	\$ 55,193,439
\$ 213,763	\$ 199,239	\$ 266,414	\$ 303,011	\$ 182,657	\$ 373,082
149,835	78,427	31,135	28,981	27,664	26,895
\$ 10,296,774	\$ 10,672,770	\$ 12,144,942	\$ 11,397,872	\$ 12,101,051	\$ 11,555,924
\$ 11,392,312	\$ 11,615,621	\$ 11,597,390	\$ 10,966,566	\$ 10,378,503	\$ 11,390,512
2,051	1,416	1,594	1,783	1,764	1,583
20,852	18,184	17,483	16,111	19,386	20,223
1,601	1,583	1,643	1,625	1,568	1,486
\$ 217,412	\$ 136,674	\$ 163,382	\$ 161,501	\$ 200,835	\$ 163,493
1	0	1	0	1	1
0	1	0	0	0	2
0	0	0	0	2	0
0	0	0	0	0	0
1	0	0	0	2	3
0	0	0	0	0	6
0	0	0	0	2	0
0	0	0	0	0	0
3	0	1	0	0	0
86	0	48	2	0	0
11	7	6	3	5	3
3,651	0	2,383	0	0	2,169
12,725	10,288	6,432	4,477	8,160	21,819
7,556	1,262	7,251	2,502	1,302	7,315
77	7	55	17	15	82
30	3	21	0	0	30
8,005	795	12,356	3,827	4,586	44,033
0	0	0	0	0	0
31	10	36	9	11	17
48	7	51	13	19	19
3,278	1,354	679	2,106	9,069	5,382
0	3,613	0	0	0	0
31	30	0	11	14	37
48	40	0	0	198	0

City of Wadsworth, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2018	2017	2016	2015
<i>Municipal Court</i>				
Number of Civil Cases	843	963	811	641
Number of Criminal Cases	5,838	6,410	5,465	6,790
Security of Persons and Property				
<i>Police</i>				
Total Calls for Services	13,275	14,053	14,578	12,252
Class 1 crimes	536	514	676	642
Adult arrests	1,020	786	798	767
Juvenile arrests	29	30	55	57
Criminal summons	358	300	349	332
Traffic citations	1,037	1,161	1,022	1,083
Warning citations		0	0	508
Parking Tickets	0	1,661	909	913
Vehicle accidents- property damage	1,146	363	384	364
Vehicle accidents-injury	406	81	55	78
Total miles driven	71	240,286	225,093	220,340
Total gasoline cost	\$ 203,681	\$ 40,089	\$ 41,495	\$ 43,136
	33449			
<i>Fire and EMS</i>				
EMS Calls	2,224	2,341	2,067	2,058
Ambulance Billing Collections (net)	\$ 639,015	\$ 606,028	\$ 475,181	\$ 530,654
Fire Calls	254	208	225	241
Fires with Loss	22	13	39	33
Fires with Losses exceeding \$10K	3	6	15	8
Fire Losses	\$ 355,350	\$ 181,560	\$ 1,096,500	\$ 991,795
Fire Safety Inspections	372	549	656	481
No. of times Mutual Aid received from other Fire and EMS	21	35	32	25
No. of times Mutual Aid given by Fire and EMS	30	53	60	54
Training hours	2,449	2,991	2,842	3,890
Leisure Time Activities				
<i>Recreation</i>				
Recreation Center membership receipts (cash basis)	\$0	\$0	\$0	\$0
Recreation Center rental receipts (cash basis)	\$0	\$0	\$0	\$0
Recreation Center program receipts (cash basis)	\$0	\$0	\$0	\$0
Recreation Center miscellaneous receipts (cash basis)	\$0	\$0	\$0	\$0
Total Recreation Department receipts (cash basis)	\$0	\$0	\$0	\$0
Recreation Center Expenditures (cash basis)	\$0	\$0	\$0	\$0
<i>Parks</i>				
Parks Expenditures (cash basis)	\$ 741,421	\$ 728,292	\$ 720,366	\$ 653,621
Hours maintaining parks and City Buildings	1,965	2,922	2,146	1,474
Hours preparing Fields/Ball Diamonds	1,422	1,938	1,874	1,965
Hours of Snow removal	783	583	709	1,010
Average Cost per Resident	\$ 31.58	\$ 31.48	\$ 33.40	\$ 21.82

Continued

2014	2013	2012	2011	2010	2009
811	866	966	924	1,067	1,108
6,827	7,567	7,807	7,300	7,330	9,514
14,469	14,182	13,177	12,695	13,027	12,150
635	678	612	0	569	508
817	715	600	719	624	541
56	44	20	28	19	17
360	421	335	341	337	289
1,143	1,415	1,440	2,047	2,040	2,259
201	556	1,129	1,375	1,506	1,363
1,115	1,190	1,518	1,916	1,404	1,354
333	451	409	663	713	651
62	22	19	56	88	71
241,949	246,071	279,380	260,993	266,330	260,471
\$ 72,088	\$ 72,359	\$ 86,414	\$ 75,118	\$ 62,369	\$ 50,173
1,987	1,854	1,858	1,751	1,754	1,610
\$ 512,483	\$ 500,719	\$ 498,351	\$ 443,741	\$ 460,717	\$ 458,357
240	239	249	221	250	283
20	21	35	25	31	24
4	8	9	4	5	8
\$ 164,400	\$ 516,770	\$ 905,741	\$ 2,253,160	\$ 219,820	\$ 757,170
778	830	995	1,120	902	985
14	17	12	19	25	23
49	33	32	16	14	10
3,570	3,086	2,902	3,345	3,832	4,695
\$0	\$0	\$0	\$0	\$10,724	\$121,141
\$0	\$0	\$0	\$0	\$29,704	\$47,441
\$0	\$0	\$0	\$0	\$24,887	\$152,492
\$0	\$0	\$0	\$0	\$1,612	\$7,186
\$0	\$0	\$0	\$0	\$66,927	\$328,260
\$0	\$0	\$0	\$0	\$413,339	\$937,342
\$ 756,740	\$ 672,449	\$ 643,928	\$ 856,753	\$ 756,915	\$ 752,320
1,568	8,341	8,558	15,191	15,910	12,479
1,488	1,373	1,413	1,840	1,628	2,402
968	709	434	1,214	1,791	1,302
\$ 34.64	\$ 30.78	\$ 29.69	\$ 39.73	\$ 39.16	\$ 46.49

City of Wadsworth, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2018	2017	2016	2015
Community and Economic Development				
<i>Building and Zoning</i>				
Estimated Value of Construction	\$ 18,411,952	\$ 45,069,484	\$ 31,005,053	\$ 43,574,974
Residential/Commercial/Zoning Permits Issued	426	510	502	447
Electric Permits	129	196	170	187
Heating Permits	170	245	200	217
Total Permits Issued	725	951	872	851
Permit Revenue	\$ 86,986	\$ 167,456	\$ 150,434	\$ 178,366
Number of Contractor Licenses	123	124	119	131
Code Enforcement Notices	214	263	217	216
Zoning Board of Appeals Hearings	14	20	17	10
Number of Planning Commission Docket Items	33	68	63	74
Transportation				
Crack Seal Coating Program (Miles)	0	24	26	17
Street Repair (Curbs, aprons, berms, asphalt) (hours)	1,951	3,700	6,725	4,754
Cold & Dura Patch (hours)	942	1,273	1,124	2,254
Tons of Asphalt	80	559	470	383
Tons of Limestone	139	136	397	410
Paint Striping (gallons of paint)	0	0	500	610
Leaf Collection (hours)	3,466	2,293	2,727	2,319
Tons of Salt	2,191	1,904	1,792	2,582

Continued

(1) Implementation of NW accounting software in 2013

2014	2013	2012	2011	2010	2009
\$ 20,675,040	\$ 19,233,420	\$ 19,871,902	\$ 46,993,066	\$ 101,699,650	\$ 20,226,917
331	346	388	386	339	366
145	246	125	132	149	149
146	167	128	127	150	151
622	759	641	645	638	666
\$ 100,558	\$ 94,655	\$ 77,430	\$ 93,022	\$ 103,544	\$ 112,439
129	143	132	127	133	138
347	426	270	267	236	286
20	16	13	13	15	12
38	42	35	50	76	21
21	24	18	10	13	13
2,966	4,585	5,680	5,276	3,636	2,456
2,347	825	910	531	1,624	887
106	266	175	350	388	327
434	200	75	1,000	300	1,250
600	600	600	600	812	720
2,307	2,281	3,216	2,261	3,388	2,833
2,104	2,330	1,760	4,833	5,481	4,210

This page intentionally left blank.

OHIO AUDITOR OF STATE
KEITH FABER



CITY OF WADSWORTH

MEDINA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 20, 2019**