

City of Westlake, Ohio

**Comprehensive
Annual Financial Report**
for the year ended December 31, 2018

Prepared by the Department of Finance
Prashant R. Shah, Director
Bonnie L. Freeh, Assistant Director

OHIO AUDITOR OF STATE
KEITH FABER



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Members of Council
City of Westlake
27700 Hilliard Blvd.
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We have reviewed the *Independent Auditor's Report* of the City of Westlake, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 16, 2019

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City of Westlake, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2018
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FINANCE DEPARTMENT

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June 26, 2019

Members of City Council
Citizens of Westlake, Ohio

We are pleased to submit the comprehensive annual financial report of the City of Westlake for the year ended December 31, 2018.

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for 2018.

Management assumes full responsibility for both 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 control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Ciuni and Panichi, Inc., has issued an unmodified (“clean”) opinion on the City of Westlake’s financial statements for the year ended December 31, 2018. The Independent Auditor’s Report is located at the front of the financial section of this report.

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

HISTORY OF WESTLAKE

Born in Connecticut, Leverett Johnson was the first to clear land in 1811 in what is now Westlake. Three years later, he built a log house at Porter and Center Ridge Roads for his bride Abigail Cahoon. By 1812, enough people resided in the region to make it necessary to elect trustees to oversee the community and the Township of Dover was established. With Lake Erie as the northern boundary, the township grew reaching a population of over 2,200 by the early 1900s. By 1908, the township split into three communities with Bay Village to the north and North Olmsted to the south. In 1912, the township was incorporated as Dover Village making Frank Bailey the first mayor. Dover Village was renamed the Village of Westlake in 1940 to avoid confusion with Dover, Ohio located in Tuscarawas County. As the Cleveland suburbs grew following World War II, so did Westlake, reaching a population just under 5,000 by 1950. In 1957, the Village of Westlake became the City of Westlake.

GENERAL INFORMATION

Situated in the western reach of Cuyahoga County, Westlake is a suburb of Cleveland, Ohio, thirteen miles from downtown. Per the 2010 census, the current population is estimated at 32,729. The total land area is 15.9 square miles. Proximity to Interstate highways I-80, I-90, and I-480 and to Cleveland Hopkins International Airport makes Westlake a desirable locality for residents and commercial enterprises.

City Hall is situated in the center of the City. The Police Department is located behind City Hall and two fire stations serve the east and west sides of the City. The Recreation Center, situated in an eighty-five acre park setting, includes five indoor swimming pools, a gymnasium, community and craft rooms, an indoor track, fitness area, and an outdoor playground. The outside grounds feature tennis courts, baseball and soccer fields, sand volley ball courts, nature trails, a sun deck and a picnic area with a lake. The City operates and owns Meadowood Golf Course and five parks are located within the City. An outdoor pool at Claque Park was razed in 2018 and construction of a new Aquatic Center began with a planned opening of May, 2019. An eco-friendly Service Center facility was completed in 2006. The construction of a new Community Center will commence in 2019.

FORM OF GOVERNMENT

Westlake operates and is governed by the laws of the State of Ohio and its own charter that was first adopted by the electorate on November 6, 1956. The charter provides for a mayor-council form of government. Legislative authority is vested in a seven-member council. The Council is composed of a president who is elected at-large and six councilpersons elected by wards. All members of Council serve in a part-time capacity for four-year terms. The City's chief executive and administrative officer is the Mayor who is elected to a four-year term and serves in a full-time capacity. The Mayor may veto legislation passed by Council. A two-thirds vote of all members of Council will override a veto. As administrator, he appoints all department heads with the exception of the elected position of Law Director and is ultimately responsible for the operation of all departments and divisions.

The municipal government consists of thirteen departments in addition to the Mayor's Office. All directors and managers work closely with the Mayor in providing the citizens of Westlake with the highest quality of services while maintaining efficiency and cost effectiveness.

The **Police Department** enforces local, state, and federal laws in addition to protecting citizens and their property. The department takes a community oriented policing approach that has been met with great success. Numerous programs are offered to citizens and students. The department, which is headed by the Chief of Police, consists of three bureaus. The Field Operations Bureau oversees jail operations, animal control, and the auxiliary police as well as the staff of patrol officers. The Administrative Services Bureau consists of secretaries, dispatchers, school guards, park patrol officers, building/vehicle maintenance, and community services. The Criminal Investigations Bureau is responsible for the City's investigative services.

The **Fire Department** provides fire protection and emergency medical services to citizens as well as placing strong emphasis on community involvement and education. A Fire Prevention unit focuses on the reduction of potential fires and loss of property within the City. The Central Dispatch Center, a joint partnership with the cities of Bay Village, Rocky River, Fairview Park, and North Ridgeville, is under the jurisdiction of the Westlake Fire Department.

The **Service Department** is comprised of several divisions administered by a director. The City Service Division is responsible for the maintenance of all City vehicles, buildings and signs, and snow and leaf removal. The Storm/Sanitary Sewers Division maintains proper drainage control. The Parks Division maintains all parks and includes forestry services. The Streets Division is responsible for all non-contractual street repairs. Leaf humus and wood chips are generated from the collection of yard waste. The City outsources rubbish and recycling services in addition to grass maintenance. The City also owns and operates two cemeteries. The Service Center facility includes administrative offices, vehicle storage and maintenance areas.

The **Recreation Department** provides numerous classes and programs throughout the year. During the summer months, the department will operate the new Aquatic Center at Clague Park where swimming lessons will also be offered. The City owns the twenty-seven hole Meadowood Golf Course which operates on a profit/loss basis. The department's main responsibility is the operation of the Recreation Center providing numerous recreation and fitness options for residents.

The **Community Services Department** offers programs and activities to enrich the lives of the "Fifty Plus" population at the Westlake Center. It also provides a system of social services for residents of all ages. A variety of social, educational and recreational activities are offered as well as health screenings, support groups, and annual immunizations. The social service staff of the department serves as a resource for referrals, information, emergency food and assistance, discount program applications, and for older and disabled adults, a daily safety phone check and transportation. Construction of a new Community Center is slated to begin in 2019.

The **Finance Department** is responsible for the accurate recording of all receipts and disbursements and for diligently investing all City funds in order to maximize interest earnings while protecting the assets of the City. The department issues bi-weekly payrolls and maintains a fixed asset system. Other responsibilities include compilation of the Annual Budget, preparation of the Comprehensive Annual Financial Report and the Popular Annual Financial Report for residents. The department assists the Mayor in all financial decisions and manages health care administration and insurance coverage.

The **Law Department** advises the Mayor, Council, and all departments on legal matters concerning the City. The department prepares all contracts, legislation, and legal documents. The Director of Law is the only department head elected by the residents of Westlake.

The **Purchasing Department** prepares the specifications for and obtains proposals to furnish the City with the materials, equipment, and supplies needed to maintain operations. All purchase orders are generated, recorded, and approved by the department as well as bids unrelated to infrastructure. The department also handles the sale, transfer and disposal of all City assets.

The **Human Resource Department** attends to all personnel matters such as hiring, terminations and work related issues. Negotiations are conducted every three years with all six labor unions. A manager oversees the department.

The **Planning & Economic Development Department** is responsible for the administration of plans and programs for the comprehensive and orderly development of the City. The department oversees the planning, zoning, economic development and promotion of the City. The department meets with prospective developers, land owners, residents, architects and applicants to discuss application procedures, proposed plans and development regulations. It reviews all development plans to determine compliance to code and measures. The department works in conjunction with the Planning Commission, Board of Zoning Appeals, and Board of Building Appeals and Architectural Standards.

The **Inspections Department** interprets and enforces all building, electrical, plumbing, and the property maintenance codes for the City. This includes the issuance of permits, field and site inspections, citations, issuance of occupancy permits, and rental and apartment licenses. The Inspections Department is also responsible for the enforcement of the zoning code.

The **Engineering Department** is responsible for the general engineering requirements of the City. The implementation of all plans and programs relating to City infrastructure are the department's responsibility. Traffic engineering and construction grant applications are also coordinated by the department as well as managing plat books, easements, and deeds.

The **Technology Department** is comprised of the Information Technology and Communications divisions. The technology staff is responsible for the operation and maintenance of the City's computer hardware and software. The communications personnel keep residents and employees informed through

the City's website, emergency communication networks, and television access station. An Information Technology Manager oversees the department.

The Rocky River Municipal Court provides judicial services for the City of Westlake. The jurisdiction of the court, as established by the Ohio Revised Code, encompasses the contiguous cities of Westlake, Rocky River, Bay Village, Fairview Park, and North Olmsted.

ECONOMIC CONDITION AND OUTLOOK

The City of Westlake is economically strong and is a highly desirable location to live, work and play. Our reputation as a serious business destination is evidenced by corporate decisions to stay and grow here and by the new investment and jobs that have and continue to be created. The square footage of Westlake's business space is evenly split between retail, office, health care and industrial and the City is still seeing growth in all of these sectors. Westlake is home to several world and national headquarters companies including American Greetings, Equity Trust, Hyland Software, Nordson Corporation, Scott Fetzer, and Travel Centers of America. Additionally, healthcare facilities continue to have significant representation in the health campus and office market corridors. The City is home to University Hospital's St. John Medical Center, a full-service acute care hospital providing comprehensive healthcare specializing in urology, neurologic care, oncology and orthopedic surgery. MetroHealth Medical Health Center and the Cleveland Clinic Westlake Medical Campus also offer a variety of medical specialties. The newly constructed Crocker Professionals Building is home to Retina Associates and Northcoast Jaw and Implant Center.

To accommodate global and national employment trends and skill levels, Cuyahoga County Community College has two facilities located in Westlake. The Westshore Campus Health Careers and Sciences Building boasts state-of-the-art Life sciences labs, a Technology Learning Center, and much more. The Westshore Campus at Corporate College West Building houses the MATH Lab, Java City, Student Affairs and Student Life Offices. Tri-C is expanding its Westshore Campus with a new 94,000 square foot facility. The new building will house Engineering, IT, Creative Arts, and Administrative/Faculty offices. The Westlake School Local District recently broke ground and began construction on a new 150,000 square foot kindergarten through fourth grade elementary school building to replace four aging buildings. The new school is scheduled to open for the 2019-2020 school year.

Westlake's largest development is Crocker Park, a mixed-use community located in western Westlake. The development, known as the downtown of Westlake, features high-end retailers, restaurants, office space and residential dwellings. The final phase, a \$400 million expansion capped by the new 660,000 square foot headquarters of American Greetings, was completed in 2017. Today, new retail stores and restaurants continue to open. Vionics Shoes, Barroco Arepa Bar, H&M, and Cantina Laredo are just a few of the new businesses that have opened in 2018. To facilitate this endeavor, the City created a Tax Increment Financing (TIF) district and public improvements were funded by bonds to be repaid from the TIF proceeds. The City issued \$48.3 million in special obligation/non-tax revenue bonds and also received an \$8.5 million loan from the State to finance public infrastructure along with a \$1.0 million grant from the Ohio Department of Transportation. Funds were used to construct three public garages, new public roadways and infrastructure.

In 2016, the City finished construction of Market Square, an 8,500 square foot event center that the City erected on land donated by Crocker Park. The facility is equipped to host corporate, social, and public events and can accommodate up to 1,000 guests. In addition, Market Square is located on a half-acre of landscaped outdoor space with six garage doors that can be opened for an al fresco atmosphere. The facility is managed by Crocker Park Management, LLC under an agreement with the City.

WestBay Plaza across from The Promenade and Crocker Park is undergoing a major facelift. DDR Corporation, the owner of the shopping center, is spending more than \$25.0 million to construct a new 80,000 square foot multi-tenant retail plaza. Fresh Thyme Market, Kirkland's, Pet Supplies Plus and HomeSense have already opened. Two other buildings within the plaza will also undergo major redevelopment. The architecture and landscape of the entire shopping center is being upgraded with new

attractive materials, additional green space, new lighting and signage. Redevelopment of the plaza will help to strengthen the economic viability of not only WestBay Plaza, but the entire surrounding shopping, dining, and entertainment district of Westlake.

To encourage industrial and commercial development, the City offers four financial assistance tools. The Industrial Development Revenue Bonds program is offered under state law and allows the Westlake Community Improvement Corporation and City Council to approve the issuance of revenue bonds. The principal of these reduced interest bonds can be used for land acquisition, building construction, and equipment purchases. In 2005, \$24.7 million of Health Facility Revenue Bonds were issued to finance the expansion of the Lutheran Home nursing facility. This is the only current outstanding issue.

In 1994, Westlake established an Enterprise Zone under state law. This program offers real and personal property tax abatement for the construction and expansion of commercial facilities located within the designated zone. The State of Ohio and the County Commissioners allow abatement over ten years upon approval. Currently, no companies are receiving tax abatement under an Enterprise Zone Agreement.

Westlake received State approval to establish a Community Reinvestment Area in 1996. This program covers enterprises located in most of Westlake's industrial zone north of Detroit Road. New construction and renovation over \$100,000 can receive up to 100 percent real property tax abatement with a maximum of ten years for commercial development and fifteen years for industrial. This program requires the approval of the City Council and Westlake Tax Incentive Review Council. There are currently four Community Reinvestment agreements.

In 2007, the City established Job Creation grants to encourage economic development within the City. To be eligible for the program, the applicant must create fifty new jobs or \$2.0 million in new payroll. The rate and term of the grants are determined through negotiations between the applicant and the City. There are currently three recipients of the grant.

The City compiles a City Guide Plan. The purpose of plan is to define the community's long range vision and goals for the physical development and redevelopment of the City and to provide a strategy to achieve them. To this end, it guides public policy and zoning decisions related to public and private development by providing relevant studies, maps, and recommendations pertaining to residential, retail, industrial, community facilities, transportation, special study areas, and future land uses.

Current Year Activities The mission of the City of Westlake, its mayor, council, and employees, is to enhance the quality of life for all residents by providing the highest level of service in an efficient and cost effective manner. The City upheld that mission by expanding and improving services, upgrading infrastructure, and enhancing public grounds and facilities in 2018.

The Police Department continued its commitment to public safety and awareness responding to over 40,000 calls and making 4,680 arrests. Numerous policing programs were offered. Student programs such as Safety Town and Drug Awareness Resistance Education (D.A.R.E.) continued. The Community Police Academy was also held. Other community programs included National Bike and Walk to School Days, "Operation Medicine Cabinet" (disposal of unused prescriptions and over-the-counter drugs), and a "Shop with a Cop" (activities for children in need at Christmas time). A Random Acts of Kindness program raised money for ill children.

The Fire Department responded to over 5,600 calls relating to fires, EMS, and hazardous materials. The department also conducted 2,967 fire inspections, plan reviews and consultations and 32 events and classes were offered. A central dispatch center is shared by the cities of Westlake, Bay Village, Rocky River, Fairview Park, and North Ridgeville and is located in emergency room space at St. John's Medical Center. In 2018, the Center responded to 16,400 calls.

The Service Department is involved in the maintenance of City streets, sewers, parks, buildings, and vehicles. Rubbish and recycling collection and lawn maintenance have been outsourced to outside contractors in efforts to better utilize the time and skills of City personnel. The department received and

completed just over 5,200 calls in 2018. 9,400 tons of recyclables were collected and 9,501 cubic yards of brush and leaves were sold as wood chips and mulch. Over eighteen miles of sanitary and storm sewers were filmed and cleaned with 657 storm and sanitary tees located and maintained. Ninety-seven trees were planted and over 1,000 trees were trimmed. The department is also responsible for snow and leaf removal, street and sewer maintenance and assists with community events.

The Inspections Department issued 1,354 permits during 2018 with an estimated value of \$82.3 million. Twenty-three residential units were completed at a value of \$13.4 million, an average of \$582,000 per home. Remodeling and improvements projects totaled \$15.0 million and commercial projects totaled \$53.9 million.

The Planning Department held numerous business meetings and plan reviews. The department reviewed and approved 323,700 square feet of development in 2018. The staff oversees the “Westlake in Bloom” event through which 79 residents and businesses competed in seventeen categories for awards relating to City beautification. The City has over 200 flower boxes along Hilliard Boulevard with additional sponsored gardens at Evergreen Cemetery. The department assists in the publication of the “Westlake Magazine” which is mailed annually to all residents and businesses.

Duplicated patrons totaling over 19,500 participated in programs, activities, trips, support groups, and wellness initiatives throughout the year at the Community Center. The department provided 10,915 transportation trips to residents in need, driving more than 77,000 miles. The Westlake Assistance Program dispensed holiday baskets, distributed gifts to Adopt-A-Family recipients and aided patrons with food distributions. Patrons were offered 155 different programs and activities on a regular basis and volunteers gave over 2,100 hours of their time.

The Westlake Recreation Center is the hub for all recreation activities in the City. The department offered 693 programs with 7,700 participants. There are currently over 11,700 members enrolled at the Center. The Silver Sneakers program for older residents has been met with great success with 87,000 visits in 2018. In addition to the numerous classes and activities held at the Center, the department organized the Fourth of July Party in the Park, the Fall Pumpkin Festival, the Junior Olympics, the Corporate Challenge and the annual Fishing Derby. The City owns and operates Meadowood Golf Course and a new \$7.4 million outdoor Aquatic Center will open in 2019. The new center will house a 4,600 square foot bath house, an activity pool with interactive water features and a lazy river with jets. The center will also feature a lap pool with a diving well extension and a climbing wall. There will be a splash pad for children and a decorative fence will encompass the facility.

In 2018, waterlines were replaced on Rose Road and Clark Parkway. Improvements were also made to the Bradley Road culvert. The design work began on the new Community Center. Sidewalk repairs continued throughout the City. With a \$200,000 Cuyahoga County grant, improvements will be made to the historical Lilly Weston house. Asphalt overlay, concrete rehabilitation, pavement crack and joint sealing and catch basin maintenance were also conducted throughout the City.

Future Projects The City of Westlake will initiate additional infrastructure projects in 2019. The Board of Education broke ground to begin construction of the new elementary school near the Center Ridge and Dover Road intersection. To facilitate the new building, the City will install turn lanes and traffic signals with additional street widening and intersection improvements. Water lines on Schwartz Road will be replaced and Hilliard Boulevard from the Rocky River line to Columbia Road will be resurfaced. Annual concrete rehabilitation, asphalt repair, crack and joint sealing, and catch basin replacement will also occur.

A Recreation and Parks Master Plan, which was completed in 2014 through community participation, is comprised of over \$34.0 million in long-term projects. In November of 2017, voters renewed the one-eighth percent income tax for recreation improvements and expanded the scope of the tax to include improvements to the Community Center. The new 26,000 square foot facility is anticipated to begin construction in 2019. Other improvements that are planned for the near future include the expansion and

relocation of City ballfields, new playground equipment, improved and expanded walking trails, and a new gymnasium and outdoor improvements for the Recreation Center.

Over the past several years, the City has explored alternate providers of water services. Currently, Westlake residents receive their water from the City of Cleveland Division of Water. The City contracted an engineering services firm to explore the operational and financial implications of alternate sources. Recent scenarios include the sharing of water services from three providers. This could lead to reduced costs for residents. This is a large scale project that will involve extensive planning since it encompasses the re-routing of waterlines, the installation of metering systems, and the hiring of personnel for invoicing and maintenance. Yet in the long-run, the conversion may be financially prudent for the City.

LONG-TERM FINANCIAL PLANNING

The City has been recognized as a leader in long-term financial planning. A depreciation fund finances the maintenance and eventual replacement of sewer lines within the City. The City also established an equipment replacement funding mechanism in 1976. When vehicles and large equipment are purchased, they are depreciated over their estimated useful life and the respective department is charged annually for the funding of the depreciation accumulating the necessary resources for replacement. The City maintains a General Fund balance that would finance a minimum of three months of operations. The Finance Department reviews all monetary transactions on an on-going basis and works diligently to monitor revenues and reprioritize expenditures so that all fund balances, especially the General Fund, maintain optimal balances.

The City also utilizes long-term planning for the funding of capital projects through a Five-Year Capital Plan. The plan is a document through which the major capital projects of the City are identified and subsequently matched to funding sources. Major capital projects include the construction and renovation of buildings, major technology projects, land purchases, and the construction and improvement of infrastructure such as roads, water lines, and sanitary and storm sewer systems. Projects are initially identified through meetings between the Mayor and department heads and the Director of Engineering acts as the primary consultant concerning timing considerations and estimated costs. The plan is updated annually to include new projects, revise projects listed and remove those completed.

City administration embraces the principles of LEAN government and works to implement the most efficient means to provide government services. Numerous federal, state, and local government agencies have implemented this philosophy. Processes are studied in detail in efforts to identify “value-added” steps and eliminate waste. By identifying inefficiencies, the City hopes to improve services and lower costs. Several LEAN processes have been initiated by City departments in the past few years.

OTHER INFORMATION

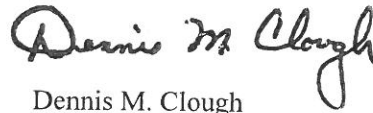
Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Westlake, Ohio, for its comprehensive annual financial report (CAFR) for the year ended December 31, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to the program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Westlake has received a Certificate of Achievement for the last thirty-four consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments. This comprehensive annual financial report was prepared by the Finance Department with the efficient and dedicated services of its entire staff. This report was prepared in accordance with generally accepted accounting principles (GAAP). Appreciation also is expressed to those other City departments that assisted in preparing supporting documentation. In addition, we would like to thank the Members of Council for their continuing support toward the preparation of this report.

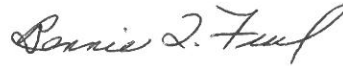
Respectfully submitted,



Dennis M. Clough
Mayor

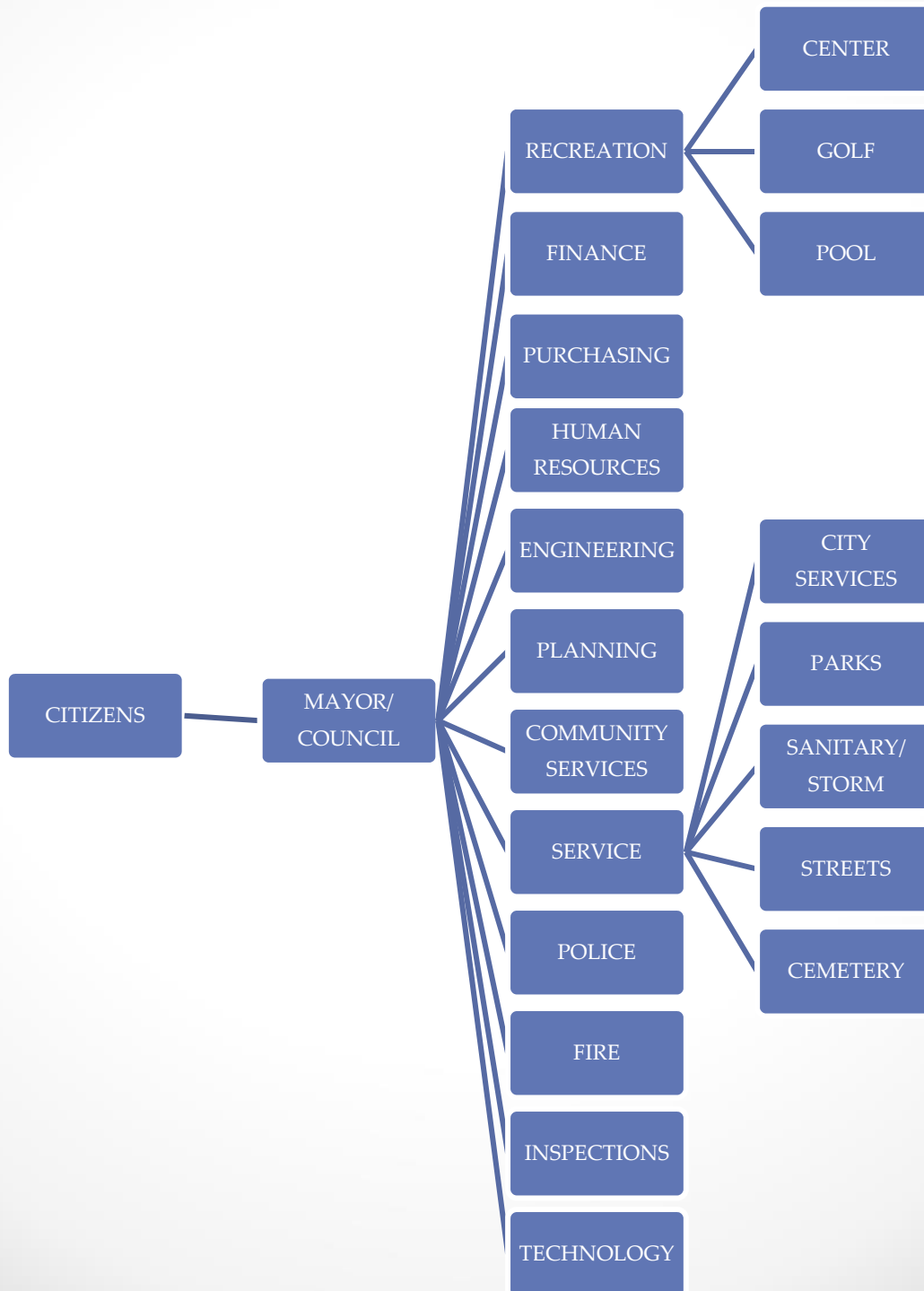


Prashant R. Shah, CPA
Director of Finance

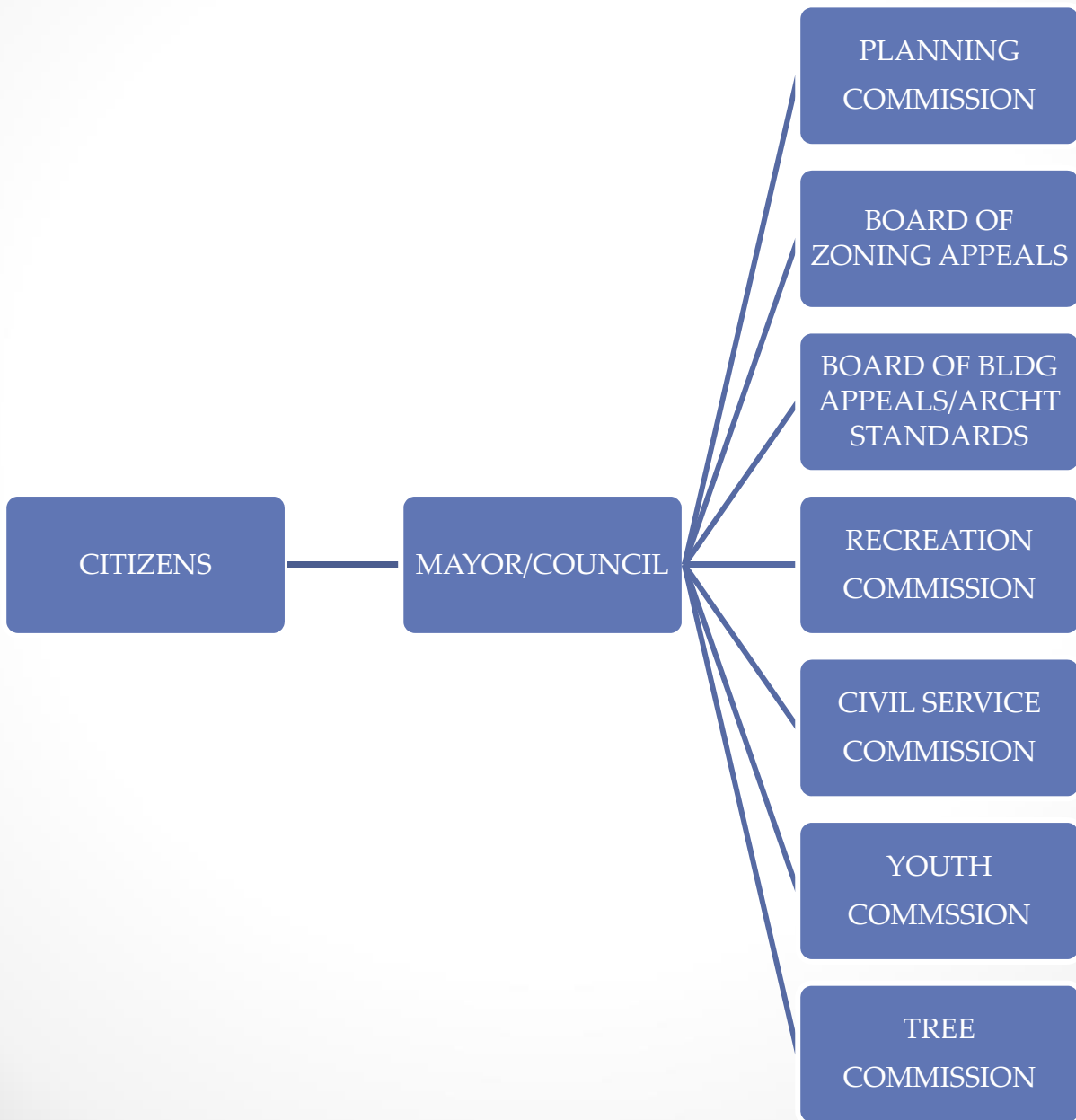


Bonnie L. Freeh
Assistant Director of Finance

CITY OF WESTLAKE ORGANIZATIONAL CHART DEPARTMENTS



CITY OF WESTLAKE COMMISSIONS



CITY OF WESTLAKE, OHIO

**PRINCIPAL OFFICIALS
DECEMBER 31, 2018**

ELECTED OFFICIALS

Mayor Dennis M. Clough, CPA
President of Council..... Michael F. Killeen
Council Members
 Ward 1Lynda Appel
 Ward 2.....Nick Nunnari
 Ward 3..... Dennis Sullivan
 Ward 4..... Michael O’Donnell
 Ward 5..... Kenneth Brady
 Ward 6..... Mark Getsay
Director of Law..... Michael Maloney

APPOINTED OFFICIALS

Director of Engineering Robert Kelly
Director of Finance Prashant R. Shah, CPA
Director of Inspections..... Donald Grayem
Director of Planning..... James Bedell
Director of Purchasing Larry Surber
Director of Recreation..... Robert DeMinico
Director of Community Services Lydia Gadd
Director of Service..... Paul Quinn III
Chief of Police Kevin Bielozer
Chief of Fire James Hughes



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Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

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Independent Auditor's Report

To the City Council
City of Westlake, Ohio

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

To the City Council
City of Westlake, Ohio

Opinions

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

Emphasis of Matter

Implementation of New Accounting Standard

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

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the

To the City Council
City of Westlake, Ohio

basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

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

Cimini + Panichi, Inc.

Cleveland, Ohio
June 26, 2019

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City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

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

Financial Highlights

Key Financial highlights for 2018 are as follows:

- Overall, governmental activities revenues of \$63.3 million exceeded the expenses and transfers which came in at \$56.6 million, consequently increasing the net position by \$6.6 million for 2018. The increase primarily resulted from higher income tax revenues, payments in lieu of taxes, and interest.
- During 2018, the City's revenues and expenditures continued to trend positively and on a cash basis the general fund ended with an unencumbered cash balance of \$50.8 million, which exceeded the City's informal policy of maintaining a reserve equal to 3 or 4 months of expenditures.
- Total fund balances for all governmental funds increased from \$83.4 million at the end of 2017 to \$88.2 million at the end of 2018.
- The City implemented GASB 75, which established standards for measuring and recognizing postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this GASB statement resulted in a significant change to the financial statements for the City.

Overview of the Financial Statements

-

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

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

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

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
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The statement of activities presents information showing how the City's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements can be found starting on page 21 of this report.

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

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

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

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances, for the general fund, TIF bond retirement fund and the infrastructure tax and grants capital projects funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary Funds The City of Westlake maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer operations and golf course

City of Westlake, Ohio
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activity. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains such funds for its self-insurance of health related employee benefits. Because this fund predominately benefits governmental rather than business functions, it has been included within governmental activities in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 29 through 31 of this report.

Notes to the Basic Financial Statements The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 33 through 84 of this report.

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

Government-wide Financial Analysis

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

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

The statement of net position and the statement of activities are divided into the following categories:

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

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

The City of Westlake as a Whole

Recall that the statement of net position looks at the City as a whole. The following table 1 provides a summary of the City's net position for 2018 compared to 2017.

NET POSITION
TABLE 1

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets:						
Current and Other Assets	\$123,180,571	\$118,343,594	\$13,856,012	\$13,843,500	\$137,036,583	\$132,187,094
Net Pension Asset	48,670	0	3,107	0	51,777	0
Capital Assets, Net	218,901,900	217,783,439	24,165,246	25,265,259	243,067,146	243,048,698
<i>Total Assets</i>	<u>342,131,141</u>	<u>336,127,033</u>	<u>38,024,365</u>	<u>39,108,759</u>	<u>380,155,506</u>	<u>375,235,792</u>
Deferred Outflows of Resources:						
Deferred Charge on Refunding	71,183	103,625	0	0	71,183	103,625
Pension	6,468,784	11,431,277	196,286	535,551	6,657,709	11,915,497
OPEB	2,800,832	153,582	38,086	7,811	2,838,918	161,393
<i>Total Deferred Outflows of Resources</i>	<u>9,340,799</u>	<u>11,688,484</u>	<u>234,372</u>	<u>543,362</u>	<u>9,567,810</u>	<u>12,180,515</u>
Current and Other Liabilities:						
Long-Term Liabilities:	7,232,922	9,767,532	219,092	262,438	7,452,014	10,029,970
Due within One Year	4,431,654	3,799,281	0	0	4,431,654	3,799,281
Due in More than One Year:						
Net Pension Liability	35,877,579	42,863,248	759,917	1,234,189	36,637,496	44,097,437
Net OPEB Liability	30,114,693	26,572,054	509,648	532,698	30,624,341	27,104,752
Other Amounts	65,499,960	69,549,255	0	0	65,499,960	69,549,255
<i>Total Liabilities</i>	<u>143,156,808</u>	<u>152,551,370</u>	<u>1,488,657</u>	<u>2,029,325</u>	<u>144,645,465</u>	<u>154,580,695</u>
Deferred Inflows of Resources:						
Property Taxes	13,305,331	12,025,603	0	0	13,305,331	12,025,603
Payments in Lieu of Taxes	4,468,164	4,655,196	0	0	4,468,164	4,655,196
Pension	4,553,326	607,257	241,427	7,346	4,787,392	563,272
OPEB	1,385,307	0	77,657	0	1,462,964	0
<i>Total Deferred Inflows of Resources</i>	<u>23,712,128</u>	<u>17,288,056</u>	<u>319,084</u>	<u>7,346</u>	<u>24,023,851</u>	<u>17,244,071</u>
Net Investment in Capital Assets	153,724,619	150,012,872	24,165,246	25,236,744	177,889,865	175,249,616
Restricted for:						
Capital Projects	24,250,471	19,831,002	0	0	24,250,471	19,831,002
Debt Service	515,594	485,887	0	0	515,594	485,887
Unclaimed Funds	395,909	228,462	0	0	395,909	228,462
Other Purposes	9,467,719	8,735,651	0	0	9,467,719	8,735,651
Unrestricted (Deficit)	(3,751,308)	(1,317,783)	12,285,750	12,378,706	8,534,442	11,060,923
<i>Total Net Position</i>	<u>\$184,603,004</u>	<u>\$177,976,091</u>	<u>\$36,450,996</u>	<u>\$37,615,450</u>	<u>\$221,054,000</u>	<u>\$215,591,541</u>

The net pension liability (NPL) is one of the largest liabilities 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

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
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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 the net pension asset and deferred outflows related to pension and OPEB.

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

GASB 68 and 75 requires the net pension liability (asset) and the net OPEB liability (asset) 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 health care 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 pension 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 pension payments, State statute does not assign/identify the responsible party for the unfunded

City of Westlake, Ohio
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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 (asset) 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 \$204,394,563 to \$177,976,091 for governmental activities and from \$38,398,868 to \$37,615,450 for business-type activities.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The largest portion of the City's net position reflects investments in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, furniture and fixtures, vehicles, and infrastructure), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets in governmental activities increased by \$6,004,108 from the year 2017 to 2018. This is primarily due to an increase in Cash and Cash Equivalents and increases in both Income Tax and Property Taxes Receivables as well as an increase in the net value of the City's capital assets due to the continuation and start of several road projects within the City. The City's total liabilities in governmental activities decreased \$9,394,562. Current liabilities decreased due to the payment of retainage on several construction projects. Long-term liabilities decreased due to a decrease in net pension liability as well as the continued pay-down of outstanding debt issues.

Net Position for business-type activities remained comparable to the prior year. Net position decreased compared to the prior year primarily due to current year depreciation outpacing current year additions to capital assets.

At the end of the current year, the City of Westlake is able to report positive balances in all but one category of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. Unrestricted net position is reporting a deficit balance for governmental activities due to the implementation of GASB 75.

CHANGES IN NET POSITION

TABLE 2

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues:						
Charges for Services	\$5,550,556	\$5,890,450	\$3,060,578	\$2,957,472	\$8,611,134	\$8,847,922
Operating Grants and Contributions	1,831,175	1,837,505	0	0	1,831,175	1,837,505
Capital Grants and Contributions	439,793	3,908,156	0	58,952	439,793	3,967,108
Total Program Revenues	\$7,821,524	\$11,636,111	\$3,060,578	\$3,016,424	\$10,882,102	\$14,652,535

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

CHANGES IN NET POSITION

TABLE 2 (continued)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
General Revenues:						
Property Taxes	\$12,207,154	\$12,054,274	\$0	\$0	\$12,207,154	\$12,054,274
Income Taxes	32,683,513	30,639,670	0	0	32,683,513	30,639,670
Admission Tax	179,818	155,861	0	0	179,818	155,861
Hotel Tax	648,529	624,085	0	0	648,529	624,085
Grants and Entitlements	1,701,700	1,601,753	0	0	1,701,700	1,601,753
Contributions and Donations	17,997	15,516	0	0	17,997	15,516
Franchise Taxes	621,160	608,919	0	0	621,160	608,919
Investment Income	1,625,894	762,066	99,098	52,958	1,724,992	815,024
Payment in Lieu of Taxes	4,854,112	3,706,657	0	0	4,854,112	3,706,657
Gain on Sale of Capital Assets	43,939	43,314	327	1,500	44,266	44,814
Miscellaneous	864,934	1,407,551	5,509	5,593	870,443	1,413,144
Total General Revenues	55,448,750	51,619,666	104,934	60,051	55,553,684	51,679,717
<i>Total Revenues</i>	<i>63,270,274</i>	<i>63,255,777</i>	<i>3,165,512</i>	<i>3,076,475</i>	<i>66,435,786</i>	<i>66,332,252</i>
Program Expenses						
General Government	10,056,237	10,794,762	0	0	10,056,237	10,794,762
Security of Persons and Property	19,858,456	18,414,710	0	0	19,858,456	18,414,710
Public Health Services	1,467,530	1,321,235	0	0	1,467,530	1,321,235
Transportation	12,000,797	15,562,035	0	0	12,000,797	15,562,035
Community Environment	3,320,222	3,417,017	0	0	3,320,222	3,417,017
Basic Utility Services	2,982,805	2,740,832	0	0	2,982,805	2,740,832
Leisure Time Activities	4,413,027	4,553,093	0	0	4,413,027	4,553,093
Interest and Fiscal Charges	2,544,287	2,570,868	0	0	2,544,287	2,570,868
Sewer	0	0	3,847,077	3,793,775	3,847,077	3,793,775
Golf Course	0	0	482,889	431,112	482,889	431,112
Total Program Expenses	56,643,361	59,374,552	4,329,966	4,224,887	60,973,327	63,599,439
<i>Increase (Decrease) in Net Position</i>						
<i>Before Transfers</i>	<i>6,626,913</i>	<i>3,881,225</i>	<i>(1,164,454)</i>	<i>(1,148,412)</i>	<i>5,462,459</i>	<i>2,732,813</i>
Transfers	0	(623,488)	0	623,488	0	0
Change in Net Position	6,626,913	3,257,737	(1,164,454)	(524,924)	5,462,459	2,732,813
<i>Net Position Beginning of Year, Restated</i>						
	<u>177,976,091</u>	<u>NA</u>	<u>37,615,450</u>	<u>NA</u>	<u>215,591,541</u>	<u>NA</u>
Net Position End of Year	<u>\$184,603,004</u>	<u>\$177,976,091</u>	<u>\$36,450,996</u>	<u>\$37,615,450</u>	<u>\$221,054,000</u>	<u>\$215,591,541</u>

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 \$161,393 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$2,359,428. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

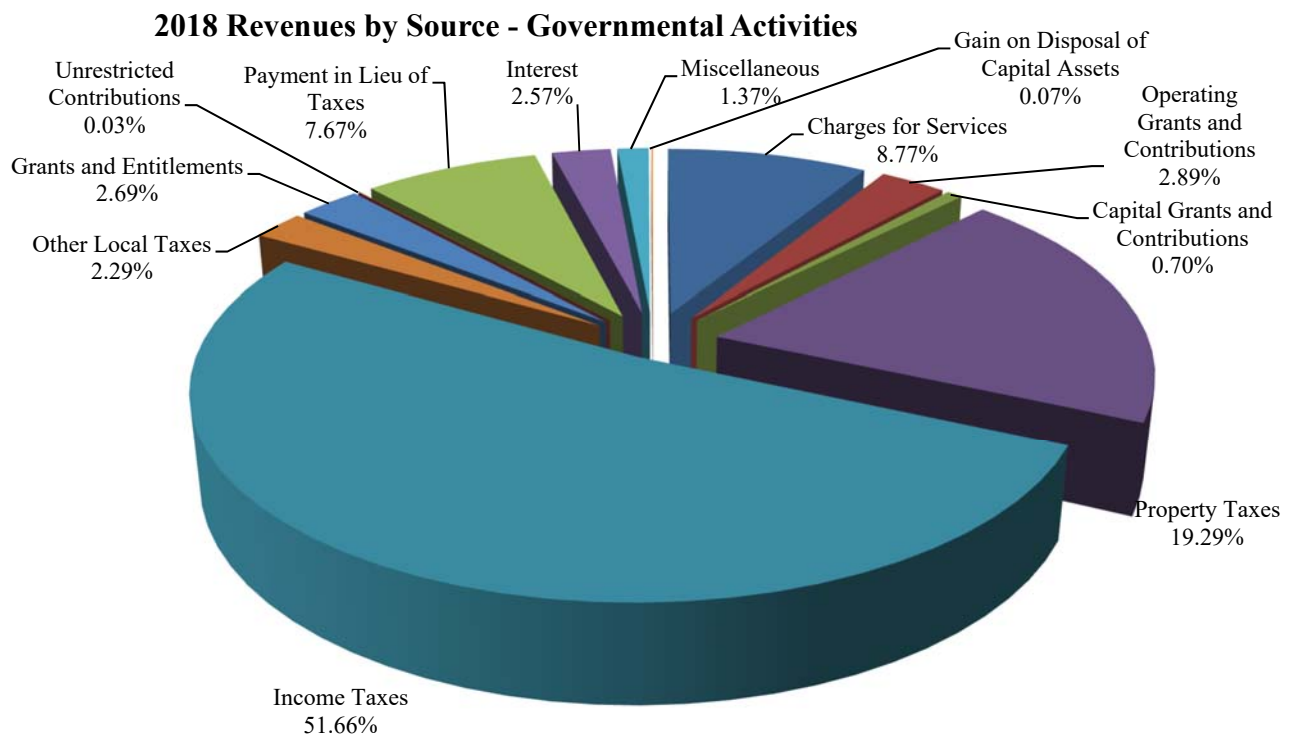
City of Westlake, Ohio
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	Governmental Activities	Business-Type Activities	Total
Total 2018 program expenses under GASB 75	\$56,643,361	\$4,329,966	\$60,973,327
OPEB expense under GASB 75	(2,334,515)	(24,913)	(2,359,428)
2018 contractually required contribution	53,819	581	54,400
Adjusted 2018 program expenses	54,362,665	4,305,634	58,668,299
Total 2017 program expenses under GASB 45	59,374,552	4,224,887	63,599,439
Increase/Decrease in program expenses not related to OPEB	(\$5,011,887)	\$80,747	(\$4,931,140)

Governmental Activities

Governmental activities increased the City's net position by \$6,626,913 during 2018, as compared to \$3,257,737 during 2017. Total revenues in governmental activities increased compared to the prior year, which was mainly due to an increase in income taxes, interest, and payments in lieu of taxes offset by a decrease in capital grants. Program expenses decreased compared to 2017 due to a decrease in transportation costs compared to the prior year as well as the decrease in legal fees due to the Crocker Park litigation in 2017.

Several types of revenues fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate was 1.5 percent for 2018, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City provides 100 percent credit up to 1.5 percent for those who pay income tax to another city. City Council could by Ordinance, choose to vary that income tax credit and create additional revenues for the City.



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The income tax revenue for 2018 was \$32,683,513, an increase of \$2,043,843 or 6.67 percent from 2017. The increase was due to a turnaround in the overall economy and development within the local economy, which has sustained and even increased employment levels. Of the \$63,270,274 in total revenues, income tax accounted for 51.66 percent, as compared to 48.44 percent of the total during 2017. Property taxes for 2018 were \$12,207,154, a \$152,880 increase from 2017.

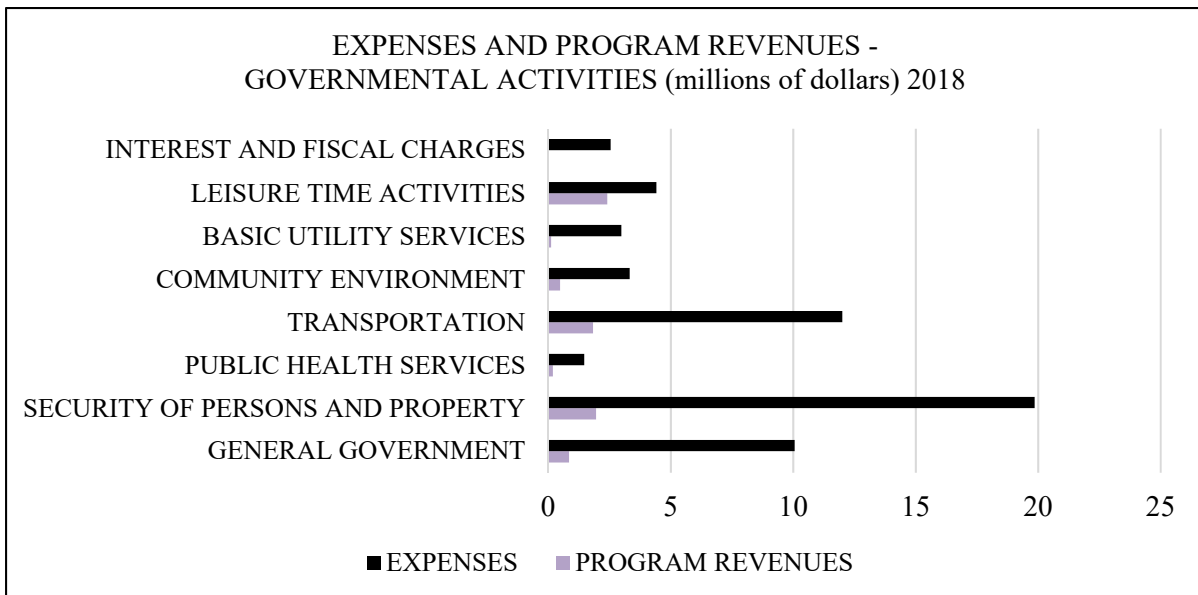
Operating grants and contributions remained steady compared to 2017. Capital grants and contributions decreased during 2018 largely due to more state and federal grants being received in 2017. Furthermore, charges for services decreased by \$339,894 during 2018 as compared to 2017, primarily due to decreased special assessment revenue, law enforcement fines and forfeitures and recreation charges for services.

General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its source of revenues very closely for fluctuations. During 2018, the City received \$1,701,700 in grant and entitlement monies, compared to \$1,601,753 in 2017. Payment in lieu of taxes increased \$1,147,455 due to the City receiving additional collections from the American Greetings project. Miscellaneous revenues decreased by \$542,617 during 2018.

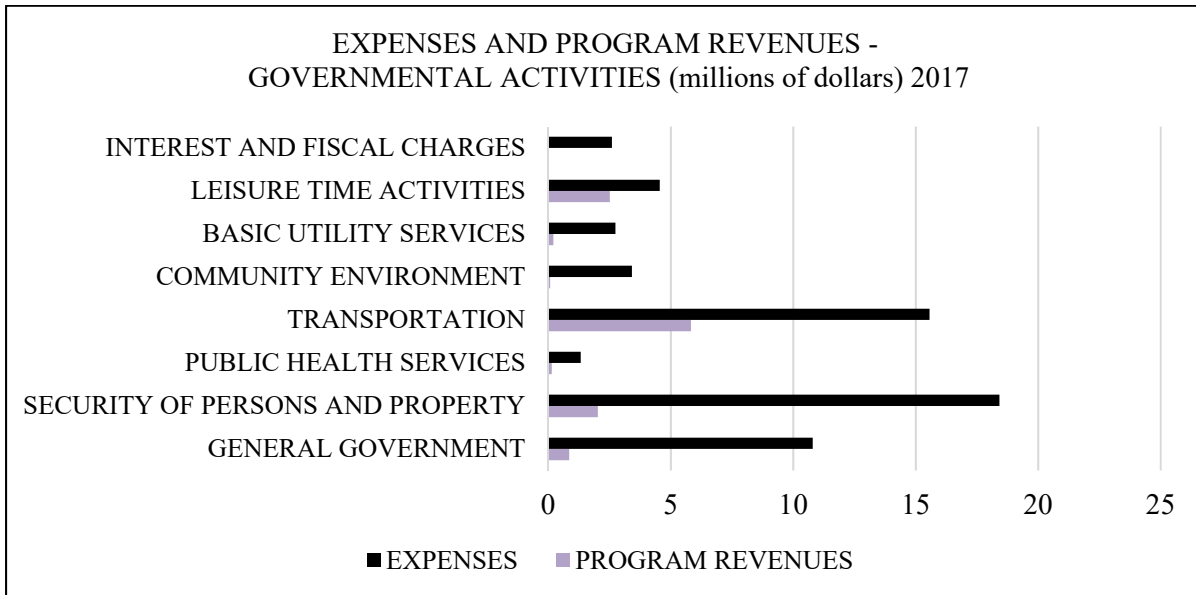
The largest program function for the City for 2018 is security of persons and property, with program expenses of \$19,858,456 as compared to \$18,414,710 in 2017, an increase of 7.84 percent. Transportation is the next largest program for 2018, with program expenses of \$12,000,797, as compared to \$15,562,035 in 2017, a decrease of 22.88 percent. This decrease is largely due to a decrease in pension expense and a decrease in repairs and maintenance.

The next largest program is general government, which accounts for the basic operations of the City including council, mayor, finance, law, purchasing, civil service, engineering, building maintenance, among other services. General government expenses for 2018 were \$10,056,237 as compared to \$10,794,762 for 2017, a decrease of 6.84 percent. This is attributable to decreases in pension expense as well as legal fees.

Leisure time activities expense decreased 3.08 percent during 2018 and community environment expense decreased 2.83 percent. The decrease to the community environment expense can be attributed to the decreases in pension expenses. Expenses for basic utility services increased from 2017 to 2018 by 8.83 percent due to more repairs and maintenance expenses.



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The charts above reflect how the City funds its programs, either through program or general revenues. As can be seen above, all programs have a heavy reliance on general revenues, with 87.64 percent of total 2018 revenues coming from general revenues. Leisure time activities received the most charges for services program revenue, primarily from the City's recreation center which is a membership-only facility.

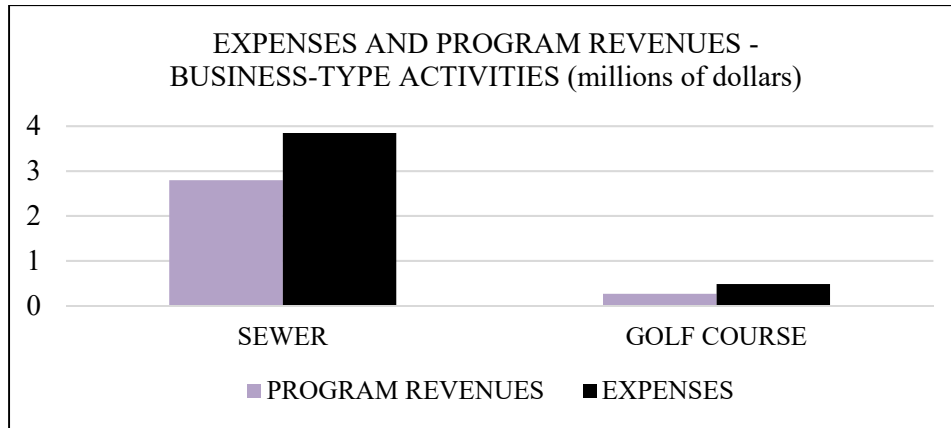
While security of persons and property is a large program expense, only a small portion of the total program expense is offset by program revenues. The primary program revenue is from police fines and forfeitures. The fire and emergency rescue department is partially funded with the EMS fee reimbursement which was initiated during mid-2008 and generates approximately \$900,000 per year.

Transportation program expense is only partially funded through operating grants and contributions, which are the State-collected gasoline and motor vehicle license taxes. The remaining program expense must be funded through City general revenues. With the City's aggressive infrastructure program in place, transportation program expense will continue to make up a large portion of the City's overall expenses as the roadways are capitalized and depreciated over time.

Business-Type Activities and Enterprise Funds

The business-type activities of the City, which include the City's sewer operations and golf activities, decreased the City's net position by \$1,164,454 during 2018, as compared to a decrease of net position of \$524,924 during 2017.

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Program expenses exceeded program revenues in the amount of \$1,052,511 for the sewer operations in 2018. This is due to increased contributions required for the City's share of operating expenses of the Rocky River Wastewater Treatment Plant, improved maintenance program for sewers through the public service department, as well as additional sewer depreciation for recently-replaced sewer lines.

Program expenses exceeded program revenues in the golf course activity in the amount of \$216,877 for the current year due to the charges for services not being sufficient to cover the cost of operations of the golf course due to poor weather conditions. This is comparable to the previous year and resulted in a decrease in net position at year-end.

Financial Analysis of the Government's Funds

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

Governmental Funds

Funds are created and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Resources that are not restricted, committed, or assigned are accounted for in the general fund.

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 balances may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins on page 24. These funds are accounted for by using the modified accrual basis of accounting.

As of the end of the current year, the City of Westlake's governmental funds reported combined ending fund balances of \$88,242,495. Nonspendable fund balance of \$4,295,226 includes interfund loans, prepaids, inventory and unclaimed funds. Fund balance in the amount of \$30,164,441 is restricted for road improvements, police and fire department operations, other restricted functions of the City and capital improvements. Fund balance in the amount of \$3,003,047 is committed to recreation and donations. Assigned fund balance includes \$19,145,177 for future severance payments, equipment replacement, cable television, cemetery operations, swimming pool operations, community services, safety town, service center construction, 2019 operations, and purchases on order. Unassigned fund balances of \$31,634,604 represents all balances not previously classified.

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All governmental funds had total revenues of \$62,154,735 and expenditures of \$57,699,507, with revenues exceeding expenditures by \$4,830,463 after including other financing sources and uses, although revenues decreased slightly from the prior year.

General Fund

The general fund is the chief operating fund of the City. At the end of the current year, total fund balance for the general fund was \$59,461,669, of which \$4,291,161 was nonspendable because of advances, prepaids, inventory and unclaimed funds; \$19,107,570 was assigned to future severance payments, equipment replacement, cable television, cemetery operations, swimming pool operations, community services, safety town, 2019 operations, and purchases on order; and \$35,907,578 was unassigned for financial reporting purposes. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to annual fund expenditures. Unassigned general fund balance represents 118.70 percent of total general fund expenditures, while total fund balance represents 196.56 percent of that same amount. Total fund balance of the City's general fund increased by \$2,832,127. General fund revenues increased due to higher income tax and interest. Expenditures increased due to increased income tax sharing for tax credit agreements in place, vacant positions being filled in Police and Fire departments and slight increase in outsourcing costs for rubbish collections.

TIF Bond Retirement Fund

The TIF bond retirement fund accounts for payments in lieu of taxes used to make debt service payments for the debt related to the American Greeting Project. At the end of the current year, total fund balance for the TIF bond retirement fund was \$458,427, which was a decrease from the prior year. Expenditures increased due to the first principal payment coming due on the Special Obligation Bonds. Revenues increased due to an increase in payments in lieu of taxes as well as interest revenue offsetting the increase in expenditures.

Infrastructure Tax Fund

The infrastructure tax capital projects fund accounts for the infrastructure-related capital improvements which are funded through a 3/8 of one percent of dedicated income tax. During the current year, the fund balance of the City's infrastructure tax fund increased by \$3,725,149 resulting from a decrease in project costs including water line rehabilitation and road construction compared to the prior year. The dedicated 3/8 of one percent income tax for infrastructure used by this fund was renewed in November 2006, and was effective for another 15 years beginning January 1, 2008.

Grants Fund

The grants capital projects fund accounts for various State and Federal revenues which are used for historical site preservation and the construction of recreational facilities. At the end of the current year, total fund balance was (\$2,430,982), which was a decrease from the prior year due to no additional grants requested compared to 2017 offset by a decrease in current year capital outlay expenditures.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2018, the City amended its general fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for ordinance enactment on the change. The City does allow small

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interdepartmental budget changes that modify line items within the accounting system which are within their appropriation category (salaries and other expenses). The general fund supports many of our major activities, such as our police and fire departments as well as most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the general fund, original budgeted revenues and other financing sources and final budgeted revenues and other financing sources were \$35,872,893. Original general fund budgeted expenditures and other financing uses were \$45,316,927, and the final budgeted expenditures and other financing uses were \$49,740,903. Actual general fund expenditures and other financing uses were \$41,890,677, or \$7,850,226 less than budgeted, due to all operating expenditures, especially general government, being less than originally estimated.

The primary reasons for the variance between the general fund's amended or final budget and the actual expenditures were as follows:

- Budgeted but unfilled vacant full-time and part-time positions accounted for \$1.4 million.
- Capital projects that were budgeted but postponed or that came in under budget. These include razing of the former Board of Education building (\$0.3 million), Service Department construction (\$.25 million), City hall improvement project (\$0.15 million), computer purchases (\$0.1 million)

Capital Assets and Debt Administration

Capital Assets

Table 3 shows 2018 balances of capital assets as compared to 2017.

**CAPITAL ASSETS
 (NET OF DEPRECIATION)
 TABLE 3**

	Governmental Activities		Business-Type Activities	
	2018	2017	2018	2017
Land	\$14,321,982	\$14,321,982	\$1,499,176	\$1,499,176
Construction in Progress	15,297,717	25,120,556	0	388,561
Buildings and Improvements	73,176,557	72,714,070	1,092,501	1,127,571
Improvements	2,540,998	2,403,522	41,423	46,255
Machinery and Equipment	1,310,147	1,371,552	42,325	52,817
Furniture and Fixtures	821,226	648,295	40,519	31,342
Vehicles	2,970,664	2,938,957	114,639	93,199
Infrastructure:				
Roads	55,217,774	51,398,699	0	0
Water Mains	28,722,854	26,292,383	0	0
Storm Sewers	15,361,569	15,679,969	0	0
Sewer Lines	0	0	21,334,663	22,026,338
Culverts	129,271	202,090	0	0
Traffic Signals	8,185,516	3,810,806	0	0
Bridges	845,625	880,558	0	0
Total	\$218,901,900	\$217,783,439	\$24,165,246	\$25,265,259

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Total capital assets for governmental activities increased largely due to the continuation of several road projects and improvements to the recreation center in 2018, while capital assets for business-type activities decreased due to current year depreciation outpacing current year acquisitions.

The City is committed to a long-term goal of meeting the needs of its infrastructure and facilities. We have a five-year capital plan in place that provides for street improvements and adding additional facilities to complement our current structures. For additional information see Note 11 to the basic financial statements.

Debt

As of December 31, 2018, the City of Westlake had \$63,333,342 in bonds and loans outstanding.

OUTSTANDING DEBT

TABLE 4

	Governmental Activities	
	2018	2017
General Obligation Bonds	\$4,592,630	\$6,373,209
Special Obligation Bonds	48,137,096	48,921,582
Special Assessment Bonds	150,000	200,000
OPWC Loans	2,843,319	2,998,355
State Infrastructure Bank Loan	7,610,297	8,200,694
Total	\$63,333,342	\$66,693,840

The general obligation bonds are composed of (1) 2008 Recreational Facilities voted issue for the construction of the City recreation center to be repaid from a dedicated 1/8 percent of the City's municipal income tax and (2) Infrastructure Various Purpose Bonds issued in 2011 for street improvements.

The non-tax revenue bonds (Special Obligation Bonds) will be repaid from payments in lieu of taxes from the newly declared TIF district within Crocker Park. The project includes the relocation of the world headquarters of American Greetings and further development of Crocker Park by adding new parking structures, apartments, restaurants, and retail stores.

The special assessment bonds consist of the various sewer construction projects, Ranney Parkway, various sidewalk improvements, and various other improvements. The principal and interest for these bonds are paid from the collection of special assessments by the County Fiscal Officer from the specific property owners who primarily benefited from the projects.

The OPWC loans are being paid semi-annually from the Issue II improvement capital project fund, funded by property taxes for various infrastructure projects being financed through the Ohio Public Works program.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10.5 percent of total assessed valuation. The City's overall legal debt margin was \$148,208,461 at December 31, 2018.

Additional information concerning the City's debt can be found in Note 18 to the basic financial statements.

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
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Current Financial Related Activities

The City of Westlake continued to maintain throughout 2018 a Moody's Investors Service and Fitch's Aaa rating, and Standard and Poor's AAA rating, and all ratings were affirmed in 2008. The City of Westlake remains the first suburb in Ohio to have been awarded all of the Aaa/AAA ratings.

The master plan developed and followed by the City for the acquisition of equipment and buildings and multi-year budgets created for upgrading of City Facilities has resulted in the City owning well maintained assets and buildings. Additionally, the City performs annual repairs, maintenance and replacement of its infrastructure including streets, waterlines, sewer lines and the 2018 year is no different.

The Phase III construction of Crocker Park was completed in 2016 with American Greetings bringing approximately 1,500 new employees to its newly constructed world headquarters along with additional retail and commercial rental space which was developed by Crocker Park.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends, or invests. If you have any questions about this report or need additional information contact Director of Finance Prashant Shah, CPA, City of Westlake, 27700 Hilliard Blvd., Westlake, Ohio 44145, telephone 440-617-4252, or website at www.cityofwestlake.org.

Basic Financial Statements

City of Westlake, Ohio
Statement of Net Position
December 31, 2018

	Governmental Activities	Business-Type Activities*	Total*
Assets			
Equity in Pooled Cash and Cash Equivalents	\$89,263,661	\$6,699,958	\$95,963,619
Cash and Cash Equivalents with Escrow Agents	1,455,033	0	1,455,033
Materials and Supplies Inventory	413,946	6,633	420,579
Accrued Interest Receivable	531,991	35,470	567,461
Accounts Receivable	1,732,376	835,231	2,567,607
Internal Balances	1,255,000	(1,255,000)	0
Intergovernmental Receivable	1,620,962	0	1,620,962
Prepaid Items	280,371	371	280,742
Municipal Income Taxes Receivable	8,235,498	0	8,235,498
Admission Taxes Receivable	29,247	0	29,247
Hotel Taxes Receivable	41,009	0	41,009
Permissive Motor Vehicle Taxes Receivable	41,148	0	41,148
Property Taxes Receivable	13,662,165	0	13,662,165
Payments in Lieu of Taxes Receivable	4,468,164	0	4,468,164
Special Assessments Receivable	150,000	0	150,000
Investment in Joint Venture	0	7,533,349	7,533,349
Net Pension Asset	48,670	3,107	51,777
Nondepreciable Capital Assets	29,619,699	1,499,176	31,118,875
Depreciable Capital Assets, Net	189,282,201	22,666,070	211,948,271
<i>Total Assets</i>	<u>342,131,141</u>	<u>38,024,365</u>	<u>380,155,506</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	71,183	0	71,183
Pension	6,468,784	196,286	6,657,709
OPEB	2,800,832	38,086	2,838,918
<i>Total Deferred Outflows of Resources</i>	<u>9,340,799</u>	<u>234,372</u>	<u>9,567,810</u>
Liabilities			
Accounts Payable	1,261,993	6,317	1,268,310
Contracts Payable	1,707,138	0	1,707,138
Accrued Wages	767,193	24,539	791,732
Matured Compensated Absences Payable	15,858	0	15,858
Retainage Payable	2,873,166	0	2,873,166
Accrued Interest Payable	178,418	0	178,418
Intergovernmental Payable	179,081	3,738	182,819
Unearned Revenue	0	184,498	184,498
Claims Payable	250,075	0	250,075
Long-Term Liabilities:			
Due within One Year	4,431,654	0	4,431,654
Due in More than One Year:			
Net Pension Liability (See Note 14)	35,877,579	759,917	36,637,496
Net OPEB Liability (See Note 15)	30,114,693	509,648	30,624,341
Other Amounts Due in More than One Year	65,499,960	0	65,499,960
<i>Total Liabilities</i>	<u>143,156,808</u>	<u>1,488,657</u>	<u>144,645,465</u>
Deferred Inflows of Resources			
Property Taxes	13,305,331	0	13,305,331
Payments in Lieu of Taxes	4,468,164	0	4,468,164
Pension	4,553,326	241,427	4,787,392
OPEB	1,385,307	77,657	1,462,964
<i>Total Deferred Inflows of Resources</i>	<u>23,712,128</u>	<u>319,084</u>	<u>24,023,851</u>
Net Position			
Net Investment in Capital Assets	153,724,619	24,165,246	177,889,865
Restricted for:			
Capital Projects	24,250,471	0	24,250,471
Debt Service	515,594	0	515,594
Streets and Highways	4,597,755	0	4,597,755
Police and Fire	1,637,022	0	1,637,022
Emergency Medical Service	2,583,061	0	2,583,061
Cemetery	572,311	0	572,311
Recycling	77,570	0	77,570
Unclaimed Funds	395,909	0	395,909
Unrestricted (Deficit)	(3,751,308)	12,285,750	8,534,442
<i>Total Net Position</i>	<u>\$184,603,004</u>	<u>\$36,450,996</u>	<u>\$221,054,000</u>

*After Deferred Outflows and Inflows of Resources related to the change in internal proportionate share of pension and OPEB related items have been eliminated

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Activities
For the Year Ended December 31, 2018

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$10,056,237	\$846,400	\$0	\$0
Security of Persons and Property	19,858,456	1,715,666	220,891	16,511
Public Health Services	1,467,530	189,707	0	0
Transportation	12,000,797	238,451	1,586,727	0
Community Environment	3,320,222	36,677	23,557	423,282
Basic Utility Services	2,982,805	112,735	0	0
Leisure Time Activities	4,413,027	2,410,920	0	0
Interest and Fiscal Charges	2,544,287	0	0	0
<i>Total Governmental Activities</i>	<u>56,643,361</u>	<u>5,550,556</u>	<u>1,831,175</u>	<u>439,793</u>
Business-Type Activities				
Sewer	3,847,077	2,794,566	0	0
Golf Course	482,889	266,012	0	0
<i>Total Business-Type Activities</i>	<u>4,329,966</u>	<u>3,060,578</u>	<u>0</u>	<u>0</u>
<i>Total</i>	<u>\$60,973,327</u>	<u>\$8,611,134</u>	<u>\$1,831,175</u>	<u>\$439,793</u>

General Revenues

Property Taxes Levied for:
General Purposes
Police Pension
Fire Pension
Police and Fire Operating
Municipal Income Taxes Levied for:
General Purposes
Recreation
Debt Service
Capital Outlay
Admissions Tax
Hotel Tax
Grants and Entitlements not Restricted to Specific Purposes
Unrestricted Contributions
Franchise Taxes
Interest
Payments in Lieu of Taxes
Gain on Sale of Capital Assets
Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year - Restated (See Note 3)

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$9,209,837)	\$0	(\$9,209,837)
(17,905,388)	0	(17,905,388)
(1,277,823)	0	(1,277,823)
(10,175,619)	0	(10,175,619)
(2,836,706)	0	(2,836,706)
(2,870,070)	0	(2,870,070)
(2,002,107)	0	(2,002,107)
(2,544,287)	0	(2,544,287)
(48,821,837)	0	(48,821,837)
0	(1,052,511)	(1,052,511)
0	(216,877)	(216,877)
0	(1,269,388)	(1,269,388)
(48,821,837)	(1,269,388)	(50,091,225)
10,283,784	0	10,283,784
384,679	0	384,679
384,679	0	384,679
1,154,012	0	1,154,012
21,693,454	0	21,693,454
250,147	0	250,147
1,991,299	0	1,991,299
8,748,613	0	8,748,613
179,818	0	179,818
648,529	0	648,529
1,701,700	0	1,701,700
17,997	0	17,997
621,160	0	621,160
1,625,894	99,098	1,724,992
4,854,112	0	4,854,112
43,939	327	44,266
864,934	5,509	870,443
55,448,750	104,934	55,553,684
6,626,913	(1,164,454)	5,462,459
177,976,091	37,615,450	215,591,541
\$184,603,004	\$36,450,996	\$221,054,000

City of Westlake, Ohio

Balance Sheet

Governmental Funds

December 31, 2018

	General	TIF Bond Retirement	Infrastructure Tax	Grants	Other Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$52,979,504	\$411,503	\$9,854,215	\$1,235,918	\$20,027,807
Cash and Cash Equivalents:					
with Escrow Agents	0	47,769	0	0	1,407,264
Materials and Supplies Inventory	412,970	0	0	0	976
Accrued Interest Receivable	444,404	0	57,583	0	30,004
Accounts Receivable	241,866	0	0	0	1,490,510
Interfund Receivable	0	0	3,666,900	0	650,000
Intergovernmental Receivable	845,259	0	0	0	775,703
Prepaid Items	277,282	0	0	0	3,089
Municipal Income Taxes Receivable	5,462,264	0	1,869,478	0	903,756
Admission Taxes Receivable	29,247	0	0	0	0
Hotel Taxes Receivable	41,009	0	0	0	0
Permissive Motor Vehicle Taxes Receivable	0	0	0	0	41,148
Property Taxes Receivable	11,509,512	0	0	0	2,152,653
Payments in Lieu of Taxes Receivable	0	4,468,164	0	0	0
Special Assessments Receivable	0	0	0	0	150,000
Advances to Other Funds	3,205,000	0	0	0	0
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	395,909	0	0	0	0
Total Assets	\$75,844,226	\$4,927,436	\$15,448,176	\$1,235,918	\$27,632,910
Liabilities					
Accounts Payable	\$1,142,039	\$845	\$22,425	\$0	\$96,684
Contracts Payable	249,397	0	92,669	0	1,365,072
Accrued Wages	626,919	0	2,906	0	137,368
Matured Compensated Absences Payable	15,858	0	0	0	0
Retainage Payable	45,819	0	633,190	0	2,194,157
Interfund Payable	0	0	0	3,666,900	650,000
Intergovernmental Payable	84,638	0	448	0	93,995
Advances From Other Funds	0	0	0	0	1,950,000
Total Liabilities	2,164,670	845	751,638	3,666,900	6,487,276
Deferred Inflows of Resources					
Property Taxes	11,208,902	0	0	0	2,096,429
Payments in Lieu of Taxes	0	4,468,164	0	0	0
Unavailable Revenue	3,008,985	0	623,591	0	2,368,771
Total Deferred Inflows of Resources	14,217,887	4,468,164	623,591	0	4,465,200
Fund Balances					
Nonspendable	4,291,161	0	0	0	4,065
Restricted	0	458,427	14,072,947	0	15,633,067
Committed	155,360	0	0	0	2,847,687
Assigned	19,107,570	0	0	0	37,607
Unassigned (Deficit)	35,907,578	0	0	(2,430,982)	(1,841,992)
Total Fund Balances (Deficit)	59,461,669	458,427	14,072,947	(2,430,982)	16,680,434
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$75,844,226	\$4,927,436	\$15,448,176	\$1,235,918	\$27,632,910

See accompanying notes to the basic financial statements

City of Westlake, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2018*

	Total Governmental Fund Balances	\$88,242,495
Total Governmental Funds	<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
\$84,508,947	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	218,901,900
1,455,033	Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:	
413,946	Delinquent Property Taxes	356,834
531,991	Municipal Income Taxes	2,750,149
1,732,376	Charges for Services	1,307,330
4,316,900	Fines and Forfeitures	5,853
1,620,962	Intergovernmental	1,300,724
280,371	Special Assessments	150,000
8,235,498	Contributions and Donations	235
29,247	Franchise Taxes	71,710
41,009	Miscellaneous	58,512
41,148	Total	6,001,347
13,662,165	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 in the statement of net position.	4,108,730
4,468,164		
150,000		
3,205,000		
395,909	Deferred Outflows of Resources that represent deferred charges on refunding are not reported in the funds.	71,183
\$125,088,666	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(178,418)
\$1,261,993	Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
1,707,138	General Obligation Bonds	(4,592,630)
767,193	Special Obligation Bonds	(48,137,096)
15,858	Special Assessment Bonds	(150,000)
2,873,166	OPWC Loans	(2,843,319)
4,316,900	State Infrastructure Bank Loan	(7,610,297)
179,081	Compensated Absences Payable	(6,286,361)
1,950,000	Capital Lease Obligation Payable	(1,546)
13,071,329	Landfill Postclosure Costs	(310,365)
	Total	(69,931,614)
13,305,331	The net pension asset, net pension liability and net OPEB are not due and payable in the current period; therefore the asset, liability and related deferred inflows/outflows are not reported in the funds:	
4,468,164	Net Pension Asset	48,670
6,001,347	Deferred Outflows - Pension	6,468,784
23,774,842	Net Pension Liability	(35,877,579)
4,295,226	Deferred Inflows - Pension	(4,553,326)
30,164,441	Deferred Outflows - OPEB	2,800,832
3,003,047	Net OPEB Liability	(30,114,693)
19,145,177	Deferred Inflows - OPEB	(1,385,307)
31,634,604	Total	(62,612,619)
88,242,495		
\$125,088,666	<i>Net Position of Governmental Activities</i>	\$184,603,004

City of Westlake, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	General	TIF Bond Retirement	Infrastructure Tax	Grants	Other Governmental Funds
Revenues					
Property Taxes	\$10,315,834	\$0	\$0	\$0	\$1,929,366
Municipal Income Taxes	21,070,803	0	7,158,808	0	3,486,045
Admissions Tax	179,818	0	0	0	0
Hotel Tax	648,529	0	0	0	0
Permissive Motor Vehicle Taxes	0	0	0	0	239,790
Charges for Services	187,621	0	0	0	3,803,499
Licenses, Permits and Fees	875,550	0	0	0	43,747
Fines and Forfeitures	131,466	0	0	0	121,715
Intergovernmental	1,684,725	0	0	0	1,734,810
Special Assessments	0	0	0	0	28,943
Payments in Lieu of Taxes	0	4,854,112	0	0	0
Interest	1,347,453	13,844	163,184	0	101,413
Rentals	161,259	0	0	0	83,104
Contributions and Donations	17,947	0	0	0	270,195
Franchise Taxes	612,541	0	0	0	0
Miscellaneous	843,348	0	805	0	44,461
<i>Total Revenues</i>	<u>38,076,894</u>	<u>4,867,956</u>	<u>7,322,797</u>	<u>0</u>	<u>11,887,088</u>
Expenditures					
Current:					
General Government	8,346,106	1,125,930	0	0	0
Security of Persons and Property	12,095,368	0	0	0	4,088,534
Public Health Services	1,187,015	0	0	0	80,454
Transportation	5,408,883	0	0	0	1,589,698
Community Environment	1,691,071	0	0	0	31,307
Basic Utility Services	751,182	0	0	0	481,171
Leisure Time Activities	772,198	0	0	0	2,645,055
Capital Outlay	0	0	3,597,648	119,016	7,703,183
Debt Service:					
Principal Retirement	0	1,365,397	0	0	1,963,620
Interest and Fiscal Charges	0	2,405,485	0	0	251,186
<i>Total Expenditures</i>	<u>30,251,823</u>	<u>4,896,812</u>	<u>3,597,648</u>	<u>119,016</u>	<u>18,834,208</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>7,825,071</u>	<u>(28,856)</u>	<u>3,725,149</u>	<u>(119,016)</u>	<u>(6,947,120)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	364,956	0	0	0	10,279
Transfers In	0	0	0	0	5,357,900
Transfers Out	(5,357,900)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(4,992,944)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,368,179</u>
<i>Net Change in Fund Balances</i>	2,832,127	(28,856)	3,725,149	(119,016)	(1,578,941)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>56,629,542</u>	<u>487,283</u>	<u>10,347,798</u>	<u>(2,311,966)</u>	<u>18,259,375</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$59,461,669</u>	<u>\$458,427</u>	<u>\$14,072,947</u>	<u>(\$2,430,982)</u>	<u>\$16,680,434</u>

See accompanying notes to the basic financial statements

City of Westlake, 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	\$4,830,463
Total Governmental Funds	<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
\$12,245,200	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.	
31,715,656	This is the amount by which capital outlay exceeded depreciation in the current period:	
179,818	Capital Asset Additions:	
648,529	Capital Outlays	10,710,300
239,790	Capital Contributions	16,511
3,991,120	Current Year Depreciation	<u>(9,267,354)</u>
919,297	Total	1,459,457
253,181	Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(340,996)
3,419,535	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues within the governmental funds:	
28,943	Delinquent Property Taxes	(38,046)
4,854,112	Municipal Income Taxes	967,857
1,625,894	Charges for Services	172,452
244,363	Licenses, Permits and Fees	(14,653)
288,142	Fines and Forfeitures	5,853
612,541	Intergovernmental	26,637
888,614	Special Assessments	(50,000)
	Contributions and Donations	50
62,154,735	Franchise Taxes	8,619
9,472,036	Miscellaneous	<u>(23,680)</u>
16,183,902	Total	1,055,089
1,267,469	Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:	
6,998,581	General Obligation Bonds	1,755,000
1,722,378	Special Obligation Bonds	775,000
1,232,353	Special Assessment Bonds	50,000
3,417,253	OPWC Loans Payable	155,036
11,419,847	State Infrastructure Bank Loan Payable	590,397
3,329,017	Capital Lease	<u>3,584</u>
2,656,671	Total	3,329,017
57,699,507	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
4,455,228	Accrued Interest	109,761
375,235	Amortization of Bond Premium	35,065
5,357,900	Amortization of Loss on Refunding	<u>(32,442)</u>
(5,357,900)	Total	112,384
375,235	Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
4,830,463	Compensated Absences	6,337
83,412,032	Landfill	<u>46,503</u>
88,242,495	Total	52,840
	The internal service fund used by management to charge the costs of insurance to individual funds is not reported in entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	283,578
	Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
	Pension	3,292,726
	OPEB	<u>53,819</u>
	Total	3,346,545
	Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	
	Pension	(5,166,949)
	OPEB	<u>(2,334,515)</u>
	Total	(7,501,464)
	<i>Change in Net Position of Governmental Activities</i>	<u>\$6,626,913</u>

City of Westlake, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$10,107,140	\$10,107,140	\$10,315,834	\$208,694
Municipal Income Taxes	20,565,000	20,565,000	21,353,324	788,324
Admissions Tax	150,000	150,000	195,468	45,468
Hotel Tax	600,000	600,000	646,708	46,708
Charges for Services	59,500	59,500	74,991	15,491
Licenses, Permits and Fees	759,900	759,900	863,056	103,156
Fines and Forfeitures	175,150	175,150	131,648	(43,502)
Intergovernmental	1,578,993	1,578,993	1,669,901	90,908
Interest	750,000	750,000	1,580,228	830,228
Rentals	170,810	170,810	161,019	(9,791)
Contributions and Donations	0	0	910	910
Franchise Taxes	625,000	625,000	618,274	(6,726)
Miscellaneous	296,400	296,400	837,109	540,709
<i>Total Revenues</i>	<u>35,837,893</u>	<u>35,837,893</u>	<u>38,448,470</u>	<u>2,610,577</u>
Expenditures				
Current:				
General Government	10,590,507	10,985,928	8,058,095	2,927,833
Security of Persons and Property	13,780,365	13,675,907	12,462,902	1,213,005
Public Health Services	1,215,678	1,208,770	1,024,047	184,723
Transportation	7,823,573	7,741,694	6,341,359	1,400,335
Community Environment	1,915,637	1,906,202	1,701,860	204,342
Basic Utility Services	1,138,281	1,127,950	779,088	348,862
Leisure Time Activities	1,044,186	1,036,552	890,426	146,126
<i>Total Expenditures</i>	<u>37,508,227</u>	<u>37,683,003</u>	<u>31,257,777</u>	<u>6,425,226</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,670,334)</u>	<u>(1,845,110)</u>	<u>7,190,693</u>	<u>9,035,803</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	35,000	35,000	364,956	329,956
Advances In	0	0	4,000,000	4,000,000
Advances Out	(2,250,000)	(6,250,000)	(5,200,000)	1,050,000
Transfers Out	(5,558,700)	(5,807,900)	(5,432,900)	375,000
<i>Total Other Financing Sources (Uses)</i>	<u>(7,773,700)</u>	<u>(12,022,900)</u>	<u>(6,267,944)</u>	<u>5,754,956</u>
<i>Net Change in Fund Balance</i>	(9,444,034)	(13,868,010)	922,749	14,790,759
<i>Fund Balance Beginning of Year</i>	47,832,166	47,832,166	47,832,166	0
<i>Prior Year Encumbrances Appropriated</i>	<u>2,036,927</u>	<u>2,036,927</u>	<u>2,036,927</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$40,425,059</u>	<u>\$36,001,083</u>	<u>\$50,791,842</u>	<u>\$14,790,759</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2018

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Nonmajor - Golf Course	Total	
Assets				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$6,602,938	\$97,020	\$6,699,958	\$4,358,805
Materials and Supplies Inventory	0	6,633	6,633	0
Accrued Interest Receivable	35,470	0	35,470	0
Accounts Receivable	835,231	0	835,231	0
Prepaid Items	163	208	371	0
<i>Total Current Assets</i>	<u>7,473,802</u>	<u>103,861</u>	<u>7,577,663</u>	<u>4,358,805</u>
<i>Noncurrent Assets</i>				
Investment in Joint Venture	7,533,349	0	7,533,349	0
Net Pension Asset	2,071	1,036	3,107	0
Nondepreciable Capital Assets	0	1,499,176	1,499,176	0
Depreciable Capital Assets, Net	22,067,393	598,677	22,666,070	0
<i>Total Noncurrent Assets</i>	<u>29,602,813</u>	<u>2,098,889</u>	<u>31,701,702</u>	<u>0</u>
<i>Total Assets</i>	<u>37,076,615</u>	<u>2,202,750</u>	<u>39,279,365</u>	<u>4,358,805</u>
Deferred Outflows of Resources				
Pension	136,513	98,615	235,128	0
OPEB	25,391	35,504	60,895	0
<i>Total Deferred Outflows of Resources</i>	<u>161,904</u>	<u>134,119</u>	<u>296,023</u>	<u>0</u>
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	5,140	1,177	6,317	0
Claims Payable	0	0	0	250,075
Accrued Wages	19,194	5,345	24,539	0
Intergovernmental Payable	2,913	825	3,738	0
Unearned Revenue	184,498	0	184,498	0
<i>Total Current Liabilities</i>	<u>211,745</u>	<u>7,347</u>	<u>219,092</u>	<u>250,075</u>
<i>Long-Term Liabilities</i>				
Advances from Other Funds	0	1,255,000	1,255,000	0
Net Pension Liability	506,611	253,306	759,917	0
Net OPEB Liability	339,765	169,883	509,648	0
<i>Total Long-Term Liabilities</i>	<u>846,376</u>	<u>1,678,189</u>	<u>2,524,565</u>	<u>0</u>
<i>Total Liabilities</i>	<u>1,058,121</u>	<u>1,685,536</u>	<u>2,743,657</u>	<u>250,075</u>
Deferred Inflows of Resources				
Pension	217,866	62,403	280,269	0
OPEB	87,811	12,655	100,466	0
<i>Total Deferred Inflows of Resources</i>	<u>305,677</u>	<u>75,058</u>	<u>380,735</u>	<u>0</u>
Net Position				
Net Investment in Capital Assets	22,067,393	2,097,853	24,165,246	0
Unrestricted (Deficit)	13,807,328	(1,521,578)	12,285,750	4,108,730
<i>Total Net Position</i>	<u>\$35,874,721</u>	<u>\$576,275</u>	<u>\$36,450,996</u>	<u>\$4,108,730</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018*

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Nonmajor - Golf Course	Total	
Operating Revenues				
Charges for Services	\$2,738,286	\$217,677	\$2,955,963	\$3,088,137
Tap-In-Fees	56,280	0	56,280	0
Rentals	0	48,335	48,335	0
Miscellaneous	0	5,509	5,509	0
<i>Total Operating Revenues</i>	<u>2,794,566</u>	<u>271,521</u>	<u>3,066,087</u>	<u>3,088,137</u>
Operating Expenses				
Personal Services	446,104	218,025	664,129	0
Fringe Benefits	223,300	91,695	314,995	0
Contractual Services	1,816,326	78,309	1,894,635	490,688
Materials and Supplies	27,185	52,093	79,278	0
Depreciation	1,134,849	33,160	1,168,009	0
Other	61,896	9,607	71,503	0
Claims	0	0	0	2,313,871
<i>Total Operating Expenses</i>	<u>3,709,660</u>	<u>482,889</u>	<u>4,192,549</u>	<u>2,804,559</u>
<i>Operating (Loss) Income</i>	<u>(915,094)</u>	<u>(211,368)</u>	<u>(1,126,462)</u>	<u>283,578</u>
Nonoperating Revenues (Expenses)				
Interest	99,098	0	99,098	0
Gain on Disposal of Capital Assets	0	327	327	0
Loss in Joint Venture	(137,417)	0	(137,417)	0
<i>Total Nonoperating Revenues (Expenses)</i>	<u>(38,319)</u>	<u>327</u>	<u>(37,992)</u>	<u>0</u>
<i>Change in Net Position</i>	(953,413)	(211,041)	(1,164,454)	283,578
<i>Net Position Beginning of Year - Restated (See Note 3)</i>	<u>36,828,134</u>	<u>787,316</u>	<u>37,615,450</u>	<u>3,825,152</u>
<i>Net Position End of Year</i>	<u>\$35,874,721</u>	<u>\$576,275</u>	<u>\$36,450,996</u>	<u>\$4,108,730</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Nonmajor - Golf Course	Total	
<i>Increase (Decrease) in Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities				
Cash Received from Customers	\$2,503,799	\$266,012	\$2,769,811	\$3,266,263
Cash Received from Other Operating Sources	0	5,509	5,509	0
Cash Received from Tap-In Fees	56,280	0	56,280	0
Cash Payments to Suppliers for Goods and Services	(1,889,733)	(132,212)	(2,021,945)	(490,688)
Cash Payments for Claims	0	0	0	(2,387,863)
Cash Payments for Employee Services and Benefits	(590,427)	(263,839)	(854,266)	0
Cash Payments for Other Operating Expenses	(60,008)	(9,659)	(69,667)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>19,911</u>	<u>(134,189)</u>	<u>(114,278)</u>	<u>387,712</u>
Cash Flows from Noncapital Financing Activities				
Advance In	0	100,000	100,000	0
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(65,432)	(2,564)	(67,996)	0
Proceeds from Sale of Capital Assets	0	327	327	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(65,432)</u>	<u>(2,237)</u>	<u>(67,669)</u>	<u>0</u>
Cash Flows from Investing Activities				
Interest	96,322	0	96,322	0
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	50,801	(36,426)	14,375	387,712
<i>Cash and Cash Equivalents Beginning of Year</i>	6,552,137	133,446	6,685,583	3,971,093
<i>Cash and Cash Equivalents End of Year</i>	<u>\$6,602,938</u>	<u>\$97,020</u>	<u>\$6,699,958</u>	<u>\$4,358,805</u>
Reconciliation of Operating (Loss) Income to Net Cash Provided by (Used for) Operating Activities				
<i>Operating (Loss) Income</i>	(\$915,094)	(\$211,368)	(\$1,126,462)	\$283,578
Adjustments:				
Depreciation	1,134,849	33,160	1,168,009	0
(Increase)/Decrease in Assets:				
Materials and Supplies Inventory	0	(976)	(976)	0
Accounts Receivable	(231,830)	0	(231,830)	178,126
Prepaid Items	5	23	28	0
Net Pension Asset	(1,453)	(518)	(1,971)	0
(Increase)/Decrease in Deferred Outflows of Resources - Pension	171,354	60,260	231,614	0
(Increase)/Decrease in Deferred Outflows of Resources - OPEB	17,555	18,511	36,066	0
Increase/(Decrease) in Liabilities:				
Accounts Payable	(15,824)	(857)	(16,681)	0
Contracts Payable	(14,679)	0	(14,679)	0
Claims Payable	0	0	0	(73,992)
Accrued Wages	4,572	(607)	3,965	0
Retainage Payable	(13,836)	0	(13,836)	0
Intergovernmental Payable	688	(146)	542	0
Unearned Revenue	(2,657)	0	(2,657)	0
Net Pension Liability	11,018	5,509	16,527	0
Net OPEB Liability	18,426	9,213	27,639	0
Increase/(Decrease) in Deferred Inflows of Resources - Pension	(106,973)	(43,230)	(150,203)	0
Increase/(Decrease) in Deferred Inflows of Resources - OPEB	(36,210)	(3,163)	(39,373)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$19,911</u>	<u>(\$134,189)</u>	<u>(\$114,278)</u>	<u>\$387,712</u>

Noncash Capital Financing and Investing Activities

During 2018, the net decrease in fair value of the sewer enterprise funds investments was \$21,442.

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2018

Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,525,524
Cash and Cash Equivalents in Segregated Accounts	27,893
Accounts Receivable	<u>138,703</u>
<i>Total Assets</i>	<u><u>\$1,692,120</u></u>
 Liabilities	
Deposits Held and Due to Others	<u><u>\$1,692,120</u></u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The City of Westlake is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a Council/Mayor form of government, was adopted in 1956.

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

The City of Westlake’s primary government consists of all funds and departments which are not legally separate from the City. They include a police force, a fire fighting force, and a street maintenance and sanitation force, planning and zoning departments, engineering and community services departments, parks and a recreation system, a sewer system, one golf course, and a staff to provide essential support to these service providers.

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 the 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 which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burden on, the primary government. The reporting entity of the City does not include any component units.

The Rocky River Wastewater Treatment Plant is a joint venture, owned and operated by the cities of Westlake, Rocky River, Bay Village and Fairview Park. The mayors of each city serve during their term in office as members of the Management Committee of the Rocky River Wastewater Treatment Plant. Each City is responsible for a percentage of the operating expenses of the plant based on volume of flow into the plant (See Note 22).

The City is associated with four jointly governed organizations, the West Shore Council of Governments, Tri-City Park, Safe Air For Environment (S.A.F.E) Council of Governments, and West Shore Area Rescue Association. These organizations are presented in Note 23 to the basic financial statements.

The City is also associated with the Westlake Community Improvement Corporation (WCIC). The WCIC is a not-for-profit corporation which was founded in 1976. The seven-member Board, which consists of three elected officials of the City and four members appointed by the trustees, promotes industrial, commercial, distribution and research activities within the City. The City does not have a majority control in the Board and therefore, WCIC has been excluded from the reporting entity.

Note 2 – Summary of Significant Accounting Policies

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Basis of Presentation

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

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

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

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

Fund Accounting

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

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

The following are the City's major governmental funds:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of Westlake and/or the general laws of Ohio.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

TIF Bond Retirement Fund The TIF Bond Retirement fund accounts for and reports payment in lieu of taxes restricted for the payment of principal and interest and fiscal charges related to debt issued to finance American Greetings project.

Infrastructure Tax Fund The infrastructure tax fund accounts for and reports the receipt of a 3/8 of one percent voted increase in the municipal income tax restricted for general municipal infrastructure costs.

Grants Fund This fund accounts for and reports various State and Federal monies which are restricted for historical site preservation and the construction of recreation facilities.

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

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

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

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

Golf Course Fund The golf course fund accounts for and reports the operations of the City owned golf course.

Internal Service Funds Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's only internal service fund reports on a self-insurance program for employee hospital/medical, prescription, dental and vision insurance benefits.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for central dispatching services for the West Shore Council of Governments, deposits held for contractors and developers and assessments due to other governments and for the employee flexible spending account.

Measurement Focus

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

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

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

Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlement 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 9). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Unearned Revenue Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

On enterprise fund financial statements, revenue received as of December 31, 2018, for 2019 services, has been recorded as unearned revenue.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for a deferred charge on refunding, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Note 14 and 15.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, OPEB 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 year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes charges for services, licenses, permits and fees, fines and forfeitures, delinquent property taxes, municipal income taxes, intergovernmental grants, special assessments, contributions and donations, franchise taxes and miscellaneous revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 25. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Note 14 and 15).

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

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

Budgetary Data

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original and final budgeted amounts on the budgetary statements reflect the amount on the amended certificate of estimated resources in effect at the time the original and final appropriations were enacted by Council.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

Pooled Cash and Cash Equivalents

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

During 2018, investments were limited to municipal bonds, bond anticipation notes, federal farm credit bank bonds, federal home loan bank bonds, US Treasury Notes, federated treasury obligation money market fund and STAR Ohio. Investments are reported at fair value, which is based on quoted market price or current price, except for STAR Ohio.

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

For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, 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.

Interest earnings are allocated to City funds according to State statutes, City Charter, grant requirements, or debt related restrictions. Interest revenue credited to the general fund during 2018 was \$1,347,453, which includes \$417,169 assigned from other City funds.

Cash and cash equivalents that are held separately by the City for payment of retainage to contractors upon project completion are recorded as "cash and cash equivalents with escrow agents." The City also utilizes a financial institute to service various American Greetings and Market Square construction and debt payments. The balances in these accounts are presented on the statement of net position as "cash and cash equivalents with escrow agents."

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

Materials and Supplies Inventory

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Prepaid Items

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

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent money set aside for unclaimed monies.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e. estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). The City maintains a capitalization threshold of \$1,000 dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and Improvements	20 - 84 years	44 - 50 years
Improvements	10 - 50 years	20 - 50 years
Machinery and Equipment	5 - 19 years	5 years
Furniture and Fixtures	10 - 20 years	10 years
Vehicles	2 - 15 years	5 years
Infrastructure	10 - 50 years	50 years

The City's infrastructure consists of roads, water mains, storm sewers, culverts, traffic signals, sewer lines and bridges and includes infrastructure acquired prior to December 31, 1980.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Interfund Balances

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

On fund financial statements, long-term interfund loans, reported as “advances to/from other funds”, are classified as nonspendable fund balance, which indicate that they are not in spendable form even though it is a component of net current assets. Repayment is expected to be made within a reasonable period of time.

Deferred inflows of resources and deferred outflows of resources from the change in internal proportionate share related to pension and OPEB items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future (those employees who will be eligible to receive termination payments in the next 20 years). The amount is based on accumulated sick leave and employee wage rates at year-end taking into consideration any limits specified in the City’s termination policy.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “matured compensated absences payable” in the fund(s) from which the employees who have resigned or retired will be paid.

Pensions/Other Postemployment Benefits (OPEB)

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences 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. 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. Bonds, capital lease, and long-term loans are recognized as a liability on the governmental fund financial statements when due.

Fund Balance

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

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

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

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

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State statute. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. Council assigned fund balance to cover a gap between estimated revenue and appropriations in 2019's appropriated budget. All remaining assigned amounts in the general fund were established by City Council.

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

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

Net Position

Net Position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sewer services, golf and self-insurance programs. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for a repayment are reported as interfund transfers. Interfund transfers are reported as other

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are presented on the financial statements.

Contributions of Capital

Contributions of capital in the governmental activities and 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. Contributions of capital in proprietary fund financial statements also arise from contributions of capital assets from governmental funds.

Bond Premium

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the effective-interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On the governmental fund statements, bond premiums are received in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Deferred Charges on Refunding

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

Estimates

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

Note 3 – Change in Accounting Principles and Restatement of Net Position

For fiscal year 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

For 2018, the City also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2017-1*. These changes were incorporated in the City's 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

benefits (OPEB)). These changes were incorporated in the City's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 89 establishes accounting requirements for interest cost incurred before the end of a construction period. These changes were incorporated in the City's 2018 financial statements; however, there was no effect on beginning net position.

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure.

Also, during 2018, the City's investment in joint venture needed to be restated due to its implementation of GASB Statement 75.

The implementation of this pronouncement had the following effect on net position as reported December 31, 2017:

	Governmental Activities	Business - Type Activities	Total
Net Position December 31, 2017	\$204,394,563	\$38,398,868	\$242,793,431
Adjustments:			
Net OPEB Liability	(26,572,054)	(532,698)	(27,104,752)
Deferred Outflow - Payments Subsequent to Measurement Date	153,582	7,811	161,393
Investment in Joint Venture	0	(258,531)	(258,531)
Restated Net Position December 31, 2017	<u>\$177,976,091</u>	<u>\$37,615,450</u>	<u>\$215,591,541</u>

	Sewer	Nonmajor - Golf Course	Total Enterprise
Net Position December 31, 2017	\$37,489,079	\$909,789	\$38,398,868
Adjustments:			
Net OPEB Liability	(408,402)	(124,296)	(532,698)
Deferred Outflow - Payments Subsequent to Measurement Date	5,988	1,823	7,811
Investment in Joint Venture	(258,531)	0	(258,531)
Restated Net Position December 31, 2017	<u>\$36,828,134</u>	<u>\$787,316</u>	<u>\$37,615,450</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.

Note 4 – Accountability

The grants, American Greetings, sidewalks, and community center construction capital projects funds had deficit fund balances at December 31, 2018, in the amounts of \$2,430,982, \$108,411, \$1,386,388 and \$347,193, respectively. The deficit in the American Greetings capital projects fund is the result of the recognition of expenditures on the modified basis of accounting. The deficit in the grants, sidewalks and community construction capital projects funds are due to advances made for construction projects until revenue is received. The general fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 5 – Fund Balances

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

Fund Balances	General	TIF Bond Retirement	Infrastructure Tax	Grants	Other Governmental Funds	Total Governmental Activities
<u>Nonspendable:</u>						
Interfund loans	\$3,205,000	\$0	\$0	\$0	\$0	\$3,205,000
Prepays	277,282	0	0	0	3,089	280,371
Inventory	412,970	0	0	0	976	413,946
Unclaimed Monies	395,909	0	0	0	0	395,909
<i>Total Nonspendable</i>	<u>4,291,161</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,065</u>	<u>4,295,226</u>
<u>Restricted for:</u>						
Road Improvements	0	0	0	0	4,006,268	4,006,268
Police and Fire Departments	0	0	0	0	742,106	742,106
Law Enforcement	0	0	0	0	607,097	607,097
Drug and Alcohol Enforcement	0	0	0	0	100,758	100,758
Juvenile Diversion	0	0	0	0	15,136	15,136
Cemetery Maintenance	0	0	0	0	572,311	572,311
West/Bay Ecological	0	0	0	0	69,933	69,933
Emergency Medical Services	0	0	0	0	1,379,500	1,379,500
Storm Drainage	0	0	0	0	480,993	480,993
Construction and Improvement of City Facilities	0	0	0	0	6,977,115	6,977,115
Debt Service Payments	0	458,427	0	0	604,310	1,062,737
American Greetings Construction	0	0	0	0	77,540	77,540
Issue II Improvements	0	0	14,072,947	0	0	14,072,947
<i>Total Restricted</i>	<u>0</u>	<u>458,427</u>	<u>14,072,947</u>	<u>0</u>	<u>15,633,067</u>	<u>30,164,441</u>
<u>Committed to:</u>						
Recreation	0	0	0	0	2,646,712	2,646,712
City Donations	0	0	0	0	200,975	200,975
Recreation Department	7,829	0	0	0	0	7,829
Street Department	40,223	0	0	0	0	40,223
Police and Fire Departments	73,614	0	0	0	0	73,614
Other	33,694	0	0	0	0	33,694
<i>Total Committed</i>	<u>155,360</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,847,687</u>	<u>3,003,047</u>
<u>Assigned to:</u>						
Compensated Absences	577,816	0	0	0	0	577,816
Equipment Replacement	11,441,994	0	0	0	0	11,441,994
Cable Television	3,475,529	0	0	0	0	3,475,529
Cemetery Operations	67,835	0	0	0	0	67,835
Swimming Pool Operations	13,917	0	0	0	0	13,917
Community Services	71,036	0	0	0	0	71,036
Safety Town	14,032	0	0	0	0	14,032
Service Center Construction	0	0	0	0	37,607	37,607
2019 Operations	3,003,393	0	0	0	0	3,003,393
Purchases on Order						
Building Maintenance	23,758	0	0	0	0	23,758
Street Department	260,215	0	0	0	0	260,215
Police Department	47,669	0	0	0	0	47,669
Fire Department	88,275	0	0	0	0	88,275
Recreation Department	22,101	0	0	0	0	22,101
<i>Total Assigned</i>	<u>19,107,570</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>37,607</u>	<u>19,145,177</u>
Unassigned (Deficit)	<u>35,907,578</u>	<u>0</u>	<u>0</u>	<u>(2,430,982)</u>	<u>(1,841,992)</u>	<u>31,634,604</u>
Total Fund Balances (Deficit)	<u>\$59,461,669</u>	<u>\$458,427</u>	<u>\$14,072,947</u>	<u>(\$2,430,982)</u>	<u>\$16,680,434</u>	<u>\$88,242,495</u>

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 6 – Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statements of revenues, expenditures and changes in fund balance – budget (Non-GAAP Basis) and actual presented for the general fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- 1 Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- 2 Investments are reported at fair value (GAAP basis) rather than cost (budget basis).
- 3 Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- 4 Budgetary revenues and expenditures of the swimming pool operation fund, senior/community service fund, cemetery operating fund and reserve for compensated absences fund are reclassified to the general fund for GAAP Reporting.
- 5 Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
- 6 Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budget basis statements for the general fund.

	General
GAAP Basis	\$2,832,127
Net Adjustment for Revenue Accruals	890,836
Advances In	4,000,000
Beginning Fair Value Adjustment for Investments	19,657
Ending Fair Value Adjustment for Investments	(268,648)
Net Adjustment for Expenditure Accruals	155,240
Advances Out	(5,200,000)
Perspective Difference:	
Swimming Pool Operation	2,843
Senior/Community Service	(8,919)
Cemetery Operating	4,427
Reserve for Compensated Absences	591,492
Encumbrances	(2,096,306)
Budget Basis	\$922,749

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 7 – Deposits and Investments

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

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

Inactive deposits are public deposits that 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.

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, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited.

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 treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The City has passed an ordinance allowing the City to invest monies not required to be used for a period of six months or more in the following:

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

Investments

Investments are reported at fair value. As of December 31, 2018, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percentage of Total Investments
Net Asset Value Per Share				
STAR Ohio	\$5,084,358	Average 44.9 Days	AAAm	5.19%
Fair Value - Level One Inputs				
Federated Treasury Obligation Money Market	1,834,675	Less than one year	AAAm	1.87%
Fair Value - Level Two Inputs				
Federal Farm Credit Bank Bonds	6,208,149	Less than one year	AA+	
Federal Farm Credit Bank Bonds	11,019,293	Less than two years	AA+	
Federal Farm Credit Bank Bonds	5,058,268	Less than five years	AA+	
Total Federal Farm Credit Bank Bonds	22,285,710			22.75
Federal Home Loan Bank Bonds	4,487,463	Less than one year	AA+	
Federal Home Loan Bank Bonds	6,647,906	Less than two years	AA+	
Federal Home Loan Bank Bonds	6,432,002	Less than five years	AA+	
Total Federal Home Loan Bank Bonds	17,567,371			17.94
US Treasury Note	\$9,891,447	Less than one year	AA+	10.10

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percentage of Total Investments
Fair Value - Level Two Inputs				
Bond Anticipation Notes:				
City of Berea	\$3,671,243	Less than one year	N/A	3.75%
City of Fairborn	2,434,278	Less than one year	N/A	2.50
City of Huron	3,496,080	Less than one year	N/A	3.57
City of Lyndhurst	1,000,020	Less than one year	N/A	1.02
City of Pickerington	1,864,171	Less than one year	N/A	1.90
City of Springboro	3,414,042	Less than one year	N/A	3.50
City of Vandalia	1,404,624	Less than one year	N/A	1.43
Lucas County	1,001,460	Less than one year	N/A	1.02
Pickaway County	3,001,080	Less than one year	N/A	3.06
Trumbull County	500,815	Less than one year	N/A	0.51
Total Bond Anticipation Notes	<u>21,787,813</u>			
Municipal Bonds:				
City of Dublin	402,505	Less than one year	N/A	0.41
Celina City School District	526,115	Less than one year	N/A	0.54
Columbus City School District	1,992,940	Less than one year	N/A	2.03
Little Miami Local School District	409,256	Less than one year	N/A	0.42
Upper Arlington City School District	509,320	Less than one year	N/A	0.52
Cuyahoga County	498,688	Less than one year	N/A	0.51
Greene County	1,238,063	Less than one year	N/A	1.26
State of Ohio	467,627	Less than one year	N/A	0.48
City of Cleveland	824,728	Less than two years	N/A	0.84
City of Columbus	1,744,221	Less than two years	N/A	1.78
City of Wadsworth	791,232	Less than two years	N/A	0.81
Avon Lake City School District	433,182	Less than two years	N/A	0.44
Cincinnati City School District	764,327	Less than two years	N/A	0.78
Columbus City School District	2,088,280	Less than two years	N/A	2.13
Columbus Metropolitan Library	442,903	Less than two years	N/A	0.45
Cuyahoga County	247,425	Less than two years	N/A	0.25
State of Ohio	509,960	Less than two years	N/A	0.52
City of Cincinnati	597,342	Less than five years	N/A	0.61
City of Columbus	2,220,418	Less than five years	N/A	2.27
Cincinnati City School District	1,506,600	Less than five years	N/A	1.54
Columbus City School District	539,840	Less than five years	N/A	0.55
State of Ohio	737,865	Less than five years	N/A	0.75
	<u>19,492,837</u>			
Total Fair Value - Level Two Inputs	<u>91,025,178</u>			
	<u>\$97,944,211</u>			

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2018. The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids,

City of Westlake, Ohio
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offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk The Bond Anticipation Notes and Municipal Bonds are unrated. The Federal Farm Credit Bank Bonds, Federal Home Loan Bank Bonds and the US Treasury Notes carry a rating of AA+ by Standard and Poor's. STAR Ohio carries a credit rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

Concentration of Credit Risk The City places no limit on the amount it may invest in any one issuer.

Note 8 – Interfund Balances and Transfers

Interfund Balances

As of December 31, 2018, interfund balances were as follows:

	<u>Receivable</u>		<u>Payable</u>	
	Interfund	Advance to Other Funds	Interfund	Advance from Other Funds
Major Governmental Funds:				
General Fund	\$0	\$3,205,000	\$0	\$0
Infrastructure Tax	3,666,900	0	0	0
Grants	0	0	3,666,900	0
Other Governmental Fund:				
Recreation Center Construction	650,000	0	0	0
Community Center Construction	0	0	650,000	0
Sidewalks	0	0	0	1,950,000
<i>Total Governmental Activities</i>	<u>4,316,900</u>	<u>3,205,000</u>	<u>4,316,900</u>	<u>1,950,000</u>
Business-Type Activity:				
Golf Course	0	0	0	1,255,000
Total	<u><u>\$4,316,900</u></u>	<u><u>\$3,205,000</u></u>	<u><u>\$4,316,900</u></u>	<u><u>\$3,205,000</u></u>

Advances to other funds at December 31, 2018, consisted of a general fund advance of \$1,255,000 to the golf course enterprise fund due to the timing of the operating revenues, and an advance of \$1,950,000 to the sidewalks capital projects fund due to the timing of special assessment collections. The interfund balances at December 31, 2018, result from a difference in timing of when expenses are recognized in accordance with generally accepted accounting principles and when the related interfund subsidies are budgeted for payment on a cash basis. Interfund balances are expected to be repaid within one year. Advances to other funds are not expected to be repaid within one year.

City of Westlake, Ohio
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Interfund Transfers

At December 31, 2018, interfund transfers were as follows:

Transfers To	Transfers From
	General
Other Governmental Funds:	
Police Pension	700,000
Fire Pension	450,000
Market Square	49,200
Issue II Improvement	158,700
Recreation Center Construction	4,000,000
Total Governmental Funds	\$5,357,900

The general fund transfers to the other governmental funds were made to provide additional resources for current operations and capital improvements.

Internal Balances – Changes in Proportionate Share

The City uses an internal proportionate share to allocate its net pension asset/liability, net OPEB liability and corresponding deferred outflows/inflows of resources and pension and OPEB expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension and OPEB deferred outflows/inflows of resources in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position, thus allowing the total column to present the change in proportionate share for the City as a whole.

Eliminations made in the business type activities column include a deferred outflow of resources for the golf course enterprise fund and a deferred inflow of resources for the sewer enterprise fund in the amount of \$61,651, \$38,842 related to pension and \$22,809 related to OPEB.

Eliminations made in the total column of the entity wide statement of net position include deferred outflows of resources for the business-type activities (related to the sewer enterprise fund) and deferred inflows of resources for the governmental type activities in the amount of \$7,361.

Note 9 – Receivables

Receivables at December 31, 2018, consisted primarily of municipal income taxes, property and hotel taxes, payments in lieu of taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments, and accounts (billings for utility service).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables, except for delinquent property taxes and special assessments, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$50,000 in the special assessment bond retirement fund. At December 31, 2018, the amount of delinquent special assessments was \$102,549.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes.

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

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

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

The full tax rate for all City operations for the year ended December 31, 2018, was \$9.52 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2018 property tax receipts were based are as follows:

<u>Category</u>	<u>Amount</u>
Real Estate:	
Residential/Agricultural	\$1,034,243,160
Other Real Estate	386,886,600
Public Utility Tangible Property	<u>29,857,840</u>
Total Assessed Valuation	<u><u>\$1,450,987,600</u></u>

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City of Westlake and periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility taxes and outstanding delinquencies which are measurable as of December 31, 2018, and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable levied to finance 2019 operations is offset to deferred inflows of resources – property taxes. On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

The City levies an income tax of 1.5 percent on all income earned within the City as well as income of residents earned outside the City. The City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

The Regional Income Tax Agency administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of approximately 3 percent. Taxes collected by RITA in one month are remitted to the City on the first and fifteenth business days of the following month. Income tax revenue is credited to the general fund, recreation special revenue fund, general obligation and Issue II bond retirement funds, and the infrastructure tax and recreation center construction capital projects funds.

City of Westlake, Ohio
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For the Year Ended December 31, 2018

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities:	
Homestead and Rollback	\$689,664
Gas Excise Tax/Highway Distribution	545,587
Local Government	175,636
Auto Registration	111,979
Ohio Department of Public Safety Grants	72,596
Westlake City School District	16,424
City of Fairview Park	2,546
City of Rocky River	2,545
City of Lakewood	2,545
City of Cleveland	1,440
Total Intergovernmental Receivables	\$1,620,962

Payments in Lieu of Taxes

According to State law, the City has established one tax incremental financing district within the City under which the City has granted property tax exemptions and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the City to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if the property had not been declared exempt. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by these owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners.

Note 10 – Tax Abatements

As of December 31, 2018, the City provides tax abatements two programs: Community Reinvestment Area and Job Creation and Retention Program.

Real Estate tax abatements

Pursuant to Ohio Revised Code Chapter 5709, the City has established a Community Reinvestment Area to provide property tax abatements to encourage revitalization of existing buildings and the construction of new structures. Abatements are obtained through application by the property owner, including proof that the improvements have been made, and equal 50 percent of the additional property tax resulting from the increase in assessed value as a result of the improvement. The amount of the abatement is deducted from the recipient's tax bill. The City also contracts with the overlapping school district for payments in lieu of taxes when required by Ohio Revised Code. For 2018, the value of the taxes being abated was \$370,232.

Income tax abatement programs

The City has entered into several agreements under a Job Creation and Retention program. The purpose of the program is to encourage the creation and retention of job opportunities through the City. Pursuant to Ohio Revised Code Chapter 718, the City provides an incentive to the company based upon the company's gross annual payroll, the amount of income tax generated annually and the number of jobs created or retained

City of Westlake, Ohio
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For the Year Ended December 31, 2018

by the business. Each agreement is specific to the business and may be reduced based on the amount of annual payroll for each year not being maintained or not increasing at an agreed upon amount. The abatement is administered as a refund based upon the company's payroll taxes. Also, the time period of the incentive in years, is determined by an agreement put in place by each business and the City. For 2018, the taxes being abated was \$842,081.

Note 11 – Capital Assets

A summary of changes in capital assets during 2018 follows:

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
Business-Type Activities:				
<i>Nondepreciable Capital Assets</i>				
Land	\$1,499,176	\$0	\$0	\$1,499,176
Construction in Progress	388,561	968	(389,529)	0
<i>Total Nondepreciable Capital Assets</i>	<u>1,887,737</u>	<u>968</u>	<u>(389,529)</u>	<u>1,499,176</u>
<i>Depreciable Capital Assets</i>				
Buildings and Improvements	1,768,427	0	0	1,768,427
Improvements	264,339	0	0	264,339
Machinery and Equipment	338,998	2,564	(1,084)	340,478
Furniture and Fixtures	70,691	14,749	(5,634)	79,806
Vehicles	924,791	49,715	0	974,506
Infrastructure				
Sewer Lines	53,325,021	389,529	0	53,714,550
<i>Total Depreciable Capital Assets</i>	<u>56,692,267</u>	<u>456,557</u>	<u>(6,718)</u>	<u>57,142,106</u>
<i>Less Accumulated Depreciation</i>				
Buildings and Improvements	(640,856)	(35,070)	0	(675,926)
Improvements	(218,084)	(4,832)	0	(222,916)
Machinery and Equipment	(286,181)	(13,056)	1,084	(298,153)
Furniture and Fixtures	(39,349)	(5,572)	5,634	(39,287)
Vehicles	(831,592)	(28,275)	0	(859,867)
Infrastructure				
Sewer Lines	(31,298,683)	(1,081,204)	0	(32,379,887)
<i>Total Accumulated Depreciation</i>	<u>(33,314,745)</u>	<u>(1,168,009)</u>	<u>6,718</u>	<u>(34,476,036)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>23,377,522</u>	<u>(711,452)</u>	<u>0</u>	<u>22,666,070</u>
<i>Total Business-Type Activities Capital Assets, Net</i>	<u>\$25,265,259</u>	<u>(\$710,484)</u>	<u>(\$389,529)</u>	<u>\$24,165,246</u>

City of Westlake, Ohio
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For the Year Ended December 31, 2018

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
Governmental Activities:				
<i>Nondepreciable Capital Assets</i>				
Land	\$14,321,982	\$65,100	(\$65,100)	\$14,321,982
Construction in Progress	25,120,556	9,359,952	(19,182,791)	15,297,717
<i>Total Nondepreciable Capital Assets</i>	<u>39,442,538</u>	<u>9,425,052</u>	<u>(19,247,891)</u>	<u>29,619,699</u>
<i>Depreciable Capital Assets</i>				
Buildings and Improvements	89,412,486	2,967,145	(267,035)	92,112,596
Improvements	7,071,463	473,943	(867,267)	6,678,139
Machinery and Equipment	7,219,628	430,846	(272,984)	7,377,490
Furniture and Fixtures	2,234,470	279,776	(26,075)	2,488,171
Vehicles	10,646,230	818,131	(830,805)	10,633,556
Infrastructure				
Roads	146,504,171	7,393,847	0	153,898,018
Water Mains	45,898,084	3,249,437	(292,264)	48,855,257
Storm Sewers	32,027,247	316,037	0	32,343,284
Culverts	3,320,916	0	0	3,320,916
Traffic Signals	5,334,782	4,555,388	0	9,890,170
Bridges	1,980,831	0	0	1,980,831
<i>Total Depreciable Capital Assets</i>	<u>351,650,308</u>	<u>20,484,550</u>	<u>(2,556,430)</u>	<u>369,578,428</u>
<i>Less Accumulated Depreciation</i>				
Buildings and Improvements	(16,698,416)	(2,353,048)	115,425	(18,936,039)
Improvements	(4,667,941)	(239,195)	769,995	(4,137,141)
Machinery and Equipment	(5,848,076)	(488,650)	269,383	(6,067,343)
Furniture and Fixtures	(1,586,175)	(95,271)	14,501	(1,666,945)
Vehicles	(7,707,273)	(774,585)	818,966	(7,662,892)
Infrastructure				
Roads	(95,105,472)	(3,574,772)	0	(98,680,244)
Water Mains	(19,605,701)	(818,966)	292,264	(20,132,403)
Storm Sewers	(16,347,278)	(634,437)	0	(16,981,715)
Culverts	(3,118,826)	(72,819)	0	(3,191,645)
Traffic Signals	(1,523,976)	(180,678)	0	(1,704,654)
Bridges	(1,100,273)	(34,933)	0	(1,135,206)
<i>Total Accumulated Depreciation</i>	<u>(173,309,407)</u>	<u>(9,267,354)*</u>	<u>2,280,534</u>	<u>(180,296,227)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>178,340,901</u>	<u>11,217,196</u>	<u>(275,896)</u>	<u>189,282,201</u>
<i>Total Governmental Capital Assets, Net</i>	<u>\$217,783,439</u>	<u>\$20,642,248</u>	<u>(\$19,523,787)</u>	<u>\$218,901,900</u>

During 2018, governmental activities received equipment that was donated valued at \$16,511.

* Depreciation expense was charged to governmental functions as follows:

General Government	\$348,012
Security of Persons and Property	864,850
Public Health Services	78,774
Transportation	4,345,268
Community Environment	1,411,232
Basic Utility Services	1,526,222
Leisure Time Activities	692,996
Total	<u>\$9,267,354</u>

City of Westlake, Ohio
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For the Year Ended December 31, 2018

Note 12 – Risk Management

The City is exposed to various risks of loss related to torts; theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year the City contracted with various companies for all its commercial insurance.

The types of coverage and deductibles are as follows:

Type of Coverage	Coverage	Deductible
U.S. Specialty Insurance Company		
Blanket Property and Contents, Replacement	\$77,813,320	\$2,500
Inland Marine	6,408,792	1,000
General Liability	1,000,000/3,000,000	0
Automobile Liability	1,000,000	0
Public Officials Liability	1,000,000/1,000,000	10,000
Police Professional Liability	1,000,000/1,000,000	5,000
Employment Practices Liability	1,000,000/1,000,000	10,000
Computer - Hardware	2,381,769	1,000
Computer - Software	50,000	1,000
Umbrella Excess Liability	10,000,000	No SIR
Travelers Property & Casualty Insurance Company		
Forgery or Alteration	1,000,000	5,000
Employee Theft - Per Loss	1,000,000	5,000
On Premises	1,000,000	5,000
In Transit	1,000,000	5,000
Money Orders & Counterfeit Money	1,000,000	5,000
Computer Fraud	1,000,000	5,000
Funds Transfer Fraud	1,000,000	5,000

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

The City has elected to provide employee hospital/medical, prescription, dental and vision insurance benefits through a partially self-insured program. The City established a hospitalization internal service fund to account for and finance the cost of this program.

The City utilizes the services of America’s Choice Healthplans, the third party administrator, to review, process, and pay employee claims. The City purchased stop-loss coverage for claims in excess of \$80,000 per individual and \$3,775,907 aggregate per year. For each employee, the City paid monthly into the hospitalization internal service fund \$554 for single, \$929 for single-plus-one and \$1,313 for family coverage. These rates are paid by the fund from which the employees’ salary is paid.

The claims liability of \$250,075 as estimated by the third-party administrator and reported in the hospitalization internal service fund at December 31, 2018, is based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund claims liability amount in 2017 and 2018 were as follows:

	<u>Beginning of Year</u>	<u>Claims</u>	<u>Payments</u>	<u>End of Year</u>
2017	\$255,679	\$3,292,983	\$3,224,595	\$324,067
2018	324,067	2,313,871	2,387,863	250,075

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Workers' compensation coverage is provided by the State of Ohio. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 13 – Significant Commitments

Contractual Commitments

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

Project	Contract Amount	Amount Paid	Remaining on Contract
2018 Street Maintenance	\$1,486,091	\$1,222,404	\$263,687
Rose Road/Clark Parkway Waterlines	2,973,281	2,040,701	932,580
Canterbury/Detroit Roads Intersection Improvements	3,451,610	2,886,131	565,479
Bradley Road Culvert	346,336	277,158	69,178
Dover Ditch Restoration	2,026,150	1,614,522	411,628
Aquatic Center	7,408,000	2,831,906	4,576,094
Sidewalk Repair	1,709,450	1,658,699	50,751
Total	\$19,400,918	\$12,531,521	\$6,869,397

\$6,869,397 of the remaining commitments were encumbered at year-end. The amounts of \$1,707,138 and \$2,873,166 in contracts and retainage payable for governmental activities, respectively.

Encumbrances

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

Governmental Funds:		Proprietary Funds:	
General	\$2,096,306	Enterprise:	
TIF Bond Retirement	1,955	Sewer	\$63,863
Infrastructure Tax	2,789,120	Nonmajor - Golf Course	<u>13,833</u>
Other Governmental Funds	<u>6,216,485</u>	Total Enterprise Funds	77,696
Total Governmental Funds	<u>\$11,103,866</u>	Internal Service Fund	<u>879,806</u>
		Total Proprietary Funds	<u>\$957,502</u>

City of Westlake, Ohio
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Note 14 - Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability (Assets) /Net OPEB Liability

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

The net pension/OPEB liability (asset) represent the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB 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 these estimates annually.

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net pension/OPEB asset or long-term liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 15 for the required OPEB disclosures.

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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

City of Westlake, Ohio
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OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. 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 in the traditional and combined plans 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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

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

When a traditional plan 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. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. 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. Combined plan members wishing to receive benefits must meet

City of Westlake, Ohio
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the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. 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 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

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

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

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

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

For 2018, The City's contractually required contribution was \$1,482,333 for the traditional plan, \$33,867 for the combined plan and \$24,199 for the member-directed plan. Of these amounts, \$54,270 is reported as an intergovernmental payable for the traditional plan, \$1,237 for the combined plan, and \$888 for the member-directed plan.

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

City of Westlake, Ohio
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fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits):

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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 %

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Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,867,498 for 2018. Of this amount, \$80,886 is reported as an intergovernmental payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability (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 (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 of the City's defined benefit pension plans:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.080732%	0.038034%	0.3905890%	
Prior Measurement Date	<u>0.082348%</u>	<u>0.039088%</u>	<u>0.4009790%</u>	
Change in Proportionate Share	<u>-0.001616%</u>	<u>-0.001054%</u>	<u>-0.0103900%</u>	
Proportionate Share of the:				
Net Pension Liability	\$12,665,286	\$0	\$23,972,210	\$36,637,496
Net Pension Asset	0	51,777	0	51,777
Pension Expense	2,647,936	(33,219)	2,739,171	5,353,888

2018 pension expense for the member-directed defined contribution plan was \$24,199.

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

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	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	\$12,935	\$0	\$363,795	\$376,730
Changes of assumptions	1,513,587	4,524	1,044,596	2,562,707
Changes in proportion and differences between City contributions and proportionate share of contributions	90,047	511	244,016	334,574
City contributions subsequent to the measurement date	<u>1,482,333</u>	<u>33,867</u>	<u>1,867,498</u>	<u>3,383,698</u>
Total Deferred Outflows of Resources	<u>\$3,098,902</u>	<u>\$38,902</u>	<u>\$3,519,905</u>	<u>\$6,657,709</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$249,593	\$15,424	\$43,367	\$308,384
Net difference between projected and actual earnings on pension plan investments	2,719,070	8,169	829,254	3,556,493
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>179,959</u>	<u>0</u>	<u>742,556</u>	<u>922,515</u>
Total Deferred Inflows of Resources	<u>\$3,148,622</u>	<u>\$23,593</u>	<u>\$1,615,177</u>	<u>\$4,787,392</u>

\$3,383,698 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 or increase to the net pension asset in 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:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Year Ending December 31:				
2019	\$1,120,097	(\$2,536)	\$491,260	\$1,608,821
2020	(337,511)	(2,759)	273,242	(67,028)
2021	(1,197,334)	(4,588)	(585,667)	(1,787,589)
2022	(1,117,305)	(4,396)	(361,325)	(1,483,026)
2023	0	(1,527)	178,371	176,844
Thereafter	<u>0</u>	<u>(2,752)</u>	<u>41,349</u>	<u>38,597</u>
Total	<u>(\$1,532,053)</u>	<u>(\$18,558)</u>	<u>\$37,230</u>	<u>(\$1,513,381)</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.

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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 periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2017, are presented below.

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.5 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	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 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 percent for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined

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benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	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 was 7.5 percent for the traditional plan and the combined 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 was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$22,490,321	\$12,665,286	\$4,474,167
OPERS Combined Plan	(28,145)	(51,777)	(68,081)

Changes between Measurement Date and Report Date

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net pension liability is not known.

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

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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. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2017, compared with January 1, 2016, are presented below.

	January 1, 2017	January 1, 2016
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 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	3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent

For the January 1, 2017, valuation, 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

For the January 1, 2017, valuation, 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

For the January 1, 2016 valuation, rates of death were 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.

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

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

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

Note: Assumptions are geometric.

* levered 2x

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

Discount Rate For 2017, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2016 was 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

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	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$33,231,770	\$23,972,210	\$16,420,193

Note 15 - Defined Benefit OPEB Plans

See Note 14 for a description of the net OPEB liability

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.

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

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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 \$9,679 for 2018. Of this amount, \$355 is reported as an intergovernmental payable.

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree

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health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$44,721 for 2018. Of this amount, \$1,932 is reported as an intergovernmental payable.

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

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

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.078220%	0.3905890%	
Prior Measurement Date	<u>0.079910%</u>	<u>0.4009790%</u>	
Change in Proportionate Share	<u>-0.0016900%</u>	<u>-0.0103900%</u>	
			<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$8,494,117	\$22,130,224	\$30,624,341
OPEB Expense	\$664,436	\$1,694,992	\$2,359,428

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	\$6,617	\$0	\$6,617
Changes of assumptions	618,462	2,159,439	2,777,901
City contributions subsequent to the measurement date	<u>9,679</u>	<u>44,721</u>	<u>54,400</u>
Total Deferred Outflows of Resources	<u>\$634,758</u>	<u>\$2,204,160</u>	<u>\$2,838,918</u>

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	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$111,616	\$111,616
Net difference between projected and actual earnings on OPEB plan investments	632,755	145,671	778,426
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>115,482</u>	<u>457,440</u>	<u>572,922</u>
Total Deferred Inflows of Resources	<u>\$748,237</u>	<u>\$714,727</u>	<u>\$1,462,964</u>

\$54,400 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2019	\$85,450	\$196,095	\$281,545
2020	85,450	196,095	281,545
2021	(135,870)	196,095	60,225
2022	(158,188)	196,095	37,907
2023	0	232,513	232,513
Thereafter	<u>0</u>	<u>427,819</u>	<u>427,819</u>
Total	<u>(\$123,158)</u>	<u>\$1,444,712</u>	<u>\$1,321,554</u>

Actuarial Assumptions - OPERS

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

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

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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.

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:

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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%)	Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$11,284,799	\$8,494,117	\$6,236,481

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.

City of Westlake, Ohio
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For the Year Ended December 31, 2018

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$8,127,058	\$8,494,117	\$8,873,277

Changes between Measurement Date and Report Date

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net OPEB liability is not known.

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.

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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.

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 14.

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

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

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$27,663,049	\$22,130,224	\$17,872,922

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

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

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability	\$17,191,157	\$22,130,224	\$28,786,418

Changes between Measurement Date and Report Date

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

Note 16 – Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Current policy permits vacation leave to be accumulated up to two years. City employees are paid for earned, unused vacation leave at the time of termination of employment.

Sick leave is earned at the rate of four and sixth-tenths hours for every 80 hours worked. A maximum of 2,500 hours may be accumulated by each employee. Employees belonging to 5 of 6 unions can accumulate a maximum of 2,000 hours. Those employees whose accumulation exceeds 2,500 hours or 2,000 hours as the case maybe, are paid, in December of each year, one-fourth of those hours at their current rate. Each employee with 10 or more years of service with the City is paid for one-half of the employee's earned unused sick leave upon termination with the City, transfer to another governmental agency, or retirement, 60 percent after 17 years of service, 68 percent after 20 years of service and 75 percent after 25 years of service.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 17 – Contingent Liabilities

Litigation

The City of Westlake is a party to legal proceedings seeking damages. The City management is of opinion that ultimate disposition of these claims and legal proceeding will not have a material effect, if any, on the financial condition of the City.

Federal and State Grants

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

Note 18 – Long-Term Obligations

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

	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
General Obligation Bonds:				
Recreational Facilities Refunding Bonds	2008	2020	3.75-3.88 %	\$9,990,000
Infrastructure Various Purpose Bonds	2011	2021	3.13-4.00	7,350,000
Special Obligation Bond:				
American Greetings/Crocker Park Improvements	2014	2044	1.17-4.33	48,330,000
Special Assessment Bonds:				
Various Purpose Improvements	2001	2021	5.00	765,000
OPWC Loans:				
Hilliard Boulevard Watermain Replacement	2003	2025	0	806,235
Detroit/Bradley Road Intersection	2014	2041	0	2,868,104
State Infrastructure Bank Loan:				
State Route 254/Crocker Road Improvements	2015	2034	3.00	8,765,300

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

	Balance 12/31/2017	Increase	Decrease	Balance 12/31/2018	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds:					
Recreational Facilities					
Refunding Bonds	\$3,290,000	\$0	\$1,030,000	\$2,260,000	\$1,105,000
Unamortized Premiums	1,573	0	492	1,081	0
Infrastructure Various					
Purpose Bonds	2,975,000	0	725,000	2,250,000	725,000
Unamortized Premiums	106,636	0	25,087	81,549	0
<i>Total General Obligation Bonds</i>	<u>6,373,209</u>	<u>0</u>	<u>1,780,579</u>	<u>4,592,630</u>	<u>1,830,000</u>
Special Obligation Bond:					
American Greetings/ Crocer Park Improvements:					
Serial Portion	18,190,000	0	775,000	17,415,000	895,000
Term Portion	30,140,000	0	0	30,140,000	0
Unamortized Premiums	591,582	0	9,486	582,096	0
<i>Total Special Obligation Bond</i>	<u>48,921,582</u>	<u>0</u>	<u>784,486</u>	<u>48,137,096</u>	<u>895,000</u>
Special Assessment Bonds:					
Various Purpose Improvements	200,000	0	50,000	150,000	50,000
OPWC Loans					
Hilliard Boulevard					
Watermain Replacement	302,336	0	40,312	262,024	40,312
Detroit/Bradley Road Intersection	2,696,019	0	114,724	2,581,295	114,724
<i>Total OPWC Loans</i>	<u>2,998,355</u>	<u>0</u>	<u>155,036</u>	<u>2,843,319</u>	<u>155,036</u>
State Infrastructure Bank Loan					
State Route 254/ Crocker Road Improvements	8,200,694	0	590,397	7,610,297	408,505
Other Long-Term Obligations					
Compensated Absences Payable	6,292,698	579,362	585,699	6,286,361	1,006,567
Capital Lease	5,130	0	3,584	1,546	1,546
Landfill Postclosure Costs	356,868	5,224	51,727	310,365	85,000
<i>Total Other Long-Term Obligations</i>	<u>6,654,696</u>	<u>584,586</u>	<u>641,010</u>	<u>6,598,272</u>	<u>1,093,113</u>
Net Pension Liability:					
OPERS	17,465,641	0	5,560,272	11,905,369	0
OP&F	25,397,607	0	1,425,397	23,972,210	0
<i>Total Net Pension Liability</i>	<u>42,863,248</u>	<u>0</u>	<u>6,985,669</u>	<u>35,877,579</u>	<u>0</u>
Net OPEB Liability:					
OPERS	7,538,483	445,986	0	7,984,469	0
OP&F	19,033,571	3,096,653	0	22,130,224	0
<i>Total Net OPEB Liability</i>	<u>26,572,054</u>	<u>3,542,639</u>	<u>0</u>	<u>30,114,693</u>	<u>0</u>
Total Governmental Long-Term Liabilities	<u>\$142,783,838</u>	<u>\$4,127,225</u>	<u>\$10,987,177</u>	<u>\$135,923,886</u>	<u>\$4,431,654</u>

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

	Balance 12/31/2017	Increase	Decrease	Balance 12/31/2018	Amounts Due in One Year
<u>Business-Type Activities</u>					
Net Pension Liability:					
Sewer	\$946,213	\$0	\$439,602	\$506,611	\$0
Golf Course	287,976	0	34,670	253,306	0
<i>Total Net Pension Liability</i>	<u>1,234,189</u>	<u>0</u>	<u>474,272</u>	<u>759,917</u>	<u>0</u>
Net OPEB Liability:					
Sewer	408,402	0	68,637	339,765	0
Golf Course	124,296	45,587	0	169,883	0
<i>Total Net OPEB Liability</i>	<u>532,698</u>	<u>45,587</u>	<u>68,637</u>	<u>509,648</u>	<u>0</u>
Total Business-Type Long-Term Liabilities	<u>\$1,766,887</u>	<u>\$45,587</u>	<u>\$542,909</u>	<u>\$1,269,565</u>	<u>\$0</u>

General Obligation Bonds General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from both voted and unvoted general property taxes levied on all taxable property located within the City as well as municipal income taxes. Tax monies will be received in and the debt will be retired from the general obligation bond retirement and Issue II bond retirement debt service funds.

On April 13, 2011, the City issued infrastructure various purpose bonds in the amount of \$7,350,000, at the interest rates varying from 1.50 percent to 4.00 percent. The bonds were issued for an eleven-year period with final maturity during fiscal year 2021. The bonds will be retired through the infrastructure tax improvement capital projects fund.

Special Obligation Bond Special obligation bonds are special obligations of the City and will not represent or constitute a debt of pledge of the full faith and credit of the City or the State of Ohio and will not be secured by an obligation or pledge of any moneys raised by taxation. Special obligation bonds are to be repaid from City non-tax revenues (including the project revenues) pledged and assigned to secure payment thereof by the bond legislation and the indenture. As of December 31, 2018, \$1,785,170 of the proceeds was unspent.

The City has pledged a portion of tax incremental financing revenue to repay the special obligation bonds. The bonds are paid solely from tax incremental financing revenue and payable through 2044. Annual principal and interest payments on the bonds are to require less than 100 percent of tax incremental financing revenue. The total principal and interest remaining to be paid on the bonds is \$80,833,096. Principal and interest paid for the current year was \$2,755,569 and tax incremental financing revenue was \$4,854,112 with shortfall payments from the beneficiaries of the bonds covering the difference.

The term bonds maturing on December 1, 2037, 2041, and 2044 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on August 1 in the years and in the respective principal amounts as follows:

City of Westlake, Ohio
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For the Year Ended December 31, 2018

Year	Issue		
	\$9,275,000	\$11,210,000	\$9,655,000
2034	\$1,950,000	\$0	\$0
2035	2,345,000	0	0
2036	2,440,000	0	0
2038	0	2,640,000	0
2039	0	2,745,000	0
2040	0	2,855,000	0
2042	0	0	3,090,000
2043	0	0	3,215,000
Total	\$6,735,000	\$8,240,000	\$6,305,000
<i>Stated Maturity</i>	<i>12/1/2037</i>	<i>12/1/2041</i>	<i>12/1/2044</i>

The remaining principal amount of the term bonds (\$2,540,000, \$2,970,000, and \$3,350,000) will mature at the stated maturity.

Special Assessment Bonds Special assessment bonds are payable from the proceeds of assessments against the specific property owners who primarily benefited from the project. Special assessment monies will be received in and the debt will be retired from the special assessment debt service fund. In the event that property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments.

In 2016, the City defeased the 2005 Street Improvement special assessment bond using assessments collected from the developer. These existing resources were placed with an escrow agent to provide for all future debt service payments on the old bonds. Accordingly, the escrow account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2018, \$2,085,000 of the defeased bonds are still outstanding.

Refunded Bonds In 2008, the City defeased a 1997 Recreation Center and Marview Waterline general obligation bond issue in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2018, \$2,355,000 of the defeased bonds are still outstanding.

Other Long-Term Obligations The capital lease will be paid from the recreation special revenue fund. There are no repayment schedules for the net pension liability and net OPEB liability. However, employer pension and OPEB contributions are made from the following funds: general fund, police and fire operating and emergency medical service special revenue funds. For additional information related to the net pension liability and net OPEB liability see Note 14 and 15. Compensated absences will be paid from the general fund. The OPWC loans are payable semiannually from the Issue II improvements capital projects fund. The loans are interest-free.

The City has entered into contractual agreements for construction loans from the Ohio Public Works Commission (OPWC). Under the terms of these agreements, the OPWC will reimburse, advance or directly pay the construction costs of approved projects.

The City acquired a loan in the amount of \$8,765,300 from the Ohio Department of Transportation for the Public Private Partnership project involving the construction of the American Greetings world headquarters and additional development of the Crocker Park complex which is a mixed-use development in the City. All

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

proceeds of the loan were received in 2015. The loan will be paid from the TIF bond retirement fund with tax incremental financing revenues and shortfall payments from Crocker Park and American Greetings. In the event there are not sufficient revenues to repay the loan, permissive license tax, motor vehicle license tax and motor vehicle gasoline tax funds received by the City will be used. The loan will be repaid over 20 years at an interest rate of 3.0 percent per annum.

The City's overall legal debt margin was \$148,208,461 and the unvoted legal debt margin was \$75,659,081 at December 31, 2018. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2018, are as follows:

Year	General Obligation Bonds		Special Obligation Bonds			
	Serial		Serial		Term	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$1,830,000	\$176,194	\$895,000	\$1,957,319	\$0	\$0
2020	1,905,000	105,756	915,000	1,939,419	0	0
2021	775,000	31,000	930,000	1,921,119	0	0
2022	0	0	970,000	1,883,919	0	0
2023	0	0	1,000,000	1,854,819	0	0
2024-2028	0	0	5,605,000	8,661,394	0	0
2029-2033	0	0	7,100,000	7,165,294	0	0
2034-2038	0	0	0	0	11,915,000	5,198,144
2039-2043	0	0	0	0	14,875,000	2,558,481
2044	0	0	0	0	3,350,000	138,188
Total	\$4,510,000	\$312,950	\$17,415,000	\$25,383,283	\$30,140,000	\$7,894,813

Year	Special Assessment Bonds		OPWC	State Infrastructure	
	Principal	Interest	Loans	Bond Loan	
			Principal	Principal	Interest
2019	\$50,000	\$7,500	\$155,036	\$408,505	\$225,268
2020	50,000	5,000	155,036	420,852	212,921
2021	50,000	2,500	155,035	433,573	200,201
2022	0	0	155,035	446,677	187,096
2023	0	0	155,035	460,178	173,595
2024-2028	0	0	634,087	2,518,126	650,740
2029-2033	0	0	573,620	2,922,386	246,479
2034-2038	0	0	573,620	0	0
2039-2041	0	0	286,815	0	0
Total	\$150,000	\$15,000	\$2,843,319	\$7,610,297	\$1,896,300

Note 19 – Leases

Capital Lease

In a prior year, the City entered into a lease agreement for a copier for the recreation center. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Capital asset acquired by the lease currently being paid has been capitalized and depreciated as follows as of December 31, 2018:

Governmental Activities:	
Equipment	\$13,612
Less Accumulated Depreciation	<u>(9,754)</u>
Carrying Value	<u><u>\$3,858</u></u>

Amortization of capital lease is included in depreciation expense. The lease is secured by the related property.

The lease provides for minimum, annual lease payments as follows:

		<u>Equipment</u>
2019		<u>\$1,565</u>
Total Minimum Lease Payment		1,565
Less: Amount Representing Interest		<u>(19)</u>
Present Value of Minimum Lease Payment		<u><u>\$1,546</u></u>

Operating Lease

The City entered into an agreement to lease with the option to purchase the Parkside Elementary School Property to Westlake City School District (School District) beginning July 19, 2017 for \$1 per year. The lease will expire on the earlier of either two years after the School District discontinues the use of the leased property for school or administrative purposes or July 18, 2027. The School District has the option at any time during the term of the lease to purchase the leased property for \$700,000.

Note 20 – Industrial Development Revenue Bonds

At December 31, 2018, the City has one remaining series of industrial development revenue bonds in the aggregate outstanding principal amount of \$18,175,000 for facilities used by private corporations or other entities. The City is not obligated in any way to pay debt-related charges on the bonds from any of its funds, and therefore, they have been excluded entirely from the City’s debt presentation. There has not been, and there is not currently, any condition of default under the bonds or the related financing documents.

Note 21 – Landfill Closure and Post-closure Care Cost

State and Federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The City’s landfill placed its final cover in 1989. The \$310,365 reported as landfill post-closure costs in the long-term liabilities due in one year and due in more than one year lines of the governmental activities column of the statement of net position at December 31, 2018, represents the estimated cost of maintenance and monitoring through 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The City is required by State and Federal laws and regulations to provide assurances that financial resources will be available to provide for post-closure care and remediation or containment of environmental hazards at the landfill. Financial

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

assurance may take the form of a financial test and corporate guarantee. The financial test was performed on the 2018 audited financial statements and the City was in compliance.

Note 22 – Joint Venture – Rocky River Wastewater Treatment Plant

The Rocky River Wastewater Treatment Plant (the “Plant”) is a joint venture among the cities of Fairview Park, Bay Village, Rocky River and Westlake. The plant is governed by a Management Committee consisting of the elected mayors of the four member cities and a fifth person nominated and elected by the mayors. The Management Committee has authority over all aspects of the Plant’s operation, however, all employees are employees of the City of Rocky River. The Plant supplies all participating residents of the member cities with sewer services. Each city owns the sewage lines located in its city and bills its residents for usage.

Continued existence of the Plant is dependent on the City’s continued participation, and the City has an equity interest in the Plant. The City’s equity interest is \$7,533,349, which represents 39.96 percent of the total equity in the Plant. The Plant is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116.

Note 23 – Jointly Governed Organizations

West Shore Council of Governments

The West Shore Council of Governments (Council) helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The board is comprised of one member from each of the six participating entities. The board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the board. Each City’s degree of control is limited to its representation on the board. In 2018, the City contributed \$72,745, which represented 20.30 percent of total contributions. Complete financial statements can be obtained from the City of Bay Village, 350 Dover Center Road, Bay Village, Ohio 44140.

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

Tri-City Park

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

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

S.A.F.E Council of Governments

The S.A.F.E. Council of Governments (S.A.F.E.) was formed between municipalities to oppose changes to Cleveland Hopkins International Airport air traffic pattern. The Cities of Rocky River, Bay Village, Fairview Park and Westlake govern by a board consisting of the elected mayors. The board exercises total control over the operation of the S.A.F.E. including budgeting, appropriating, contracting, and designating management.

Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board. The City of Westlake did not make any contributions to the S.A.F.E. in 2018. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard Boulevard, Rocky River, Ohio 44116.

West Shore Area Rescue Association

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

Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. In 2018, the City contributed \$500, which represented 13 percent of total contributions. Complete financial statements can be obtained from Fairview General Hospital, 18101 Lorain Road, Cleveland, Ohio 44111.

Required Supplementary Information

City of Westlake, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Five Years (1)

	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.080732%	0.082348%	0.080311%	0.082059%	0.082059%
City's Proportionate Share of the Net Pension Liability	\$12,665,286	\$18,699,830	\$13,910,880	\$9,897,235	\$9,673,688
City's Covered Payroll	\$10,672,615	\$10,645,275	\$10,001,992	\$10,060,433	\$10,064,662
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	118.67%	175.66%	139.08%	98.38%	96.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

City of Westlake, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net Pension Asset
Ohio Public Employees Retirement System - Combined Plan
2018 (1)

	<u>2018</u>
City's Proportion of the Net Pension Asset	0.038034%
City's Proportionate Share of the Net Pension Asset	\$51,777
City's Covered Payroll	\$155,731
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	-33.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	137.28%

(1) Amounts for the combined plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years.

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

See accompanying notes to the required supplementary information

City of Westlake, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net Pension Liability
Ohio Police and Fire Pension Fund
Last Five Years (1)

	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.3905890%	0.4009790%	0.3942610%	0.4044985%	0.4044985%
City's Proportionate Share of the Net Pension Liability	\$23,972,210	\$25,397,607	\$25,363,088	\$20,954,709	\$19,700,346
City's Covered Payroll	\$8,610,097	\$8,401,302	\$8,027,897	\$8,071,930	\$7,542,074
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	278.42%	302.31%	315.94%	259.60%	261.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	71.71%	73.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year

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

See accompanying notes to the required supplementary information

City of Westlake, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net OPEB Liability
Ohio Public Employees Retirement System - OPEB Plan
Last Two Years (1)

	2018	2017
City's Proportion of the Net OPEB Liability	0.078220%	0.079910%
City's Proportionate Share of the Net OPEB Liability	\$8,494,117	\$8,071,181
City's Covered Payroll	\$11,079,821	\$11,043,450
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	76.66%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.04%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

City of Westlake, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net OPEB Liability
Ohio Police and Fire Pension Fund
Last Two Years (1)

	2018	2017
City's Proportion of the Net OPEB Liability	0.3905890%	0.4009790%
City's Proportionate Share of the Net OPEB Liability	\$22,130,224	\$19,033,571
City's Covered Payroll	\$8,610,097	\$8,401,302
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	257.03%	226.56%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.13%	15.96%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

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City of Westlake, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Public Employees Retirement System
Last Six Years (1) (2)

	2018	2017	2016
Net Pension Liability - Traditional Plan			
Contractually Required Contribution	\$1,482,333	\$1,387,440	\$1,277,433
Contributions in Relation to the Contractually Required Contribution	<u>(1,482,333)</u>	<u>(1,387,440)</u>	<u>(1,277,433)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$10,588,093	\$10,672,615	\$10,645,275
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>
Net Pension Asset - Combined Plan			
Contractually Required Contribution	\$33,867	\$20,245	\$18,258
Contributions in Relation to the Contractually Required Contribution	<u>(33,867)</u>	<u>(20,245)</u>	<u>(18,258)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$241,907	\$155,731	\$152,150
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>
Net OPEB Liability - OPEB Plan (2)			
Contractually Required Contribution	\$9,679	\$118,342	\$225,790
Contributions in Relation to the Contractually Required Contribution	<u>(9,679)</u>	<u>(118,342)</u>	<u>(225,790)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (3)	\$11,071,975	\$11,079,821	\$11,043,450
OPEB Contributions as a Percentage of Covered Payroll	<u>0.09%</u>	<u>1.07%</u>	<u>2.04%</u>

(1) Information prior to 2013 is not available.

(2) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(3) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See accompanying notes to the required supplementary information

2015	2014	2013
\$1,200,239	\$1,207,252	\$1,308,406
<u>(1,200,239)</u>	<u>(1,207,252)</u>	<u>(1,308,406)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$10,001,992	\$10,060,433	\$10,064,622
<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
\$17,095	\$16,111	\$17,461
<u>(17,095)</u>	<u>(16,111)</u>	<u>(17,461)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$142,458	\$134,258	\$134,315
<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>

City of Westlake, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

	2018	2017	2016	2015
Net Pension Liability				
Contractually Required Contribution	\$1,867,498	\$1,798,337	\$1,753,225	\$1,687,967
Contributions in Relation to the Contractually Required Contribution	<u>(1,867,498)</u>	<u>(1,798,337)</u>	<u>(1,753,225)</u>	<u>(1,687,967)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$8,944,176	\$8,610,097	\$8,401,302	\$8,027,897
Pension Contributions as a Percentage of Covered Payroll	<u>20.88%</u>	<u>20.89%</u>	<u>20.87%</u>	<u>21.03%</u>
Net OPEB Liability				
Contractually Required Contribution	\$44,721	\$43,051	\$42,007	\$40,140
Contributions in Relation to the Contractually Required Contribution	<u>(44,721)</u>	<u>(43,051)</u>	<u>(42,007)</u>	<u>(40,140)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>21.38%</u>	<u>21.39%</u>	<u>21.37%</u>	<u>21.53%</u>

(1) The City's Covered payroll is the same for Pension and OPEB.

See accompanying notes to the required supplementary information

2014	2013	2012	2011	2010	2009
\$1,692,800	\$1,348,367	\$1,068,217	\$1,054,439	\$1,008,946	\$1,049,180
<u>(1,692,800)</u>	<u>(1,348,367)</u>	<u>(1,068,217)</u>	<u>(1,054,439)</u>	<u>(1,008,946)</u>	<u>(1,049,180)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$8,071,930	\$7,542,074	\$7,241,299	\$7,158,237	\$6,851,043	\$7,116,282
<u>20.97%</u>	<u>17.88%</u>	<u>14.75%</u>	<u>14.73%</u>	<u>14.73%</u>	<u>14.74%</u>
\$40,359	\$272,772	\$488,788	\$483,181	\$462,445	\$480,349
<u>(40,359)</u>	<u>(272,772)</u>	<u>(488,788)</u>	<u>(483,181)</u>	<u>(462,445)</u>	<u>(480,349)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>3.62%</u>	<u>6.75%</u>	<u>6.75%</u>	<u>6.75%</u>	<u>6.75%</u>
<u>21.47%</u>	<u>21.50%</u>	<u>21.50%</u>	<u>21.48%</u>	<u>21.48%</u>	<u>21.49%</u>

City of Westlake, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2018

Changes in Assumptions – OPERS Pension

Amounts reported beginning in 2017 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented below:

	2017	2016 and prior
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

City of Westlake, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2018

Changes in Assumptions – OP&F Pension

Amounts reported for 2018 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented below:

	2018	2017 and Prior
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 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	3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Amounts reported for 2018 use valuation, 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

Amounts reported for 2018 use valuation, 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

Amounts reported for 2017 and prior use valuation, rates of death were 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.

City of Westlake, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2018

Changes in Assumptions – OPERS OPEB

For 2018, the single discount rate changed from 4.23 percent to 3.85 percent.

Changes in Assumptions – OP&F OPEB

For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

Combining and Individual Fund Statements and Schedules

Fund Descriptions - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

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

Permissive Motor Vehicle License Fund - To account for and report the additional motor vehicle registration fees restricted for maintenance and repair of streets within the City.

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

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

Police and Fire Operating Fund - To account for and report accumulated levied property taxes restricted for the payment of salaries and related expenditures for the safety forces. This is in addition to expenditures made from the general fund.

Law Enforcement Fund - To account for and report monies seized from criminals by law enforcement officials in the course of their work and restricted, by State statute, for expenditures that would enhance the police department.

Mandatory Drug Fines Fund - To account for and report the resources obtained from confiscated monies from criminal offenses and restricted, by State statute, for expenditures that would enhance the police department.

Alcohol Education Fund - To account for and report court fees obtained from D.W.I. cases and restricted by State statute for expenditures that would promote education about driving while intoxicated.

Juvenile Diversion Fund - To account for and report monies received from Cuyahoga County restricted for establishing or expanding community policing programs.

Federal Equitable Fund - To account for and report Federal forfeiture monies returned to the City and restricted for certain law enforcement purposes.

Recreation Fund - To account for and report membership and program fees and 1/8 of one percent voted income tax committed for the operation and maintenance of recreation programs and the recreation center.

(continued)

Fund Descriptions - Nonmajor Governmental Funds (continued)

Emergency Medical Service Fund - To account for and report monies received from emergency medical services billing restricted for equipment and training within the fire department.

Cemetery Investment Fund - To account for and report the restricted proceeds from the sale of cemetery lots which will be used for maintaining the columbarium.

Westlake/Bay Ecological Fund - To account for and report proceeds from the sale of humus that is restricted to expenditures that promote recycling of yard waste materials and maintain and improve the appearance of the landfill.

City Donations Fund - To account for and report contributions and donations from private sources to various City departments. The City has passed legislation committing the resources to the needs of the departments that received them.

Swimming Pool Operation Fund - To account for and report membership fee monies used for the operation of the public swimming pool. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Senior/Community Service Fund - To account for and report money paid from participants in the City Office on Aging Programs. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Cemetery Operating Fund - To account for and report the operation and maintenance of two public cemeteries. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Reserve for Compensated Absences Fund - To account for and report the accumulation of resources for accumulated sick leave and vacation leave, upon the termination of employment of employees in the City. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Nonmajor Debt Service Funds

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

General Obligation Bond Retirement Fund - To account for and report resources restricted for the payment of principal and interest and fiscal charges on general obligation debt.

Special Assessment Bond Retirement Fund - To account for and report resources restricted for the retirement of debt issued to finance public improvements deemed to benefit the properties against which special assessments are levied.

Issue II Bond Retirement Fund - To account for and report resources from a 3/8 percent voted increase in the income tax levy restricted for the retirement of debt issued to finance capital projects within the City.

(continued)

Fund Descriptions - Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Funds

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

Storm Drainage Fund - To account for and report fees to developers which are restricted by enabling legislation to finance the City's cost of installing or cleaning ditches.

American Greetings Fund – To account for and report bond proceeds and payments in lieu of taxes restricted for the costs of all capital projects for the American Greetings construction project.

Crocker Park Block K Fund -To account for and report restricted subsidies from the Cuyahoga County Port Authority for the construction of infrastructure and facilities related to the Block K area.

Market Square Fund - To account for and report transfers made from the general fund and Issue II improvement fund and proceeds transferred from the American Greetings fund restricted for improvements related to the Market Square area.

Issue II Improvement Fund – To account for and report the receipt of State grants restricted to pay contractor's costs on the Issue II infrastructure project.

Impact Fees Fund - To account for and report impact fees charged to developers restricted for new park facilities.

Sidewalks Fund - To account for and report special assessments restricted for the construction of sidewalks throughout the City.

Service Center Construction Fund - To account for and report transfers made from the general fund assigned for the construction of a new service center.

Recreation Center Construction Fund - To account for and report voted income tax proceeds restricted for improvements to the recreation center.

Community Center Construction Fund – To account for and report advances made from the general fund in anticipation of bond proceeds restricted for the construction of a new community center.

City of Westlake, Ohio
Combining Balance Sheet
Other Governmental Funds
December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$10,310,023	\$239,547	\$9,478,237	\$20,027,807
Cash and Cash Equivalents with Escrow Agents	0	0	1,407,264	1,407,264
Materials and Supplies Inventory	976	0	0	976
Accrued Interest Receivable	26,281	0	3,723	30,004
Accounts Receivable	1,379,423	0	111,087	1,490,510
Interfund Receivable	0	0	650,000	650,000
Intergovernmental Receivable	775,703	0	0	775,703
Prepaid Items	3,089	0	0	3,089
Municipal Income Taxes Receivable	63,951	509,683	330,122	903,756
Permissive Motor Vehicle Taxes Receivable	41,148	0	0	41,148
Property Taxes Receivable	2,152,653	0	0	2,152,653
Special Assessments Receivable	0	150,000	0	150,000
<i>Total Assets</i>	<u>\$14,753,247</u>	<u>\$899,230</u>	<u>\$11,980,433</u>	<u>\$27,632,910</u>
Liabilities				
Accounts Payable	\$87,868	\$0	\$8,816	\$96,684
Contracts Payable	149,016	0	1,216,056	1,365,072
Accrued Wages	135,054	0	2,314	137,368
Retainage Payable	0	0	2,194,157	2,194,157
Interfund Payable	0	0	650,000	650,000
Intergovernmental Payable	93,725	0	270	93,995
Advances From Other Funds	0	0	1,950,000	1,950,000
<i>Total Liabilities</i>	<u>465,663</u>	<u>0</u>	<u>6,021,613</u>	<u>6,487,276</u>
Deferred Inflows of Resources				
Property Taxes	2,096,429	0	0	2,096,429
Unavailable Revenue	1,846,294	294,920	227,557	2,368,771
<i>Total Deferred Inflows of Resources</i>	<u>3,942,723</u>	<u>294,920</u>	<u>227,557</u>	<u>4,465,200</u>
Fund Balances				
Nonspendable	4,065	0	0	4,065
Restricted	7,493,109	604,310	7,535,648	15,633,067
Committed	2,847,687	0	0	2,847,687
Assigned	0	0	37,607	37,607
Unassigned (Deficit)	0	0	(1,841,992)	(1,841,992)
<i>Total Fund Balances</i>	<u>10,344,861</u>	<u>604,310</u>	<u>5,731,263</u>	<u>16,680,434</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$14,753,247</u>	<u>\$899,230</u>	<u>\$11,980,433</u>	<u>\$27,632,910</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
Revenues				
Property Taxes	\$1,929,366	\$0	\$0	\$1,929,366
Municipal Income Taxes	250,000	1,994,948	1,241,097	3,486,045
Permissive Motor Vehicle Taxes	239,790	0	0	239,790
Charges for Services	3,500,419	0	303,080	3,803,499
Licenses, Permits and Fees	0	0	43,747	43,747
Fines and Forfeitures	121,715	0	0	121,715
Intergovernmental	1,558,166	0	176,644	1,734,810
Special Assessments	0	28,943	0	28,943
Interest	67,001	0	34,412	101,413
Rentals	83,104	0	0	83,104
Contributions and Donations	23,557	0	246,638	270,195
Miscellaneous	43,326	0	1,135	44,461
<i>Total Revenues</i>	<u>7,816,444</u>	<u>2,023,891</u>	<u>2,046,753</u>	<u>11,887,088</u>
Expenditures				
Current:				
Security of Persons and Property	4,088,534	0	0	4,088,534
Public Health Services	80,454	0	0	80,454
Transportation	1,589,698	0	0	1,589,698
Community Environment	31,307	0	0	31,307
Basic Utility Services	104,987	0	376,184	481,171
Leisure Time Activities	2,645,055	0	0	2,645,055
Capital Outlay	0	0	7,703,183	7,703,183
Debt Service:				
Principal Retirement	3,584	1,805,000	155,036	1,963,620
Interest and Fiscal Charges	173	251,013	0	251,186
<i>Total Expenditures</i>	<u>8,543,792</u>	<u>2,056,013</u>	<u>8,234,403</u>	<u>18,834,208</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(727,348)</u>	<u>(32,122)</u>	<u>(6,187,650)</u>	<u>(6,947,120)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	10,279	0	0	10,279
Transfers In	1,150,000	0	4,207,900	5,357,900
<i>Total Other Financing Sources (Uses)</i>	<u>1,160,279</u>	<u>0</u>	<u>4,207,900</u>	<u>5,368,179</u>
<i>Net Change in Fund Balances</i>	432,931	(32,122)	(1,979,750)	(1,578,941)
<i>Fund Balances Beginning of Year</i>	<u>9,911,930</u>	<u>636,432</u>	<u>7,711,013</u>	<u>18,259,375</u>
<i>Fund Balances End of Year</i>	<u><u>\$10,344,861</u></u>	<u><u>\$604,310</u></u>	<u><u>\$5,731,263</u></u>	<u><u>\$16,680,434</u></u>

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018

	Street Maintenance	State Highway	Permissive Motor Vehicle License	Police Pension	Fire Pension
Assets					
Equity in Pooled Cash and Cash Equivalents	\$1,934,233	\$914,682	\$1,037,043	\$220,899	\$197,849
Materials and Supplies Inventory	0	0	0	0	0
Accrued Interest Receivable	11,303	5,345	6,060	0	0
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	610,083	49,317	0	21,733	21,733
Prepaid Items	0	0	0	0	0
Municipal Income Taxes Receivable	0	0	0	0	0
Permissive Motor Vehicle Taxes Receivable	0	0	41,148	0	0
Property Taxes Receivable	0	0	0	430,531	430,531
<i>Total Assets</i>	<u>\$2,555,619</u>	<u>\$969,344</u>	<u>\$1,084,251</u>	<u>\$673,163</u>	<u>\$650,113</u>
Liabilities					
Accounts Payable	\$3,236	\$0	\$0	\$0	\$0
Contracts Payable	143,352	4,159	0	0	0
Accrued Wages	7,126	0	0	0	0
Intergovernmental Payable	1,097	0	0	43,028	39,790
<i>Total Liabilities</i>	<u>154,811</u>	<u>4,159</u>	<u>0</u>	<u>43,028</u>	<u>39,790</u>
Deferred Inflows of Resources					
Property Taxes	0	0	0	419,286	419,286
Unavailable Revenue	404,575	39,401	0	32,978	32,978
<i>Total Deferred Inflows of Resources</i>	<u>404,575</u>	<u>39,401</u>	<u>0</u>	<u>452,264</u>	<u>452,264</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	1,996,233	925,784	1,084,251	177,871	158,059
Committed	0	0	0	0	0
<i>Total Fund Balances</i>	<u>1,996,233</u>	<u>925,784</u>	<u>1,084,251</u>	<u>177,871</u>	<u>158,059</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,555,619</u>	<u>\$969,344</u>	<u>\$1,084,251</u>	<u>\$673,163</u>	<u>\$650,113</u>

Police and Fire Operating	Law Enforcement	Mandatory Drug Fines	Alcohol Education	Juvenile Diversion	Federal Equitable	Recreation
\$456,397	\$569,008	\$59,394	\$40,409	\$15,136	\$39,709	\$2,712,624
0	0	0	0	0	0	976
0	0	0	0	0	232	0
0	0	680	275	0	5,853	21,513
65,200	0	0	0	0	0	0
0	0	0	0	0	1,182	0
0	0	0	0	0	0	63,951
0	0	0	0	0	0	0
1,291,591	0	0	0	0	0	0
<u>\$1,813,188</u>	<u>\$569,008</u>	<u>\$60,074</u>	<u>\$40,684</u>	<u>\$15,136</u>	<u>\$46,976</u>	<u>\$2,799,064</u>
\$0	\$1,852	\$0	\$0	\$0	\$0	\$67,588
0	0	0	0	0	0	1,505
49,516	0	0	0	0	0	51,600
705	0	0	0	0	0	8,399
<u>50,221</u>	<u>1,852</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>129,092</u>
1,257,857	0	0	0	0	0	0
98,934	0	0	0	0	5,853	22,284
<u>1,356,791</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,853</u>	<u>22,284</u>
0	0	0	0	0	1,182	976
406,176	567,156	60,074	40,684	15,136	39,941	0
0	0	0	0	0	0	2,646,712
<u>406,176</u>	<u>567,156</u>	<u>60,074</u>	<u>40,684</u>	<u>15,136</u>	<u>41,123</u>	<u>2,647,688</u>
<u>\$1,813,188</u>	<u>\$569,008</u>	<u>\$60,074</u>	<u>\$40,684</u>	<u>\$15,136</u>	<u>\$46,976</u>	<u>\$2,799,064</u>

(continued)

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2018

	Emergency Medical Service	Cemetery Investment	Westlake/ Bay Ecological	City Donations	Total Nonmajor Special Revenue Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$1,265,594	\$569,869	\$73,796	\$203,381	\$10,310,023
Materials and Supplies Inventory	0	0	0	0	976
Accrued Interest Receivable	0	3,341	0	0	26,281
Accounts Receivable	1,351,102	0	0	0	1,379,423
Intergovernmental Receivable	0	0	7,637	0	775,703
Prepaid Items	1,907	0	0	0	3,089
Municipal Income Taxes Receivable	0	0	0	0	63,951
Permissive Motor Vehicle Taxes Receivable	0	0	0	0	41,148
Property Taxes Receivable	0	0	0	0	2,152,653
<i>Total Assets</i>	<u>\$2,618,603</u>	<u>\$573,210</u>	<u>\$81,433</u>	<u>\$203,381</u>	<u>\$14,753,247</u>
Liabilities					
Accounts Payable	\$10,749	\$899	\$1,138	\$2,406	\$87,868
Contracts Payable	0	0	0	0	149,016
Accrued Wages	24,451	0	2,361	0	135,054
Intergovernmental Payable	342	0	364	0	93,725
<i>Total Liabilities</i>	<u>35,542</u>	<u>899</u>	<u>3,863</u>	<u>2,406</u>	<u>465,663</u>
Deferred Inflows of Resources					
Property Taxes	0	0	0	0	2,096,429
Unavailable Revenue	1,201,654	0	7,637	0	1,846,294
<i>Total Deferred Inflows of Resources</i>	<u>1,201,654</u>	<u>0</u>	<u>7,637</u>	<u>0</u>	<u>3,942,723</u>
Fund Balances					
Nonspendable	1,907	0	0	0	4,065
Restricted	1,379,500	572,311	69,933	0	7,493,109
Committed	0	0	0	200,975	2,847,687
<i>Total Fund Balances</i>	<u>1,381,407</u>	<u>572,311</u>	<u>69,933</u>	<u>200,975</u>	<u>10,344,861</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,618,603</u>	<u>\$573,210</u>	<u>\$81,433</u>	<u>\$203,381</u>	<u>\$14,753,247</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018

	Street Maintenance	State Highway	Permissive Motor Vehicle License	Police Pension	Fire Pension
Revenues					
Property Taxes	\$0	\$0	\$0	\$385,878	\$385,878
Municipal Income Taxes	0	0	0	0	0
Permissive Motor Vehicle Taxes	0	0	239,790	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	1,241,864	95,396	0	43,466	43,466
Interest	35,153	14,722	16,492	0	0
Rentals	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	15,145	0	0	0	0
<i>Total Revenues</i>	<u>1,292,162</u>	<u>110,118</u>	<u>256,282</u>	<u>429,344</u>	<u>429,344</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	0	1,016,709	898,980
Public Health Services	0	0	0	0	0
Transportation	1,567,003	22,533	162	0	0
Community Environment	0	0	0	0	0
Basic Utility Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>1,567,003</u>	<u>22,533</u>	<u>162</u>	<u>1,016,709</u>	<u>898,980</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(274,841)</u>	<u>87,585</u>	<u>256,120</u>	<u>(587,365)</u>	<u>(469,636)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	0	0	0	0
Transfers In	0	0	0	700,000	450,000
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>700,000</u>	<u>450,000</u>
<i>Net Change in Fund Balances</i>	<u>(274,841)</u>	<u>87,585</u>	<u>256,120</u>	<u>112,635</u>	<u>(19,636)</u>
<i>Fund Balances Beginning of Year</i>	<u>2,271,074</u>	<u>838,199</u>	<u>828,131</u>	<u>65,236</u>	<u>177,695</u>
<i>Fund Balances End of Year</i>	<u>\$1,996,233</u>	<u>\$925,784</u>	<u>\$1,084,251</u>	<u>\$177,871</u>	<u>\$158,059</u>

(continued)

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2018

	Police and Fire Operating	Law Enforcement	Mandatory Drug Fines	Alcohol Education	Juvenile Diversion
Revenues					
Property Taxes	\$1,157,610	\$0	\$0	\$0	\$0
Municipal Income Taxes	0	0	0	0	0
Permissive Motor Vehicle Taxes	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	81,112	13,178	9,094	3,600
Intergovernmental	130,399	0	0	0	0
Interest	0	0	0	0	0
Rentals	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>1,288,009</u>	<u>81,112</u>	<u>13,178</u>	<u>9,094</u>	<u>3,600</u>
Expenditures					
Current:					
Security of Persons and Property	1,260,546	46,942	6,025	0	437
Public Health Services	0	0	0	0	0
Transportation	0	0	0	0	0
Community Environment	0	0	0	0	0
Basic Utility Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>1,260,546</u>	<u>46,942</u>	<u>6,025</u>	<u>0</u>	<u>437</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>27,463</u>	<u>34,170</u>	<u>7,153</u>	<u>9,094</u>	<u>3,163</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	8,117	0	0	0
Transfers In	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>8,117</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	27,463	42,287	7,153	9,094	3,163
<i>Fund Balances Beginning of Year</i>	<u>378,713</u>	<u>524,869</u>	<u>52,921</u>	<u>31,590</u>	<u>11,973</u>
<i>Fund Balances End of Year</i>	<u>\$406,176</u>	<u>\$567,156</u>	<u>\$60,074</u>	<u>\$40,684</u>	<u>\$15,136</u>

Federal Equitable	Recreation	Emergency Medical Service	Cemetery Investment	Westlake/ Bay Ecological	City Donations	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$1,929,366
0	250,000	0	0	0	0	250,000
0	0	0	0	0	0	239,790
0	2,274,738	1,110,137	26,387	89,157	0	3,500,419
14,731	0	0	0	0	0	121,715
0	0	3,575	0	0	0	1,558,166
634	0	0	0	0	0	67,001
0	83,104	0	0	0	0	83,104
0	0	0	0	0	23,557	23,557
0	28,181	0	0	0	0	43,326
<u>15,365</u>	<u>2,636,023</u>	<u>1,113,712</u>	<u>26,387</u>	<u>89,157</u>	<u>23,557</u>	<u>7,816,444</u>
17,720	0	841,175	0	0	0	4,088,534
0	0	0	80,454	0	0	80,454
0	0	0	0	0	0	1,589,698
0	0	0	0	0	31,307	31,307
0	0	0	0	104,987	0	104,987
0	2,645,055	0	0	0	0	2,645,055
0	3,584	0	0	0	0	3,584
0	173	0	0	0	0	173
<u>17,720</u>	<u>2,648,812</u>	<u>841,175</u>	<u>80,454</u>	<u>104,987</u>	<u>31,307</u>	<u>8,543,792</u>
<u>(2,355)</u>	<u>(12,789)</u>	<u>272,537</u>	<u>(54,067)</u>	<u>(15,830)</u>	<u>(7,750)</u>	<u>(727,348)</u>
0	2,162	0	0	0	0	10,279
0	0	0	0	0	0	1,150,000
0	2,162	0	0	0	0	1,160,279
<u>(2,355)</u>	<u>(10,627)</u>	<u>272,537</u>	<u>(54,067)</u>	<u>(15,830)</u>	<u>(7,750)</u>	<u>432,931</u>
<u>43,478</u>	<u>2,658,315</u>	<u>1,108,870</u>	<u>626,378</u>	<u>85,763</u>	<u>208,725</u>	<u>9,911,930</u>
<u>\$41,123</u>	<u>\$2,647,688</u>	<u>\$1,381,407</u>	<u>\$572,311</u>	<u>\$69,933</u>	<u>\$200,975</u>	<u>\$10,344,861</u>

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2018

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Issue II Bond Retirement	Total Nonmajor Debt Service Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$239,547	\$0	\$239,547
Municipal Income Taxes Receivable	295,407	0	214,276	509,683
Special Assessments Receivable	0	150,000	0	150,000
<i>Total Assets</i>	<u>\$295,407</u>	<u>\$389,547</u>	<u>\$214,276</u>	<u>\$899,230</u>
Deferred Inflows of Resources				
Unavailable Revenue	\$78,826	\$150,000	\$66,094	\$294,920
Fund Balances				
Restricted	<u>216,581</u>	<u>239,547</u>	<u>148,182</u>	<u>604,310</u>
<i>Total Deferred Inflows of Resources and Fund Balances</i>	<u>\$295,407</u>	<u>\$389,547</u>	<u>\$214,276</u>	<u>\$899,230</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2018

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Issue II Bond Retirement	Total Nonmajor Debt Service Funds
Revenues				
Municipal Income Taxes	\$1,161,420	\$0	\$833,528	\$1,994,948
Special Assessments	0	28,943	0	28,943
<i>Total Revenues</i>	<u>1,161,420</u>	<u>28,943</u>	<u>833,528</u>	<u>2,023,891</u>
Expenditures				
Debt Service:				
Principal Retirement	1,030,000	50,000	725,000	1,805,000
Interest and Fiscal Charges	124,819	13,538	112,656	251,013
<i>Total Expenditures</i>	<u>1,154,819</u>	<u>63,538</u>	<u>837,656</u>	<u>2,056,013</u>
<i>Net Change in Fund Balances</i>	6,601	(34,595)	(4,128)	(32,122)
<i>Fund Balances Beginning of Year</i>	<u>209,980</u>	<u>274,142</u>	<u>152,310</u>	<u>636,432</u>
<i>Fund Balances End of Year</i>	<u><u>\$216,581</u></u>	<u><u>\$239,547</u></u>	<u><u>\$148,182</u></u>	<u><u>\$604,310</u></u>

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2018

	Storm Drainage	American Greetings	Market Square	Issue II Improvement	Impact Fees
Assets					
Equity in Pooled Cash and Cash Equivalents	\$637,122	\$0	\$59,578	\$77,540	\$1,392,612
Cash and Cash Equivalents with Escrow Agents	0	1,405,528	1,736	0	0
Accrued Interest Receivable	3,723	0	0	0	0
Accounts Receivable	0	0	0	0	0
Interfund Receivable	0	0	0	0	0
Municipal Income Taxes Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$640,845</u>	<u>\$1,405,528</u>	<u>\$61,314</u>	<u>\$77,540</u>	<u>\$1,392,612</u>
Liabilities					
Accounts Payable	\$3,475	\$0	\$0	\$0	\$0
Contracts Payable	3,764	0	0	0	0
Accrued Wages	190	0	0	0	0
Retainage Payable	152,423	1,513,939	0	0	3,624
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Advances From Other Funds	0	0	0	0	0
<i>Total Liabilities</i>	<u>159,852</u>	<u>1,513,939</u>	<u>0</u>	<u>0</u>	<u>3,624</u>
Deferred Inflows of Resources					
Unavailable Revenue	0	0	0	0	0
Fund Balances					
Restricted	480,993	0	61,314	77,540	1,388,988
Assigned	0	0	0	0	0
Unassigned (Deficit)	0	(108,411)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>480,993</u>	<u>(108,411)</u>	<u>61,314</u>	<u>77,540</u>	<u>1,388,988</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$640,845</u>	<u>\$1,405,528</u>	<u>\$61,314</u>	<u>\$77,540</u>	<u>\$1,392,612</u>

Sidewalks	Service Center Construction	Recreation Center Construction	Community Center Construction	Total Nonmajor Capital Projects Funds
\$702,811	\$37,607	\$6,139,179	\$431,788	\$9,478,237
0	0	0	0	1,407,264
0	0	0	0	3,723
111,087	0	0	0	111,087
0	0	650,000	0	650,000
0	0	330,122	0	330,122
<u>\$813,898</u>	<u>\$37,607</u>	<u>\$7,119,301</u>	<u>\$431,788</u>	<u>\$11,980,433</u>
\$0	\$0	\$4,534	\$807	\$8,816
0	0	1,084,118	128,174	1,216,056
375	0	1,749	0	2,314
144,235	0	379,936	0	2,194,157
0	0	0	650,000	650,000
0	0	270	0	270
1,950,000	0	0	0	1,950,000
<u>2,094,610</u>	<u>0</u>	<u>1,470,607</u>	<u>778,981</u>	<u>6,021,613</u>
<u>105,676</u>	<u>0</u>	<u>121,881</u>	<u>0</u>	<u>227,557</u>
0	0	5,526,813	0	7,535,648
0	37,607	0	0	37,607
<u>(1,386,388)</u>	<u>0</u>	<u>0</u>	<u>(347,193)</u>	<u>(1,841,992)</u>
<u>(1,386,388)</u>	<u>37,607</u>	<u>5,526,813</u>	<u>(347,193)</u>	<u>5,731,263</u>
<u>\$813,898</u>	<u>\$37,607</u>	<u>\$7,119,301</u>	<u>\$431,788</u>	<u>\$11,980,433</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2018

	Storm Drainage	American Greetings	Crocker Park Block K	Market Square
Revenues				
Municipal Income Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Licenses, Permits and Fees	27,252	0	0	0
Intergovernmental	0	0	176,644	0
Interest	13,774	19,707	0	931
Contributions and Donations	0	246,638	0	0
Miscellaneous	175	0	0	0
<i>Total Revenues</i>	<u>41,201</u>	<u>266,345</u>	<u>176,644</u>	<u>931</u>
Expenditures				
Current:				
Basic Utility Services	376,184	0	0	0
Capital Outlay	53,366	1,295,003	0	0
Debt Service:				
Principal Retirement	0	0	0	0
<i>Total Expenditures</i>	<u>429,550</u>	<u>1,295,003</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(388,349)	(1,028,658)	176,644	931
Other Financing Sources (Uses)				
Transfers In	0	0	0	49,200
<i>Net Change in Fund Balances</i>	(388,349)	(1,028,658)	176,644	50,131
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>869,342</u>	<u>920,247</u>	<u>(176,644)</u>	<u>11,183</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$480,993</u></u>	<u><u>(\$108,411)</u></u>	<u><u>\$0</u></u>	<u><u>\$61,314</u></u>

Issue II Improvement	Impact Fees	Sidewalks	Service Center Construction	Recreation Center Construction	Community Center Construction	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$1,241,097	\$0	\$1,241,097
0	0	303,080	0	0	0	303,080
0	16,495	0	0	0	0	43,747
0	0	0	0	0	0	176,644
0	0	0	0	0	0	34,412
0	0	0	0	0	0	246,638
0	0	0	0	960	0	1,135
0	16,495	303,080	0	1,242,057	0	2,046,753
0	0	0	0	0	0	376,184
3,653	55,121	1,375,266	0	4,573,581	347,193	7,703,183
155,036	0	0	0	0	0	155,036
158,689	55,121	1,375,266	0	4,573,581	347,193	8,234,403
(158,689)	(38,626)	(1,072,186)	0	(3,331,524)	(347,193)	(6,187,650)
158,700	0	0	0	4,000,000	0	4,207,900
11	(38,626)	(1,072,186)	0	668,476	(347,193)	(1,979,750)
77,529	1,427,614	(314,202)	37,607	4,858,337	0	7,711,013
<u>\$77,540</u>	<u>\$1,388,988</u>	<u>(\$1,386,388)</u>	<u>\$37,607</u>	<u>\$5,526,813</u>	<u>(\$347,193)</u>	<u>\$5,731,263</u>

Fund Descriptions - Fiduciary Fund

Fiduciary Fund

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Agency Funds

Central Dispatch Fund – This fund accounts for monies received for the West Shore Council of Governments dispatching services and distributed to the City of Bay Village which is the fiscal agent.

Deposits Fund - This fund accounts for deposits from various contractors, developers or individuals to ensure compliance with City Ordinances. These monies are returned when the work is completed.

Employee Flexible Spending Fund – This fund accounts for monies withheld from employees' paychecks for health care services purchased by the employee.

City of Westlake, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2018

	Balance 12/31/17	Additions	Reductions	Balance 12/31/18
Central Dispatch				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$405,142	\$776,879	\$857,137	\$324,884
Accounts Receivable	147,367	138,703	147,367	138,703
<i>Total Assets</i>	<u>\$552,509</u>	<u>\$915,582</u>	<u>\$1,004,504</u>	<u>\$463,587</u>
Liabilities				
Deposits Held and Due to Others	<u>\$552,509</u>	<u>\$915,582</u>	<u>\$1,004,504</u>	<u>\$463,587</u>
Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$1,428,964</u>	<u>\$353,409</u>	<u>\$581,733</u>	<u>\$1,200,640</u>
Liabilities				
Deposits Held and Due to Others	<u>\$1,428,964</u>	<u>\$353,409</u>	<u>\$581,733</u>	<u>\$1,200,640</u>
Employee Flexible Spending				
Assets				
Cash and Cash Equivalents in Segregated Accounts	<u>\$0</u>	<u>\$134,916</u>	<u>\$107,023</u>	<u>\$27,893</u>
Liabilities				
Deposits Held and Due to Others	<u>\$0</u>	<u>\$134,916</u>	<u>\$107,023</u>	<u>\$27,893</u>
Total All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,834,106	\$1,130,288	\$1,438,870	\$1,525,524
Cash and Cash Equivalents in Segregated Accounts	0	134,916	107,023	27,893
Accounts Receivable	147,367	138,703	147,367	138,703
<i>Total Assets</i>	<u>\$1,981,473</u>	<u>\$1,403,907</u>	<u>\$1,693,260</u>	<u>\$1,692,120</u>
Liabilities				
Deposits Held and Due to Others	<u>\$1,981,473</u>	<u>\$1,403,907</u>	<u>\$1,693,260</u>	<u>\$1,692,120</u>

**Individual Fund Schedules of Revenues,
Expenditures/Expenses and Changes in
Fund Balances/Fund Equity**

Budget (Non-GAAP Basis) and Actual

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$10,107,140	\$10,107,140	\$10,315,834	\$208,694
Municipal Income Taxes	20,565,000	20,565,000	21,353,324	788,324
Admissions Tax	150,000	150,000	195,468	45,468
Hotel Tax	600,000	600,000	646,708	46,708
Charges for Services	59,500	59,500	74,991	15,491
Licenses, Permits and Fees	759,900	759,900	863,056	103,156
Fines and Forfeitures	175,150	175,150	131,648	(43,502)
Intergovernmental	1,578,993	1,578,993	1,669,901	90,908
Interest	750,000	750,000	1,580,228	830,228
Rentals	170,810	170,810	161,019	(9,791)
Contributions and Donations	0	0	910	910
Franchise Taxes	625,000	625,000	618,274	(6,726)
Miscellaneous	296,400	296,400	837,109	540,709
Total Revenues	35,837,893	35,837,893	38,448,470	2,610,577
Expenditures				
Current:				
General Government:				
Council:				
Salaries	193,300	193,300	190,595	2,705
Fringe Benefits	36,800	36,800	35,829	971
Contractual Services	35,534	34,032	19,948	14,084
Materials and Supplies	2,000	2,000	480	1,520
Capital Outlay	14,530	14,530	9,885	4,645
Other	5,384	5,354	4,537	817
Total Council	287,548	286,016	261,274	24,742
Mayor:				
Salaries	267,600	267,600	230,284	37,316
Fringe Benefits	65,000	65,000	44,233	20,767
Contractual Services	34,465	34,465	21,998	12,467
Materials and Supplies	6,387	5,180	4,294	886
Other	8,155	8,124	3,367	4,757
Total Mayor	381,607	380,369	304,176	76,193
Finance Department:				
Salaries	726,600	726,600	568,036	158,564
Fringe Benefits	206,200	206,200	169,675	36,525
Contractual Services	1,003,268	1,013,156	918,822	94,334
Materials and Supplies	17,682	17,682	10,413	7,269
Capital Outlay	140,300	140,300	42,214	98,086
Other	5,520	5,130	3,424	1,706
Total Finance Department	\$2,099,570	\$2,109,068	\$1,712,584	\$396,484

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Communications:				
Salaries	\$132,700	\$132,700	\$37,675	\$95,025
Fringe Benefits	53,500	53,500	5,821	47,679
Contractual Services	45,367	41,200	14,295	26,905
Materials and Supplies	19,600	19,600	19,600	0
Capital Outlay	1,800	1,800	0	1,800
Other	26,500	26,500	25,270	1,230
Total Communications	279,467	275,300	102,661	172,639
Law Department:				
Salaries	397,900	397,900	341,237	56,663
Fringe Benefits	109,800	109,800	86,005	23,795
Contractual Services	50,163	49,820	19,951	29,869
Materials and Supplies	2,000	2,000	1,253	747
Other	2,000	2,000	208	1,792
Total Law Department	561,863	561,520	448,654	112,866
Purchasing:				
Salaries	163,000	163,000	154,345	8,655
Fringe Benefits	48,250	48,250	45,688	2,562
Contractual Services	12,957	12,957	2,004	10,953
Materials and Supplies	1,750	1,750	1,678	72
Capital Outlay	1,315	1,315	1,315	0
Other	1,000	1,000	340	660
Total Purchasing	228,272	228,272	205,370	22,902
Civil Service:				
Salaries	157,000	157,000	98,437	58,563
Fringe Benefits	47,300	47,300	37,944	9,356
Contractual Services	15,435	17,435	8,921	8,514
Material and Supplies	1,400	1,400	243	1,157
Other	16,000	16,000	7,953	8,047
Total Civil Service	237,135	239,135	153,498	85,637
Engineering:				
Salaries	563,000	563,000	393,435	169,565
Fringe Benefits	202,950	202,950	128,585	74,365
Contractual Services	78,069	77,043	57,597	19,446
Material and Supplies	20,992	20,066	15,656	4,410
Capital Outlay	21,700	21,700	12,541	9,159
Other	5,201	5,156	1,847	3,309
Total Engineering	\$891,912	\$889,915	\$609,661	\$280,254

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Building Maintenance:				
Salaries	\$36,800	\$36,800	\$28,708	\$8,092
Fringe Benefits	19,600	19,600	14,110	5,490
Contractual Services	259,881	241,354	200,758	40,596
Material and Supplies	17,105	17,105	10,619	6,486
Capital Outlay	136,955	136,548	59,466	77,082
Other	12,546	12,546	6,095	6,451
Total Building Maintenance	482,887	463,953	319,756	144,197
Miscellaneous:				
Salaries	140,800	140,800	61,995	78,805
Fringe Benefits	546,844	936,707	479,929	456,778
Contractual Services	2,231,743	2,287,008	2,043,322	243,686
Material and Supplies	87,078	85,786	69,460	16,326
Capital Outlay	13,423	0	0	0
Other	47,135	46,595	7,437	39,158
Total Miscellaneous	3,067,023	3,496,896	2,662,143	834,753
Cable TV:				
Capital Outlay	921,286	903,710	530,348	373,362
Other	7,750	7,750	2,310	5,440
Total Cable TV	929,036	911,460	532,658	378,802
Contracts:				
Contractual Services	1,138,337	1,138,174	744,760	393,414
Capital Outlay	5,850	5,850	900	4,950
Total Contracts	1,144,187	1,144,024	745,660	398,364
Total General Government	10,590,507	10,985,928	8,058,095	2,927,833
Security of Persons and Property:				
Police Department:				
Salaries	6,518,600	6,518,600	6,054,673	463,927
Fringe Benefits	1,211,700	1,211,700	1,140,234	71,466
Contractual Services	733,768	694,550	558,643	135,907
Materials and Supplies	255,206	194,944	172,824	22,120
Capital Outlay	412,005	411,482	364,883	46,599
Other	56,181	55,533	42,083	13,450
Total Police Department	\$9,187,460	\$9,086,809	\$8,333,340	\$753,469

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fire Department:				
Salaries	\$3,068,300	\$3,068,300	\$2,812,273	\$256,027
Fringe Benefits	662,100	662,100	598,471	63,629
Contractual Services	374,085	372,156	315,915	56,241
Materials and Supplies	175,994	164,116	127,539	36,577
Capital Outlay	279,026	279,026	243,187	35,839
Other	15,000	15,000	9,469	5,531
Total Fire Department	4,574,505	4,560,698	4,106,854	453,844
Safety Town:				
Salaries	11,500	11,500	9,264	2,236
Fringe Benefits	1,900	1,900	1,432	468
Other	5,000	15,000	12,012	2,988
Total Safety Town	18,400	28,400	22,708	5,692
<i>Total Security of Persons and Property</i>	<i>13,780,365</i>	<i>13,675,907</i>	<i>12,462,902</i>	<i>1,213,005</i>
Public Health Services:				
Community Services:				
Salaries	603,600	603,600	598,253	5,347
Fringe Benefits	195,300	195,300	192,747	2,553
Contractual Services	192,086	188,201	102,864	85,337
Materials and Supplies	23,592	20,569	15,598	4,971
Capital Outlay	151,400	151,400	68,269	83,131
Other	6,700	6,700	4,010	2,690
Total Community Services	1,172,678	1,165,770	981,741	184,029
Cemetery Operations:				
Capital Outlay	43,000	43,000	42,306	694
<i>Total Public Health Services</i>	<i>1,215,678</i>	<i>1,208,770</i>	<i>1,024,047</i>	<i>184,723</i>
Transportation:				
Service Director:				
Salaries	206,500	206,500	195,443	11,057
Fringe Benefits	50,000	50,000	43,775	6,225
Contractual Services	12,206	12,091	2,975	9,116
Materials and Supplies	4,369	3,471	1,752	1,719
Capital Outlay	36,500	36,500	34,418	2,082
Other	3,181	3,070	1,120	1,950
Total Service Director	\$312,756	\$311,632	\$279,483	\$32,149

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
City Service:				
Salaries	\$1,896,000	\$1,896,000	\$1,562,850	\$333,150
Fringe Benefits	735,550	735,550	656,719	78,831
Contractual Services	2,770,734	2,721,051	2,444,766	276,285
Materials and Supplies	347,012	317,990	237,413	80,577
Capital Outlay	1,391,490	1,389,754	916,084	473,670
Other	18,830	18,695	12,966	5,729
Total City Service	7,159,616	7,079,040	5,830,798	1,248,242
Snow Removal:				
Salaries	265,000	265,000	162,280	102,720
Fringe Benefits	41,000	41,000	24,948	16,052
Contractual Services	44,201	44,022	43,163	859
Other	1,000	1,000	687	313
Total Snow Removal	351,201	351,022	231,078	119,944
Total Transportation	7,823,573	7,741,694	6,341,359	1,400,335
Community Environment:				
Planning:				
Salaries	378,400	378,400	365,870	12,530
Fringe Benefits	92,500	92,500	90,741	1,759
Contractual Services	65,959	65,628	43,917	21,711
Materials and Supplies	5,238	5,000	1,985	3,015
Capital Outlay	15,000	15,000	8,055	6,945
Other	350	350	20	330
Total Planning	557,447	556,878	510,588	46,290
Zoning:				
Contractual Services	3,700	3,700	2,973	727
Materials and Supplies	1,000	1,000	886	114
Total Zoning	4,700	4,700	3,859	841
Board of Building Standards:				
Contractual Services	100	100	0	100
Materials and Supplies	200	200	0	200
Other	100	100	0	100
Total Board of Building Standards	\$400	\$400	\$0	\$400

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Inspection:				
Salaries	\$771,300	\$771,300	\$728,164	\$43,136
Fringe Benefits	242,500	242,500	233,016	9,484
Contractual Services	54,111	49,710	27,018	22,692
Materials and Supplies	20,099	18,177	17,262	915
Capital Outlay	10,000	10,000	8,055	1,945
Other	2,727	2,727	817	1,910
Total Inspection	1,100,737	1,094,414	1,014,332	80,082
Architect:				
Contractual Services	210,103	207,560	161,632	45,928
Unclaimed Monies:				
Salaries	5,000	5,000	0	5,000
Fringe Benefits	750	750	0	750
Other	36,500	36,500	11,449	25,051
Total Unclaimed Monies	42,250	42,250	11,449	30,801
Total Community Environment	1,915,637	1,906,202	1,701,860	204,342
Basic Utility Services:				
Forester:				
Salaries	271,200	271,200	215,029	56,171
Fringe Benefits	90,400	90,400	81,588	8,812
Contractual Services	36,030	36,030	18,178	17,852
Capital Outlay	3,300	3,300	3,300	0
Other	9,345	9,080	4,427	4,653
Total Forester	410,275	410,010	322,522	87,488
Storm Drainage:				
Salaries	185,000	185,000	82,819	102,181
Fringe Benefits	28,600	28,600	12,744	15,856
Contractual Services	55,703	55,685	31,009	24,676
Materials and Supplies	70,698	67,678	22,648	45,030
Capital Outlay	43,570	43,570	6,010	37,560
Other	6,000	6,000	3,326	2,674
Total Storm Drainage	389,571	386,533	158,556	227,977
Leaf Pick-Up:				
Salaries	210,000	210,000	181,525	28,475
Fringe Benefits	32,400	32,400	27,865	4,535
Contractual Services	64,791	57,763	57,444	319
Capital Outlay	30,544	30,544	30,544	0
Other	700	700	632	68
Total Leaf Pick-Up	338,435	331,407	298,010	33,397
Total Basic Utility Services	\$1,138,281	\$1,127,950	\$779,088	\$348,862

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Leisure Time Activities:				
Recreation:				
Salaries	\$203,700	\$203,700	\$198,349	\$5,351
Fringe Benefits	53,250	53,250	53,070	180
Contractual Services	106,631	105,131	73,997	31,134
Materials and Supplies	24,156	22,797	18,541	4,256
Capital Outlay	142,000	142,000	126,115	15,885
Other	2,000	2,000	1,415	585
Total Recreation	531,737	528,878	471,487	57,391
Park:				
Salaries	167,300	167,300	149,919	17,381
Fringe Benefits	60,100	60,100	50,702	9,398
Contractual Services	232,938	228,407	176,817	51,590
Materials and Supplies	16,924	16,680	14,757	1,923
Capital Outlay	15,500	15,500	13,421	2,079
Other	19,687	19,687	13,323	6,364
Total Park	512,449	507,674	418,939	88,735
<i>Total Leisure Time Activities</i>	1,044,186	1,036,552	890,426	146,126
<i>Total Expenditures</i>	37,508,227	37,683,003	31,257,777	6,425,226
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,670,334)	(1,845,110)	7,190,693	9,035,803
Other Financing Sources (Uses)				
Sale of Capital Assets	35,000	35,000	364,956	329,956
Advances In	0	0	4,000,000	4,000,000
Advances Out	(2,250,000)	(6,250,000)	(5,200,000)	1,050,000
Transfers Out	(5,558,700)	(5,807,900)	(5,432,900)	375,000
<i>Total Other Financing Sources (Uses)</i>	(7,773,700)	(12,022,900)	(6,267,944)	5,754,956
<i>Net Change in Fund Balance</i>	(9,444,034)	(13,868,010)	922,749	14,790,759
<i>Fund Balance Beginning of Year</i>	47,832,166	47,832,166	47,832,166	0
Prior Year Encumbrances Appropriated	2,036,927	2,036,927	2,036,927	0
<i>Fund Balance End of Year</i>	\$40,425,059	\$36,001,083	\$50,791,842	\$14,790,759

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
TIF Bond Retirement Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Payments in Lieu of Taxes	\$4,650,800	\$4,650,800	\$4,854,112	\$203,312
Interest	0	0	13,844	13,844
<i>Total Revenues</i>	<u>4,650,800</u>	<u>4,650,800</u>	<u>4,867,956</u>	<u>217,156</u>
Expenditures				
Current:				
General Government:				
Other	1,180,000	1,247,028	1,150,295	96,733
Debt Service:				
Principal Retirement	1,408,774	1,365,398	1,365,397	1
Interest and Fiscal Charges	2,012,069	2,407,504	2,407,440	64
<i>Total Expenditures</i>	<u>4,600,843</u>	<u>5,019,930</u>	<u>4,923,132</u>	<u>96,798</u>
<i>Net Change in Fund Balance</i>	49,957	(369,130)	(55,176)	313,954
<i>Fund Balance Beginning of Year</i>	<u>512,493</u>	<u>512,493</u>	<u>512,493</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$562,450</u></u>	<u><u>\$143,363</u></u>	<u><u>\$457,317</u></u>	<u><u>\$313,954</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Infrastructure Tax Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	\$7,055,300	\$7,055,300	\$7,308,248	\$252,948
Interest	80,000	80,000	181,977	101,977
Miscellaneous	1,000	1,000	805	(195)
<i>Total Revenues</i>	<u>7,136,300</u>	<u>7,136,300</u>	<u>7,491,030</u>	<u>354,730</u>
Expenditures				
Capital Outlay:				
Infrastructure Improvements:				
Salaries	90,000	90,000	81,673	8,327
Fringe Benefits	13,900	13,900	12,595	1,305
Contractual Services	250,000	250,000	247,985	2,015
Capital Outlay	9,911,899	9,466,593	7,029,732	2,436,861
Other	123,215	157,157	124,794	32,363
<i>Total Expenditures</i>	<u>10,389,014</u>	<u>9,977,650</u>	<u>7,496,779</u>	<u>2,480,871</u>
<i>Net Change in Fund Balance</i>	(3,252,714)	(2,841,350)	(5,749)	2,835,601
<i>Fund Balance Beginning of Year</i>	3,160,863	3,160,863	3,160,863	0
Prior Year Encumbrances Appropriated	<u>3,944,791</u>	<u>3,944,791</u>	<u>3,944,791</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$3,852,940</u>	<u>\$4,264,304</u>	<u>\$7,099,905</u>	<u>\$2,835,601</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Grants Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$0	\$0	\$191,814	\$191,814
Expenditures				
Capital Outlay:				
Grants:				
Salaries	20,000	20,000	4,436	15,564
Fringe Benefits	3,100	3,100	684	2,416
Capital Outlay	785,437	432,914	420,324	12,590
Other	10,000	10,000	2,617	7,383
<i>Total Expenditures</i>	818,537	466,014	428,061	37,953
<i>Net Change in Fund Balance</i>	(818,537)	(466,014)	(236,247)	229,767
<i>Fund Balance Beginning of Year</i>	686,728	686,728	686,728	0
Prior Year Encumbrances Appropriated	785,437	785,437	785,437	0
<i>Fund Balance End of Year</i>	<u>\$653,628</u>	<u>\$1,006,151</u>	<u>\$1,235,918</u>	<u>\$229,767</u>

City of Westlake, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$2,680,000	\$2,680,000	\$2,503,799	(\$176,201)
Tap-In Fees	50,000	50,000	56,280	6,280
Interest	60,000	60,000	119,366	59,366
<i>Total Revenues</i>	<u>2,790,000</u>	<u>2,790,000</u>	<u>2,679,445</u>	<u>(110,555)</u>
Expenses				
Personal Services	491,800	491,800	440,844	50,956
Fringe Benefits	195,100	195,100	149,583	45,517
Contractual Services	1,997,967	1,995,733	1,830,385	165,348
Materials and Supplies	49,087	39,422	28,106	11,316
Capital Outlay	648,039	647,420	157,169	490,251
Other	101,027	92,491	63,376	29,115
<i>Total Expenses</i>	<u>3,483,020</u>	<u>3,461,966</u>	<u>2,669,463</u>	<u>792,503</u>
<i>Net Change in Fund Equity</i>	(693,020)	(671,966)	9,982	681,948
<i>Fund Equity Beginning of Year</i>	6,364,115	6,364,115	6,364,115	0
Prior Year Encumbrances Appropriated	186,420	186,420	186,420	0
<i>Fund Equity End of Year</i>	<u>\$5,857,515</u>	<u>\$5,878,569</u>	<u>\$6,560,517</u>	<u>\$681,948</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$1,235,000	\$1,235,000	\$1,246,572	\$11,572
Interest	19,000	19,000	42,733	23,733
Miscellaneous	0	0	15,145	15,145
<i>Total Revenues</i>	<u>1,254,000</u>	<u>1,254,000</u>	<u>1,304,450</u>	<u>50,450</u>
Expenditures				
Current:				
Transportation:				
Street Maintenance and Repair:				
Salaries	327,900	327,900	301,129	26,771
Fringe Benefits	84,300	84,300	69,759	14,541
Contractual Services	85,539	85,003	64,823	20,180
Materials and Supplies	593,295	550,885	509,214	41,671
Capital Outlay	890,000	890,000	799,999	90,001
Other	67,807	63,736	40,756	22,980
<i>Total Expenditures</i>	<u>2,048,841</u>	<u>2,001,824</u>	<u>1,785,680</u>	<u>216,144</u>
<i>Net Change in Fund Balance</i>	(794,841)	(747,824)	(481,230)	266,594
<i>Fund Balance Beginning of Year</i>	2,013,230	2,013,230	2,013,230	0
Prior Year Encumbrances Appropriated	62,541	62,541	62,541	0
<i>Fund Balance End of Year</i>	<u>\$1,280,930</u>	<u>\$1,327,947</u>	<u>\$1,594,541</u>	<u>\$266,594</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$16,000	\$16,000	\$0	(\$16,000)
Intergovernmental	84,000	84,000	101,073	17,073
Interest	8,000	8,000	17,390	9,390
<i>Total Revenues</i>	<u>108,000</u>	<u>108,000</u>	<u>118,463</u>	<u>10,463</u>
Expenditures				
Current:				
Transportation:				
State Highway				
Materials and Supplies	41,000	41,000	23,804	17,196
Other	5,000	5,000	0	5,000
<i>Total Expenditures</i>	<u>46,000</u>	<u>46,000</u>	<u>23,804</u>	<u>22,196</u>
<i>Net Change in Fund Balance</i>	62,000	62,000	94,659	32,659
<i>Fund Balance Beginning of Year</i>	<u>818,741</u>	<u>818,741</u>	<u>818,741</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$880,741</u></u>	<u><u>\$880,741</u></u>	<u><u>\$913,400</u></u>	<u><u>\$32,659</u></u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Motor Vehicle License Fund
For the Year Ended December 31, 2018*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Permissive Motor Vehicle Taxes	\$240,000	\$240,000	\$240,162	\$162
Interest	7,000	7,000	18,670	11,670
<i>Total Revenues</i>	247,000	247,000	258,832	11,832
Expenditures				
Current:				
Transportation:				
Permissive Motor Vehicle License:				
Other	1,500	1,061	561	500
<i>Net Change in Fund Balance</i>	245,500	245,939	258,271	12,332
<i>Fund Balance Beginning of Year</i>	781,536	781,536	781,536	0
Prior Year Encumbrances Appropriated	500	500	500	0
<i>Fund Balance End of Year</i>	<u>\$1,027,536</u>	<u>\$1,027,975</u>	<u>\$1,040,307</u>	<u>\$12,332</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$378,016	\$378,016	\$385,878	\$7,862
Intergovernmental	44,221	44,221	43,466	(755)
<i>Total Revenues</i>	422,237	422,237	429,344	7,107
Expenditures				
Current:				
Security of Persons and Property:				
Police Pension:				
Fringe Benefits	1,100,000	1,100,000	1,014,852	85,148
<i>Excess of Revenues Over (Under) Expenditures</i>	(677,763)	(677,763)	(585,508)	92,255
Other Financing Sources (Uses)				
Transfers In	700,000	700,000	700,000	0
<i>Net Change in Fund Balance</i>	22,237	22,237	114,492	92,255
<i>Fund Balance Beginning of Year</i>	106,407	106,407	106,407	0
<i>Fund Balance End of Year</i>	\$128,644	\$128,644	\$220,899	\$92,255

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$378,016	\$378,016	\$385,878	\$7,862
Intergovernmental	44,221	44,221	43,466	(755)
<i>Total Revenues</i>	422,237	422,237	429,344	7,107
Expenditures				
Current:				
Security of Persons and Property:				
Fire Pension:				
Fringe Benefits	1,005,000	1,005,000	895,092	109,908
<i>Excess of Revenues Over (Under) Expenditures</i>	(582,763)	(582,763)	(465,748)	117,015
Other Financing Sources (Uses)				
Transfers In	500,000	500,000	450,000	(50,000)
<i>Net Change in Fund Balance</i>	(82,763)	(82,763)	(15,748)	67,015
<i>Fund Balance Beginning of Year</i>	213,597	213,597	213,597	0
<i>Fund Balance End of Year</i>	<u>\$130,834</u>	<u>\$130,834</u>	<u>\$197,849</u>	<u>\$67,015</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police and Fire Operating Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,134,100	\$1,134,100	\$1,157,610	\$23,510
Intergovernmental	132,612	132,612	130,399	(2,213)
<i>Total Revenues</i>	<u>1,266,712</u>	<u>1,266,712</u>	<u>1,288,009</u>	<u>21,297</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police and Fire Operating:				
Salaries	1,324,100	1,324,100	1,219,078	105,022
Fringe Benefits	34,500	34,500	31,023	3,477
<i>Total Expenditures</i>	<u>1,358,600</u>	<u>1,358,600</u>	<u>1,250,101</u>	<u>108,499</u>
<i>Net Change in Fund Balance</i>	(91,888)	(91,888)	37,908	129,796
<i>Fund Balance Beginning of Year</i>	<u>418,489</u>	<u>418,489</u>	<u>418,489</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$326,601</u></u>	<u><u>\$326,601</u></u>	<u><u>\$456,397</u></u>	<u><u>\$129,796</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines and Forfeitures	\$30,000	\$30,000	\$104,239	\$74,239
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Capital Outlay	33,846	33,846	33,426	420
Other	31,733	31,733	30,304	1,429
<i>Total Expenditures</i>	65,579	65,579	63,730	1,849
<i>Excess of Revenues Over (Under) Expenditures</i>	(35,579)	(35,579)	40,509	76,088
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	8,117	8,117
<i>Net Change in Fund Balance</i>	(35,579)	(35,579)	48,626	84,205
<i>Fund Balance Beginning of Year</i>	486,658	486,658	486,658	0
Prior Year Encumbrances Appropriated	15,579	15,579	15,579	0
<i>Fund Balance End of Year</i>	\$466,658	\$466,658	\$550,863	\$84,205

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mandatory Drug Fines Fund
For the Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$5,000	\$5,000	\$14,094	\$9,094
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	<u>10,000</u>	<u>10,000</u>	<u>6,025</u>	<u>3,975</u>
<i>Net Change in Fund Balance</i>	(5,000)	(5,000)	8,069	13,069
<i>Fund Balance Beginning of Year</i>	<u>51,325</u>	<u>51,325</u>	<u>51,325</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$46,325</u></u>	<u><u>\$46,325</u></u>	<u><u>\$59,394</u></u>	<u><u>\$13,069</u></u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Alcohol Education Fund
For the Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$10,000	\$10,000	\$9,099	(\$901)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	10,000	10,000	9,099	(901)
<i>Fund Balance Beginning of Year</i>	<u>31,310</u>	<u>31,310</u>	<u>31,310</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$41,310</u>	<u>\$41,310</u>	<u>\$40,409</u>	<u>(\$901)</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Juvenile Diversion Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$3,600	\$3,600	\$4,800	\$1,200
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Salaries	2,950	2,950	431	2,519
Fringe Benefits	450	450	6	444
Other	1,000	1,000	0	1,000
<i>Total Expenditures</i>	<u>4,400</u>	<u>4,400</u>	<u>437</u>	<u>3,963</u>
<i>Net Change in Fund Balance</i>	(800)	(800)	4,363	5,163
<i>Fund Balance Beginning of Year</i>	<u>10,773</u>	<u>10,773</u>	<u>10,773</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$9,973</u></u>	<u><u>\$9,973</u></u>	<u><u>\$15,136</u></u>	<u><u>\$5,163</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Equitable Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines and Forfeitures	\$9,700	\$9,700	\$14,731	\$5,031
Interest	700	700	792	92
<i>Total Revenues</i>	<u>10,400</u>	<u>10,400</u>	<u>15,523</u>	<u>5,123</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Capital Outlay	7,501	7,501	1,051	6,450
Other	19,450	19,450	19,392	58
<i>Total Expenditures</i>	<u>26,951</u>	<u>26,951</u>	<u>20,443</u>	<u>6,508</u>
<i>Net Change in Fund Balance</i>	(16,551)	(16,551)	(4,920)	11,631
<i>Fund Balance Beginning of Year</i>	42,818	42,818	42,818	0
Prior Year Encumbrances Appropriated	1,951	1,951	1,951	0
<i>Fund Balance End of Year</i>	<u>\$28,218</u>	<u>\$28,218</u>	<u>\$39,849</u>	<u>\$11,631</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	\$250,000	\$250,000	\$250,000	\$0
Charges for Services	2,197,050	2,197,050	2,289,122	92,072
Rentals	58,500	58,500	83,104	24,604
Miscellaneous	19,550	19,550	28,101	8,551
<i>Total Revenues</i>	<u>2,525,100</u>	<u>2,525,100</u>	<u>2,650,327</u>	<u>125,227</u>
Expenditures				
Current:				
Leisure Time Activities:				
Recreation:				
Salaries	1,389,300	1,389,300	1,251,081	138,219
Fringe Benefits	351,900	351,900	311,279	40,621
Contractual Services	1,021,010	1,003,947	874,855	129,092
Materials and Supplies	217,186	214,132	161,655	52,477
Capital Outlay	12,400	12,400	6,160	6,240
Other	139,852	139,852	130,571	9,281
Total Leisure Time Activities	<u>3,131,648</u>	<u>3,111,531</u>	<u>2,735,601</u>	<u>375,930</u>
Debt Service:				
Principal Retirement	3,584	3,584	3,584	0
Interest and Fiscal Charges	173	173	173	0
Total Debt Service	<u>3,757</u>	<u>3,757</u>	<u>3,757</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,135,405</u>	<u>3,115,288</u>	<u>2,739,358</u>	<u>375,930</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(610,305)	(590,188)	(89,031)	501,157
Other Financing Sources (Uses)				
Sale of Capital Assets	1,000	1,000	2,162	1,162
<i>Net Change in Fund Balance</i>	(609,305)	(589,188)	(86,869)	502,319
<i>Fund Balance Beginning of Year</i>	2,616,504	2,616,504	2,616,504	0
Prior Year Encumbrances Appropriated	79,605	79,605	79,605	0
<i>Fund Balance End of Year</i>	<u>\$2,086,804</u>	<u>\$2,106,921</u>	<u>\$2,609,240</u>	<u>\$502,319</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Medical Service Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$930,000	\$930,000	\$1,128,542	\$198,542
Intergovernmental	0	0	3,575	3,575
<i>Total Revenues</i>	<u>930,000</u>	<u>930,000</u>	<u>1,132,117</u>	<u>202,117</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire Department:				
Salaries	645,000	645,000	605,722	39,278
Fringe Benefits	16,500	16,500	15,591	909
Contractual Services	145,754	145,261	133,219	12,042
Materials and Supplies	32,331	32,175	27,460	4,715
Capital Outlay	22,164	21,960	12,950	9,010
Other	97,000	97,000	90,553	6,447
<i>Total Expenditures</i>	<u>958,749</u>	<u>957,896</u>	<u>885,495</u>	<u>72,401</u>
<i>Net Change in Fund Balance</i>	(28,749)	(27,896)	246,622	274,518
<i>Fund Balance Beginning of Year</i>	952,672	952,672	952,672	0
Prior Year Encumbrances Appropriated	25,149	25,149	25,149	0
<i>Fund Balance End of Year</i>	<u>\$949,072</u>	<u>\$949,925</u>	<u>\$1,224,443</u>	<u>\$274,518</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Investment Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$15,000	\$15,000	\$28,725	\$13,725
Expenditures				
Current:				
Public Health Services:				
Cemetery Operations:				
Capital Outlay	125,000	125,000	80,454	44,546
Other	23,000	23,000	0	23,000
<i>Total Expenditures</i>	<u>148,000</u>	<u>148,000</u>	<u>80,454</u>	<u>67,546</u>
<i>Net Change in Fund Balance</i>	(133,000)	(133,000)	(51,729)	81,271
<i>Fund Balance Beginning of Year</i>	<u>622,718</u>	<u>622,718</u>	<u>622,718</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$489,718</u>	<u>\$489,718</u>	<u>\$570,989</u>	<u>\$81,271</u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Westlake/Bay Ecological Fund
For the Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$94,000	\$94,000	\$99,752	\$5,752
Expenditures				
Current:				
Basic Utility Services:				
Litter Prevention:				
Salaries	61,800	61,800	60,560	1,240
Fringe Benefits	9,600	9,600	9,260	340
Contractual Services	40,035	40,035	29,374	10,661
Other	15,716	9,500	8,299	1,201
<i>Total Expenditures</i>	<u>127,151</u>	<u>120,935</u>	<u>107,493</u>	<u>13,442</u>
<i>Net Change in Fund Balance</i>	(33,151)	(26,935)	(7,741)	19,194
<i>Fund Balance Beginning of Year</i>	70,886	70,886	70,886	0
Prior Year Encumbrances Appropriated	<u>8,251</u>	<u>8,251</u>	<u>8,251</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$45,986</u></u>	<u><u>\$52,202</u></u>	<u><u>\$71,396</u></u>	<u><u>\$19,194</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
City Donations Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Contributions and Donations	\$30,725	\$30,725	\$23,557	(\$7,168)
Expenditures				
Current:				
Community Environment:				
Donations:				
Capital Outlay	1,000	1,000	0	1,000
Other	60,843	54,413	36,010	18,403
<i>Total Expenditures</i>	61,843	55,413	36,010	19,403
<i>Net Change in Fund Balance</i>	(31,118)	(24,688)	(12,453)	12,235
<i>Fund Balance Beginning of Year</i>	203,554	203,554	203,554	0
Prior Year Encumbrances Appropriated	7,443	7,443	7,443	0
<i>Fund Balance End of Year</i>	<u>\$179,879</u>	<u>\$186,309</u>	<u>\$198,544</u>	<u>\$12,235</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Swimming Pool Operation Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$128,850	\$128,850	\$0	(\$128,850)
Miscellaneous	2,000	2,000	7	(1,993)
<i>Total Revenues</i>	<u>130,850</u>	<u>130,850</u>	<u>7</u>	<u>(130,843)</u>
Expenditures				
Current:				
Leisure Time Activities:				
Recreation:				
Salaries	133,500	0	0	0
Fringe Benefits	20,700	0	0	0
Contractual Services	52,101	10,510	1,060	9,450
Materials and Supplies	23,655	4,355	1,827	2,528
Other	3,800	300	226	74
<i>Total Expenditures</i>	<u>233,756</u>	<u>15,165</u>	<u>3,113</u>	<u>12,052</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(102,906)	115,685	(3,106)	(118,791)
Other Financing Sources (Uses)				
Transfers In	100,000	100,000	0	(100,000)
<i>Net Change in Fund Balance</i>	(2,906)	215,685	(3,106)	(218,791)
<i>Fund Balance Beginning of Year</i>	14,004	14,004	14,004	0
Prior Year Encumbrances Appropriated	2,756	2,756	2,756	0
<i>Fund Balance End of Year</i>	<u>\$13,854</u>	<u>\$232,445</u>	<u>\$13,654</u>	<u>(\$218,791)</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Senior/Community Service Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$90,000	\$90,000	\$86,778	(\$3,222)
Contributions and Donations	15,000	15,000	17,287	2,287
Miscellaneous	0	0	3,417	3,417
<i>Total Revenues</i>	<u>105,000</u>	<u>105,000</u>	<u>107,482</u>	<u>2,482</u>
Expenditures				
Current:				
Public Health Services:				
Senior/Community Services:				
Contractual Services	6,700	6,700	4,583	2,117
Materials and Supplies	4,500	4,500	2,871	1,629
Other	128,873	126,359	93,090	33,269
<i>Total Expenditures</i>	<u>140,073</u>	<u>137,559</u>	<u>100,544</u>	<u>37,015</u>
<i>Net Change in Fund Balance</i>	(35,073)	(32,559)	6,938	39,497
<i>Fund Balance Beginning of Year</i>	57,737	57,737	57,737	0
Prior Year Encumbrances Appropriated	6,373	6,373	6,373	0
<i>Fund Balance End of Year</i>	<u>\$29,037</u>	<u>\$31,551</u>	<u>\$71,048</u>	<u>\$39,497</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Operating Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$25,000	\$25,000	\$25,358	\$358
Interest	7,500	7,500	12,422	4,922
<i>Total Revenues</i>	<u>32,500</u>	<u>32,500</u>	<u>37,780</u>	<u>5,280</u>
Expenditures				
Current:				
Public Health Services:				
Cemetery Operations:				
Salaries	63,800	63,800	60,901	2,899
Fringe Benefits	26,100	26,100	25,501	599
Contractual Services	24,321	23,684	14,362	9,322
Materials and Supplies	18,721	17,238	8,389	8,849
Capital Outlay	8,134	8,134	7,000	1,134
Other	28,176	28,176	8,717	19,459
<i>Total Expenditures</i>	<u>169,252</u>	<u>167,132</u>	<u>124,870</u>	<u>42,262</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(136,752)	(134,632)	(87,090)	47,542
Other Financing Sources (Uses)				
Transfers In	100,000	100,000	75,000	(25,000)
<i>Net Change in Fund Balance</i>	(36,752)	(34,632)	(12,090)	22,542
<i>Fund Balance Beginning of Year</i>	75,618	75,618	75,618	0
Prior Year Encumbrances Appropriated	4,102	4,102	4,102	0
<i>Fund Balance End of Year</i>	<u>\$42,968</u>	<u>\$45,088</u>	<u>\$67,630</u>	<u>\$22,542</u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Reserve for Compensated Absences Fund
For the Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
General Government:				
Compensated Absences:				
Personal Services	600,000	600,000	585,699	14,301
Fringe Benefits	<u>8,700</u>	<u>8,700</u>	<u>5,793</u>	<u>2,907</u>
<i>Total Expenditures</i>	<u>608,700</u>	<u>608,700</u>	<u>591,492</u>	<u>17,208</u>
<i>Net Change in Fund Balance</i>	(608,700)	(608,700)	(591,492)	17,208
<i>Fund Balance Beginning of Year</i>	<u>1,185,166</u>	<u>1,185,166</u>	<u>1,185,166</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$576,466</u>	<u>\$576,466</u>	<u>\$593,674</u>	<u>\$17,208</u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2018*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	\$1,154,900	\$1,154,900	\$1,154,819	(\$81)
Expenditures				
Debt Service:				
Principal Retirement	1,030,000	1,030,000	1,030,000	0
Interest and Fiscal Charges	124,900	124,819	124,819	0
<i>Total Expenditures</i>	1,154,900	1,154,819	1,154,819	0
<i>Net Change in Fund Balance</i>	0	81	0	(81)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$81	\$0	(\$81)

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$20,000	\$20,000	\$28,943	\$8,943
Expenditures				
Debt Service:				
Principal Retirement	50,000	50,000	50,000	0
Interest and Fiscal Charges	12,000	16,000	15,656	344
<i>Total Expenditures</i>	<u>62,000</u>	<u>66,000</u>	<u>65,656</u>	<u>344</u>
<i>Net Change in Fund Balance</i>	(42,000)	(46,000)	(36,713)	9,287
<i>Fund Balance Beginning of Year</i>	<u>274,142</u>	<u>274,142</u>	<u>274,142</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$232,142</u>	<u>\$228,142</u>	<u>\$237,429</u>	<u>\$9,287</u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Bond Retirement Fund
For the Year Ended December 31, 2018*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	\$837,700	\$837,700	\$837,656	(\$44)
Expenditures				
Debt Service:				
Principal Retirement	725,000	725,000	725,000	0
Interest and Fiscal Charges	112,700	112,656	112,656	0
<i>Total Expenditures</i>	837,700	837,656	837,656	0
<i>Net Change in Fund Balance</i>	0	44	0	(44)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$44	\$0	(\$44)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Storm Drainage Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Licenses, Permits and Fees	\$60,000	\$60,000	\$27,252	(\$32,748)
Interest	38,000	38,000	17,977	(20,023)
Miscellaneous	0	0	175	175
<i>Total Revenues</i>	<u>98,000</u>	<u>98,000</u>	<u>45,404</u>	<u>(52,596)</u>
Expenditures				
Current:				
Basic Utility Services:				
Storm Drainage:				
Salaries	35,000	35,000	28,490	6,510
Fringe Benefits	5,400	5,400	4,392	1,008
Capital Outlay	415,229	415,229	361,565	53,664
Other	102,700	102,700	61,068	41,632
<i>Total Expenditures</i>	<u>558,329</u>	<u>558,329</u>	<u>455,515</u>	<u>102,814</u>
<i>Net Change in Fund Balance</i>	(460,329)	(460,329)	(410,111)	50,218
<i>Fund Balance Beginning of Year</i>	951,824	951,824	951,824	0
Prior Year Encumbrances Appropriated	<u>18,329</u>	<u>18,329</u>	<u>18,329</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$509,824</u></u>	<u><u>\$509,824</u></u>	<u><u>\$560,042</u></u>	<u><u>\$50,218</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
American Greetings Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$0	\$0	\$19,707	\$19,707
Contributions and Donations	0	0	246,638	246,638
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>266,345</u>	<u>266,345</u>
Expenditures				
Capital Outlay:				
American Greetings:				
Capital Outlay	4,673,655	4,673,655	3,534,472	1,139,183
Other	50,000	50,000	50,000	0
<i>Total Expenditures</i>	<u>4,723,655</u>	<u>4,723,655</u>	<u>3,584,472</u>	<u>1,139,183</u>
<i>Net Change in Fund Balance</i>	(4,723,655)	(4,723,655)	(3,318,127)	1,405,528
<i>Fund Balance Beginning of Year</i>	<u>4,723,655</u>	<u>4,723,655</u>	<u>4,723,655</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1,405,528</u>	<u>\$1,405,528</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Crocker Park Block K Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$176,644	\$176,644	\$176,644	\$0
Expenditures				
Capital Outlay:				
Crocker Park Block K:				
Capital Outlay	176,644	176,644	176,644	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Market Square Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$0	\$0	\$931	\$931
Expenditures				
Capital Outlay:				
Market Square Project:				
Capital Outlay	308,512	308,512	248,129	60,383
<i>Excess of Revenues Over (Under) Expenditures</i>	(308,512)	(308,512)	(247,198)	61,314
Other Financing Sources				
Transfers - In	49,200	49,200	49,200	0
<i>Net Change in Fund Balance</i>	(259,312)	(259,312)	(197,998)	61,314
<i>Fund Balance Beginning of Year</i>	259,312	259,312	259,312	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$61,314</u>	<u>\$61,314</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Improvement Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Issue 2 Improvements:				
Capital Outlay	0	3,653	3,653	0
Debt Service:				
Principal Retirement	236,219	155,047	155,036	11
<i>Total Expenditures</i>	<i>236,219</i>	<i>158,700</i>	<i>158,689</i>	<i>11</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(236,219)</i>	<i>(158,700)</i>	<i>(158,689)</i>	<i>11</i>
Other Financing Sources (Uses)				
Transfers In	158,700	158,700	158,700	0
<i>Net Change in Fund Balance</i>	<i>(77,519)</i>	<i>0</i>	<i>11</i>	<i>11</i>
<i>Fund Balance Beginning of Year</i>	<i>10</i>	<i>10</i>	<i>10</i>	<i>0</i>
Prior Year Encumbrances Appropriated	77,519	77,519	77,519	0
<i>Fund Balance End of Year</i>	<i>\$10</i>	<i>\$77,529</i>	<i>\$77,540</i>	<i>\$11</i>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Impact Fees Fund
For the Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses, Permits and Fees	\$50,000	\$50,000	\$16,495	(\$33,505)
Expenditures				
Capital Outlay:				
Impact Fee:				
Capital Outlay	128,896	120,009	91,981	28,028
Other	7,750	7,750	2,325	5,425
<i>Total Expenditures</i>	<u>136,646</u>	<u>127,759</u>	<u>94,306</u>	<u>33,453</u>
<i>Net Change in Fund Balance</i>	(86,646)	(77,759)	(77,811)	(52)
<i>Fund Balance Beginning of Year</i>	1,376,701	1,376,701	1,376,701	0
Prior Year Encumbrances Appropriated	<u>93,146</u>	<u>93,146</u>	<u>93,146</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,383,201</u>	<u>\$1,392,088</u>	<u>\$1,392,036</u>	<u>(\$52)</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalks Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$20,000	\$20,000	\$394,056	\$374,056
Expenditures				
Capital Outlay:				
Sidewalk Improvement:				
Salaries	70,000	90,000	35,311	54,689
Fringe Benefits	11,000	14,100	5,451	8,649
Contractual Services	200	200	110	90
Materials and Supplies	2,000	2,000	1,467	533
Capital Outlay	1,124,116	1,449,116	1,444,165	4,951
Other	37,178	38,900	26,557	12,343
<i>Total Expenditures</i>	1,244,494	1,594,316	1,513,061	81,255
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,224,494)	(1,574,316)	(1,119,005)	455,311
Other Financing Sources (Uses)				
Advances In	750,000	1,100,000	1,100,000	0
<i>Net Change in Fund Balance</i>	(474,494)	(474,316)	(19,005)	455,311
<i>Fund Balance Beginning of Year</i>	275,117	275,117	275,117	0
Prior Year Encumbrances Appropriated	374,294	374,294	374,294	0
<i>Fund Balance End of Year</i>	\$174,917	\$175,095	\$630,406	\$455,311

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Service Center Construction Fund
For the Year Ended December 31, 2018*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay	37,607	37,607	0	37,607
<i>Net Change in Fund Balance</i>	(37,607)	(37,607)	0	37,607
<i>Fund Balance Beginning of Year</i>	37,607	37,607	37,607	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$37,607	\$37,607

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Center Construction Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	\$1,221,175	\$1,221,175	\$1,290,526	\$69,351
Miscellaneous	0	0	960	960
<i>Total Revenues</i>	<u>1,221,175</u>	<u>1,221,175</u>	<u>1,291,486</u>	<u>70,311</u>
Expenditures				
Capital Outlay:				
Recreation Center Construction:				
Salaries	70,000	70,000	59,914	10,086
Fringe Benefits	11,000	11,000	9,229	1,771
Contractual Services	85,000	85,000	82,063	2,937
Capital Outlay	8,342,043	8,337,855	8,221,867	115,988
Other	93,099	91,627	74,538	17,089
<i>Total Expenditures</i>	<u>8,601,142</u>	<u>8,595,482</u>	<u>8,447,611</u>	<u>147,871</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(7,379,967)</u>	<u>(7,374,307)</u>	<u>(7,156,125)</u>	<u>218,182</u>
Other Financing Sources (Uses)				
Advances In	4,000,000	4,000,000	4,000,000	0
Advances Out	0	(4,650,000)	(4,650,000)	0
Transfers In	0	4,000,000	4,000,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>4,000,000</u>	<u>3,350,000</u>	<u>3,350,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(3,379,967)</u>	<u>(4,024,307)</u>	<u>(3,806,125)</u>	<u>218,182</u>
<i>Fund Balance Beginning of Year</i>	4,514,388	4,514,388	4,514,388	0
Prior Year Encumbrances Appropriated	292,142	292,142	292,142	0
<i>Fund Balance End of Year</i>	<u>\$1,426,563</u>	<u>\$782,223</u>	<u>\$1,000,405</u>	<u>\$218,182</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Center Construction Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Community Center Construction:				
Salaries	25,000	25,000	7,396	17,604
Fringe Benefits	4,000	4,000	1,138	2,862
Capital Outlay	950,000	950,000	592,456	357,544
Other	21,000	21,000	8,343	12,657
<i>Total Expenditures</i>	1,000,000	1,000,000	609,333	390,667
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,000,000)	(1,000,000)	(609,333)	390,667
Other Financing Sources (Uses)				
Advances In	1,000,000	1,000,000	650,000	(350,000)
<i>Net Change in Fund Balance</i>	0	0	40,667	40,667
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$40,667	\$40,667

City of Westlake, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Golf Course Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$232,700	\$232,700	\$217,677	(\$15,023)
Rentals	40,000	40,000	48,335	8,335
Miscellaneous	5,000	5,000	5,509	509
Sale of Capital Assets	0	0	327	327
<i>Total Revenues</i>	<u>277,700</u>	<u>277,700</u>	<u>271,848</u>	<u>(5,852)</u>
Expenses				
Personal Services	248,700	248,700	218,726	29,974
Fringe Benefits	49,600	49,600	45,113	4,487
Contractual Services	129,561	117,460	92,976	24,484
Materials and Supplies	62,579	62,030	53,069	8,961
Capital Outlay	24,000	7,000	2,564	4,436
Other	14,622	14,622	9,659	4,963
<i>Total Expenses</i>	<u>529,062</u>	<u>499,412</u>	<u>422,107</u>	<u>77,305</u>
<i>Excess of Revenues Under Expenses Before Advances</i>	(251,362)	(221,712)	(150,259)	71,453
Advances In	150,000	150,000	100,000	(50,000)
<i>Net Change in Fund Equity</i>	(101,362)	(71,712)	(50,259)	21,453
<i>Fund Equity Beginning of Year</i>	129,134	129,134	129,134	0
Prior Year Encumbrances Appropriated	4,312	4,312	4,312	0
<i>Fund Equity End of Year</i>	<u>\$32,084</u>	<u>\$61,734</u>	<u>\$83,187</u>	<u>\$21,453</u>

City of Westlake, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Hospitalization Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$3,310,000	\$3,310,000	\$3,266,263	(\$43,737)
Expenses				
Contractual Services	695,211	652,682	652,681	1
Claims	3,898,240	3,765,054	3,105,675	659,379
<i>Total Expenses</i>	4,593,451	4,417,736	3,758,356	659,380
<i>Net Change in Fund Equity</i>	(1,283,451)	(1,107,736)	(492,093)	615,643
<i>Fund Equity Beginning of Year</i>	3,402,642	3,402,642	3,402,642	0
Prior Year Encumbrances Appropriated	568,451	568,451	568,451	0
<i>Fund Equity End of Year</i>	\$2,687,642	\$2,863,357	\$3,479,000	\$615,643



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Statistical Section

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

Contents	Pages(s)
<i>Financial Trends</i>	S2 – S11
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	S12 – S19
These schedules contain information to help the reader assess the City’s most significant local revenues, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	S20 - S26
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
<i>Demographic and Economic Information</i>	S27 – S31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.	
<i>Operating Information</i>	S32 - S36
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

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

City of Westlake, Ohio
Net Position by Component
Last Ten Years
(accrual basis of accounting)

	<u>2018 (2)</u>	<u>2017</u>	<u>2016</u>	<u>2015 (1)</u>
Governmental Activities				
Net Investment in Capital Assets	\$153,724,619	\$150,012,872	\$143,617,893	\$139,414,217
Restricted	34,629,693	29,281,002	33,733,248	31,672,209
Unrestricted (Deficit) (1)	<u>(3,751,308)</u>	<u>(1,317,783)</u>	<u>23,785,685</u>	<u>25,293,630</u>
<i>Total Governmental Activities Net Position</i>	<u>184,603,004</u>	<u>177,976,091</u>	<u>201,136,826</u>	<u>196,380,056</u>
Business-Type Activities				
Net Investment in Capital Assets	24,165,246	25,236,744	25,239,798	25,995,165
Unrestricted (1)	<u>12,285,750</u>	<u>12,378,706</u>	<u>13,683,994</u>	<u>13,072,759</u>
<i>Total Business-Type Activities Net Position</i>	<u>36,450,996</u>	<u>37,615,450</u>	<u>38,923,792</u>	<u>39,067,924</u>
Primary government				
Net Investment in Capital Assets	177,889,865	175,249,616	168,857,691	165,409,382
Restricted	34,629,693	29,281,002	33,733,248	31,672,209
Unrestricted (1)	<u>8,534,442</u>	<u>11,060,923</u>	<u>37,469,679</u>	<u>38,366,389</u>
<i>Total Primary Government Net Position</i>	<u>\$221,054,000</u>	<u>\$215,591,541</u>	<u>\$240,060,618</u>	<u>\$235,447,980</u>

- (1) The effects of the implementation of GASB Statement No. 68 are reflected in the 2015 and 2014 amounts.
(2) The effects of the implementation of GASB Statement No. 75 are reflected in the 2018 and 2017 amounts.

2014	2013	2012	2011	2010	2009
\$126,984,208	\$127,651,517	\$121,260,561	\$120,651,597	\$118,410,063	\$115,906,207
42,096,325	37,706,036	36,145,785	39,248,472	42,677,403	39,002,639
19,108,390	42,509,763	40,264,326	32,946,087	23,964,324	23,933,018
188,188,923	207,867,316	197,670,672	192,846,156	185,051,790	178,841,864
26,983,590	28,088,783	30,295,832	30,643,725	31,334,659	31,092,605
12,822,985	13,197,731	13,684,924	15,072,756	16,277,091	18,373,841
39,806,575	41,286,514	43,980,756	45,716,481	47,611,750	49,466,446
153,967,798	155,740,300	151,556,393	151,295,322	149,744,722	146,998,812
42,096,325	37,706,036	36,145,785	39,248,472	42,677,403	39,002,639
31,931,375	55,707,494	53,949,250	48,018,843	40,241,415	42,306,859
\$227,995,498	\$249,153,830	\$241,651,428	\$238,562,637	\$232,663,540	\$228,308,310

City of Westlake, Ohio
Changes in Net Position
Last Ten Years
(accrual basis of accounting)

	2018 (2)	2017	2016	2015 (1)
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$846,400	\$851,366	\$615,600	\$648,223
Security of Persons and Property	1,715,666	1,799,719	1,746,310	1,790,833
Public Health Services	189,707	141,390	100,585	97,200
Transportation	238,451	343,883	950,920	556,556
Community Environment	36,677	32,105	98,052	116,909
Basic Utility Services	112,735	206,818	248,538	129,890
Leisure Time Activities	2,410,920	2,515,169	2,503,902	2,600,202
Operating Grants and Contributions	1,831,175	1,837,505	1,608,091	1,634,552
Capital Grants and Contributions	439,793	3,908,156	5,251,537	8,820,731
<i>Total Governmental Activities Program Revenues</i>	<u>7,821,524</u>	<u>11,636,111</u>	<u>13,123,535</u>	<u>16,395,096</u>
Business-Type Activities:				
Charges for Services:				
Sewer	2,794,566	2,673,800	2,760,363	2,753,856
Golf Course	266,012	283,672	294,337	312,266
Capital Grants and Contributions	0	58,952	121,829	127,383
<i>Total Business-Type Activities Program Revenues</i>	<u>3,060,578</u>	<u>3,016,424</u>	<u>3,176,529</u>	<u>3,193,505</u>
<i>Total Primary Government Program Revenues</i>	<u>10,882,102</u>	<u>14,652,535</u>	<u>16,300,064</u>	<u>19,588,601</u>
Expenses				
Governmental Activities:				
General Government	10,056,237	10,794,762	8,160,095	7,678,275
Security of Persons and Property	19,858,456	18,414,710	19,024,502	17,282,475
Public Health Services	1,467,530	1,321,235	1,178,898	1,224,487
Transportation	12,000,797	15,562,035	14,176,484	13,864,015
Community Environment	3,320,222	3,417,017	2,045,702	2,101,651
Basic Utility Services	2,982,805	2,740,832	2,979,184	2,908,847
Leisure Time Activities	4,413,027	4,553,093	4,269,174	4,089,416
Interest and Fiscal Charges	2,544,287	2,570,868	3,034,994	2,822,396
<i>Total Governmental Activities Expenses</i>	<u>56,643,361</u>	<u>59,374,552</u>	<u>54,869,033</u>	<u>51,971,562</u>
Business-Type Activities:				
Sewer	3,847,077	3,793,775	3,404,204	3,519,865
Golf	482,889	431,112	461,152	453,454
<i>Total Business-Type Activities Expenses</i>	<u>4,329,966</u>	<u>4,224,887</u>	<u>3,865,356</u>	<u>3,973,319</u>
<i>Total Primary Government Expenses</i>	<u>\$60,973,327</u>	<u>\$63,599,439</u>	<u>\$58,734,389</u>	<u>\$55,944,881</u>

2014	2013	2012	2011	2010	2009
\$1,013,675	\$760,751	\$496,295	\$544,628	\$618,409	\$403,368
1,650,934	1,719,144	1,030,741	1,084,774	1,055,314	1,658,886
78,150	86,828	144,383	166,906	163,675	179,602
475,729	581,149	415,183	358,448	257,883	224,745
81,787	78,126	378,779	200,992	158,287	179,680
88,531	126,920	182,005	177,435	182,493	226,160
2,311,885	2,481,187	2,512,420	2,407,993	2,339,261	2,318,991
1,785,738	1,525,808	2,104,715	2,815,006	1,813,317	1,908,400
8,243,682	3,321,851	1,422,539	1,546,514	2,572,627	198,262
15,730,111	10,681,764	8,687,060	9,302,696	9,161,266	7,298,094
2,685,737	2,189,435	1,864,043	1,733,629	1,745,665	1,704,877
308,476	309,945	331,372	299,480	398,914	429,063
0	168,731	47,087	0	0	0
2,994,213	2,668,111	2,242,502	2,033,109	2,144,579	2,133,940
18,724,324	13,349,875	10,929,562	11,335,805	11,305,845	9,432,034
8,418,520	6,840,500	7,404,615	7,902,687	6,968,302	7,911,956
17,487,121	14,405,743	15,042,478	14,747,275	14,584,694	14,833,854
1,174,508	891,433	1,073,921	1,190,286	1,185,741	990,935
11,442,820	10,875,198	10,977,479	11,927,202	9,085,307	7,754,905
3,388,227	1,492,557	1,475,762	1,721,879	1,685,287	1,461,332
2,180,366	2,240,089	2,058,732	1,801,486	1,917,453	1,843,251
4,064,325	3,992,595	3,762,378	3,788,078	3,979,282	3,963,481
2,117,493	663,122	1,253,224	806,303	762,104	775,746
50,273,380	41,401,237	43,048,589	43,885,196	40,168,170	39,535,460
3,324,980	3,897,755	3,557,778	3,684,221	3,574,031	3,407,143
450,130	452,592	478,255	428,838	462,322	499,842
3,775,110	4,350,347	4,036,033	4,113,059	4,036,353	3,906,985
\$54,048,490	\$45,751,584	\$47,084,622	\$47,998,255	\$44,204,523	\$43,442,445

(continued)

City of Westlake, Ohio
Changes in Net Position (continued)
Last Ten Years
(accrual basis of accounting)

	2018 (2)	2017	2016	2015 (1)
Net (Expense)/Revenue				
Governmental Activities	(\$48,821,837)	(\$47,738,441)	(\$41,745,498)	(\$35,576,466)
Business-Type Activities	(1,269,388)	(1,208,463)	(688,827)	(779,814)
<i>Total Primary Government Net Expense</i>	<u>(50,091,225)</u>	<u>(48,946,904)</u>	<u>(42,434,325)</u>	<u>(36,356,280)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes Levied For:				
General Purposes	10,283,784	10,154,907	10,169,515	9,733,889
Other Purposes	1,923,370	1,899,367	1,902,063	1,825,021
Debt Service	0	0	0	0
Municipal Income Taxes Levied For:				
General Purposes	21,693,454	20,243,282	18,743,101	17,052,217
Recreation	250,147	247,096	247,088	244,579
Debt Service	1,991,299	1,977,163	1,976,025	2,000,167
Capital Outlay	8,748,613	8,172,129	7,268,918	6,486,643
Admissions Tax	179,818	155,861	312,085	124,078
Hotel Tax	648,529	624,085	684,544	522,645
Grants and Entitlements not Restricted to Specific Programs	1,701,700	1,601,753	1,557,287	1,563,433
Unrestricted Contributions	17,997	15,516	0	11,870
Franchise Taxes	621,160	608,919	650,093	644,240
Interest	1,625,894	762,066	487,239	539,348
Payment in Lieu of Taxes	4,854,112	3,706,657	2,124,325	539,499
Gain on Sale of Capital Assets	43,939	43,314	79,748	0
Miscellaneous	864,934	1,407,551	488,275	2,480,501
Transfers	0	(623,488)	(188,038)	(531)
<i>Total Governmental Activities</i>	<u>55,448,750</u>	<u>50,996,178</u>	<u>46,502,268</u>	<u>43,767,599</u>
Business-Type Activities:				
Interest	99,098	52,958	34,581	34,398
Gain on Sale of Capital Assets	327	1,500	0	1,800
Gain in Joint Venture	0	0	316,387	0
Miscellaneous	5,509	5,593	5,689	4,434
Transfers	0	623,488	188,038	531
<i>Total Business-Type Activities</i>	<u>104,934</u>	<u>683,539</u>	<u>544,695</u>	<u>41,163</u>
<i>Total Primary Government</i>	<u>55,553,684</u>	<u>51,679,717</u>	<u>47,046,963</u>	<u>43,808,762</u>
Change in Net Position				
Governmental Activities	6,626,913	3,257,737	4,756,770	8,191,133
Business-Type Activities	(1,164,454)	(524,924)	(144,132)	(738,651)
<i>Total Primary Government Change in Net Position</i>	<u>\$5,462,459</u>	<u>\$2,732,813</u>	<u>\$4,612,638</u>	<u>\$7,452,482</u>

(1) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.

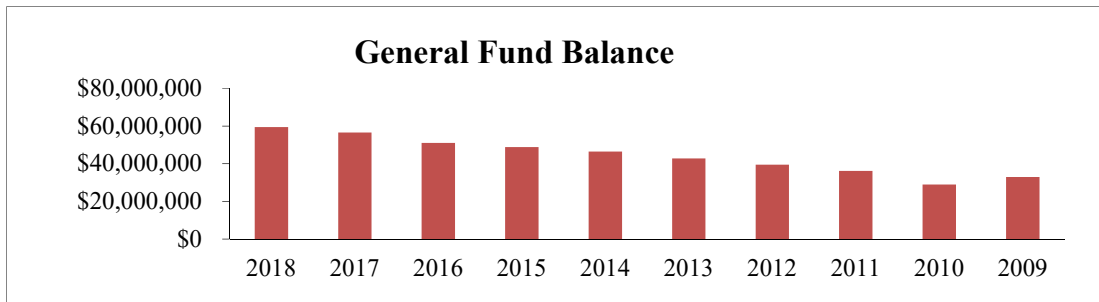
(2) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2018.

2014	2013	2012	2011	2010	2009
(\$34,543,269)	(\$30,719,473)	(\$34,361,529)	(\$34,582,500)	(\$31,006,904)	(\$32,237,366)
(780,897)	(1,682,236)	(1,793,531)	(2,079,950)	(1,891,774)	(1,773,045)
(35,324,166)	(32,401,709)	(36,155,060)	(36,662,450)	(32,898,678)	(34,010,411)
9,213,316	9,798,208	9,529,928	9,766,663	9,875,483	10,340,850
1,723,188	1,832,575	1,790,295	1,831,250	1,851,654	1,935,405
0	0	112,330	122,084	120,758	100,983
15,823,044	15,499,256	14,861,413	14,091,446	12,617,962	12,306,589
245,548	260,674	255,530	259,448	53,841	0
1,969,449	1,993,639	1,924,449	1,857,968	835,022	975,491
5,839,692	5,709,996	5,401,802	4,995,362	5,506,156	5,176,375
134,986	186,249	184,553	187,280	178,209	188,867
489,850	499,878	483,446	431,774	406,204	374,953
2,253,953	2,585,598	3,248,049	6,057,901	4,460,061	4,653,290
13,736	0	0	0	0	0
649,254	492,615	573,198	523,339	479,845	450,860
289,616	290,643	428,975	615,400	264,472	2,788,286
0	0	0	0	0	0
41,425	43,276	50,214	5,296	57,300	5,000
2,228,479	676,958	360,487	1,637,665	499,937	702,847
0	1,046,552	(18,624)	(6,010)	9,926	0
40,915,536	40,916,117	39,186,045	42,376,866	37,216,830	39,999,796
17,152	29,306	6,464	32,957	46,940	59,969
6,901	0	27,000	0	0	0
0	0	0	0	0	0
7,697	5,240	5,718	145,714	64	8,447
0	(1,046,552)	18,624	6,010	(9,926)	0
31,750	(1,012,006)	57,806	184,681	37,078	68,416
40,947,286	39,904,111	39,243,851	42,561,547	37,253,908	40,068,212
6,372,267	10,196,644	4,824,516	7,794,366	6,209,926	7,762,430
(749,147)	(2,694,242)	(1,735,725)	(1,895,269)	(1,854,696)	(1,704,629)
\$5,623,120	\$7,502,402	\$3,088,791	\$5,899,097	\$4,355,230	\$6,057,801

City of Westlake, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2018	2017	2016	2015
General Fund:				
Nonspendable	\$4,291,161	\$2,871,500	\$1,949,742	\$1,777,482
Committed	155,360	223,087	0	0
Assigned	19,107,570	23,492,946	18,670,970	27,107,303
Unassigned	<u>35,907,578</u>	<u>30,042,009</u>	<u>30,486,799</u>	<u>20,024,683</u>
Total General Fund	<u>59,461,669</u>	<u>56,629,542</u>	<u>51,107,511</u>	<u>48,909,468</u>
All Other Governmental Funds:				
Nonspendable	4,065	1,440	1,899	2,581
Restricted	30,164,441	26,679,995	31,135,518	44,057,732
Committed	2,847,687	2,866,260	2,751,481	2,586,755
Assigned	37,607	37,607	15,607	15,607
Unassigned (Deficit)	<u>(4,272,974)</u>	<u>(2,802,812)</u>	<u>(2,833,851)</u>	<u>(1,911,316)</u>
Total All Other Governmental Funds	<u>28,780,826</u>	<u>26,782,490</u>	<u>31,070,654</u>	<u>44,751,359</u>
Total Governmental Funds	<u>\$88,242,495</u>	<u>\$83,412,032</u>	<u>\$82,178,165</u>	<u>\$93,660,827</u>

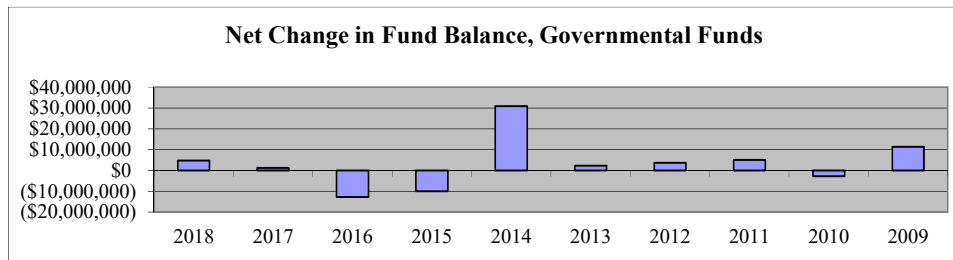
Note: The City implemented GASB 54 in 2009.



2014	2013	2012	2011	2010	2009
\$1,770,774	\$1,576,133	\$1,388,341	\$1,544,312	\$2,472,785	\$7,966,056
133,197	153,311	78,494	0	0	0
21,958,577	19,781,129	17,151,115	12,590,847	12,135,035	12,627,238
22,663,318	21,321,693	20,917,452	22,069,614	14,398,464	12,369,237
46,525,866	42,832,266	39,535,402	36,204,773	29,006,284	32,962,531
1,824	4,824,603	3,288	5,416	7,046	3,569
58,261,161	26,126,256	29,608,475	30,542,308	32,741,134	36,378,489
2,342,690	2,105,124	1,706,932	1,349,585	1,125,004	1,491,683
37,607	15,607	15,607	15,607	15,607	15,607
(3,480,036)	(3,090,696)	(424,244)	(1,414,992)	(1,379,716)	(3,587)
57,163,246	29,980,894	30,910,058	30,497,924	32,509,075	37,885,761
\$103,689,112	\$72,813,160	\$70,445,460	\$66,702,697	\$61,515,359	\$70,848,292

City of Westlake, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2018	2017	2016	2015
Revenues				
Property Taxes	\$12,245,200	\$12,084,309	\$12,024,672	\$11,547,143
Municipal Income Taxes	31,715,656	31,116,720	28,619,626	25,757,758
Admission Taxes	179,818	155,861	312,085	124,078
Hotel Tax	648,529	624,085	684,544	522,645
Permissive Motor Vehicle Taxes	239,790	235,343	238,862	238,712
Charges for Services	3,991,120	3,955,230	3,633,104	3,828,835
Licenses, Permits and Fees	919,297	1,063,782	1,092,807	1,182,052
Fines and Forfeitures	253,181	245,296	283,707	347,129
Intergovernmental	3,419,535	6,478,615	7,730,618	11,310,791
Special Assessments	28,943	41,843	431,761	393,347
Payments in Lieu of Taxes	4,854,112	3,706,657	2,124,325	539,499
Interest	1,625,894	762,066	487,239	539,348
Rentals	244,363	236,556	271,983	221,886
Contributions and Donations	288,142	59,679	40,477	782,822
Franchise Taxes	612,541	611,169	584,752	644,240
Miscellaneous	888,614	1,385,547	469,382	2,511,211
Total Revenues	62,154,735	62,762,758	59,029,944	60,491,496
Expenditures				
Current:				
General Government	9,472,036	9,356,411	7,605,160	7,381,581
Security of Persons and Property	16,183,902	15,672,569	16,392,694	16,047,061
Public Health Services	1,267,469	1,062,109	1,023,964	1,129,696
Transportation	6,998,581	6,246,520	5,988,531	7,970,793
Community Environment	1,722,378	1,726,116	1,719,613	2,106,262
Basic Utility Services	1,232,353	977,262	1,139,994	918,388
Leisure Time Activities	3,417,253	3,416,639	3,345,479	3,372,995
Capital Outlay	11,419,847	18,344,538	29,800,001	35,901,521
Debt Service:				
Principal Retirement	3,329,017	2,210,129	2,268,691	1,938,751
Interest and Fiscal Charges	2,656,671	2,574,642	2,688,527	2,809,501
Capital Appreciation Bonds Interest	0	0	0	0
Bond Issuance Costs	0	0	0	0
Total Expenditures	57,699,507	61,586,935	71,972,654	79,576,549
Excess of Revenues Over (Under) Expenditures	4,455,228	1,175,823	(12,942,710)	(19,085,053)
Other Financing Sources (Uses)				
Sale of Capital Assets	375,235	58,044	79,748	77,791
General Obligations Notes and Bonds Issued	0	0	0	0
General Obligation Notes and Bonds Premium	0	0	0	0
OPWC Loan Issued	0	0	112,107	200,065
State Infrastructure Bank Loan Issued	0	0	0	8,765,300
General Obligation Bonds Issued	0	0	0	0
General Obligation Bonds Premium	0	0	0	0
Special Obligation Bonds Issued	0	0	0	0
Special Obligation Bonds Premium	0	0	0	0
Inception of Capital Lease	0	0	0	13,612
Transfers In	5,357,900	1,377,215	3,683,685	1,294,332
Transfers Out	(5,357,900)	(1,377,215)	(3,683,685)	(1,294,332)
Total Other Financing Sources (Uses)	375,235	58,044	191,855	9,056,768
Net Change in Fund Balances	\$4,830,463	\$1,233,867	(\$12,750,855)	(\$10,028,285)
Debt Service as a Percentage of Noncapital Expenditures	12.7%	10.2%	10.3%	10.1%



2014	2013	2012	2011	2010	2009
\$11,671,818	\$11,197,764	\$11,409,771	\$11,669,377	\$11,871,691	\$12,216,342
24,633,001	22,704,304	21,744,517	20,314,848	19,136,172	18,253,703
134,986	186,249	184,553	187,280	178,209	188,867
489,850	499,878	483,446	431,774	406,204	374,953
234,314	229,172	226,807	223,842	257,883	224,745
3,762,633	4,050,691	3,350,948	3,478,751	3,454,644	3,327,200
1,183,422	894,372	655,053	569,913	472,444	540,779
272,467	293,605	332,873	361,168	359,933	790,128
4,311,716	6,908,585	6,104,036	9,857,916	8,702,713	6,651,892
418,783	466,384	290,000	290,000	285,000	300,000
0	0	0	0	0	0
289,616	290,643	428,975	615,400	264,472	2,761,850
209,870	225,295	231,985	229,550	164,498	152,158
6,974,059	23,293	29,900	99,560	36,205	39,373
649,254	492,615	573,198	523,339	479,845	450,860
2,174,483	642,417	359,643	1,621,375	499,937	702,847
<u>57,410,272</u>	<u>49,105,267</u>	<u>46,405,705</u>	<u>50,474,093</u>	<u>46,569,850</u>	<u>46,975,697</u>
7,821,827	6,900,546	6,970,194	7,504,572	6,835,591	7,603,847
15,845,571	14,444,674	14,314,721	13,899,297	14,184,779	13,916,347
1,041,101	887,612	1,060,754	1,017,728	1,078,920	934,217
6,987,598	7,211,192	7,028,529	6,607,706	6,987,274	6,503,112
1,669,156	1,541,973	1,468,880	1,700,116	1,680,434	1,482,743
770,242	900,172	817,980	704,210	763,839	741,720
3,229,032	3,432,454	3,097,749	3,042,862	3,316,452	3,249,516
35,240,489	8,701,922	5,210,403	8,585,474	10,406,778	8,400,702
1,948,842	2,103,842	2,008,451	9,077,169	10,625,029	1,286,743
1,964,178	671,181	719,472	812,377	785,863	648,827
0	0	0	0	140,730	134,018
1,584,844	0	0	130,110	35,416	22,878
<u>78,102,880</u>	<u>46,795,568</u>	<u>42,697,133</u>	<u>53,081,621</u>	<u>56,841,105</u>	<u>44,924,670</u>
<u>(20,692,608)</u>	<u>2,309,699</u>	<u>3,708,572</u>	<u>(2,607,528)</u>	<u>(10,271,255)</u>	<u>2,051,027</u>
91,045	58,001	34,191	73,427	34,382	13,902
0	0	0	0	7,350,000	9,300,000
0	0	0	0	53,940	22,878
2,555,933	0	0	0	0	0
0	0	0	0	0	0
0	0	0	7,350,000	0	0
0	0	0	263,453	0	0
48,330,000	0	0	0	0	0
591,582	0	0	0	0	0
0	0	0	12,326	0	0
952,757	967,265	1,742,430	1,242,799	729,550	889,476
<u>(952,757)</u>	<u>(967,265)</u>	<u>(1,742,430)</u>	<u>(1,242,799)</u>	<u>(729,550)</u>	<u>(889,476)</u>
<u>51,568,560</u>	<u>58,001</u>	<u>34,191</u>	<u>7,699,206</u>	<u>7,438,322</u>	<u>9,336,780</u>
<u>\$30,875,952</u>	<u>\$2,367,700</u>	<u>\$3,742,763</u>	<u>\$5,091,678</u>	<u>(\$2,832,933)</u>	<u>\$11,387,807</u>
8.7%	7.5%	7.3%	21.6%	25.6%	6.1%

City of Westlake, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Collection Years

	2018	2017	2016	2015
Unvoted Millage				
Operating	\$1.50000	\$1.50000	\$1.50000	\$1.50000
Debt	0.00000	0.00000	0.00000	0.00000
Fire Pension	0.30000	0.30000	0.30000	0.30000
Police Pension	0.30000	0.30000	0.30000	0.30000
<i>Total Unvoted Millage</i>	<u>2.10000</u>	<u>2.10000</u>	<u>2.10000</u>	<u>2.10000</u>
Voted Millage by Levy				
1976 Charter/Current Expense	6.52000	6.52000	6.52000	6.52000
1988 Bond (\$6,000,000)	0.00000	0.00000	0.00000	0.00000
2001 Charter Police and Fire Operating	0.90000	0.90000	0.90000	0.90000
<i>Total Voted Millage by Type of Property</i>	<u>7.42000</u>	<u>7.42000</u>	<u>7.42000</u>	<u>7.42000</u>
<i>Total Millage</i>	<u><u>\$9.52000</u></u>	<u><u>\$9.52000</u></u>	<u><u>\$9.52000</u></u>	<u><u>\$9.52000</u></u>
Overlapping Rates by Taxing District				
Westlake City School District				
General Business and Public Utility Personal	\$69.90000	\$70.20000	\$70.10000	\$70.10000
Residential/Agricultural Real	35.84343	36.12103	36.05458	37.31630
Commercial/Industrial and Public Utility Real	40.01702	40.34621	41.04409	40.81830
Westlake Porter Library				
Operating - continuing				
General Business and Public Utility Personal	2.80000	2.80000	2.80000	2.80000
Residential/Agricultural Real	2.66198	2.65963	2.66316	2.80000
Commercial/Industrial and Public Utility Real	2.72368	2.72637	2.80000	2.80000
Cuyahoga County				
General Business and Public Utility Personal	14.05000	14.05000	14.05000	14.05000
Residential/Agricultural Real	13.91410	13.88020	13.86978	14.05000
Commercial/Industrial and Public Utility Real	14.00605	14.01236	14.05000	14.01950
Special Taxing Districts (1)				
General Business and Public Utility Personal	7.38000	6.88000	6.88000	6.88000
Residential/Agricultural Real	7.28823	6.77011	6.76737	6.86430
Commercial/Industrial and Public Utility Real	7.34352	6.84687	6.86755	6.84010

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Real property tax rates for voted levies are reduced so that inflationary increases in values do not generate additional revenue.

Overlapping rates are those of local and county governments that apply to property owners within the City.

(1) Cleveland Metro Parks, Port Authority, Cuyahoga Community College

Source: Cuyahoga County Fiscal Officer

Note: Debt Service levies are designed to raise a fixed amount of revenue each year. A rate is set each year so that when it is applied to the total assessed value, that fixed amount is generated.

2014	2013	2012	2011	2010	2009
\$1.50000	\$1.50000	\$1.40000	\$1.40000	\$1.40000	\$1.00000
0.00000	0.00000	0.10000	0.10000	0.10000	0.50000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
2.10000	2.10000	2.10000	2.10000	2.10000	2.10000
6.52000	6.52000	6.60000	6.60000	6.60000	6.60000
0.00000	0.00000	0.00000	0.00000	0.00000	0.20000
0.90000	0.90000	0.90000	0.90000	0.90000	0.90000
7.42000	7.42000	7.50000	7.50000	7.50000	7.70000
\$9.52000	\$9.52000	\$9.60000	\$9.60000	\$9.60000	\$9.80000

\$70.10000	\$70.10000	\$70.10000	\$70.10000	\$66.50000	\$66.50000
37.31100	37.25843	36.76906	36.66812	31.74549	31.72675
40.68110	39.15236	39.11334	38.60543	35.26262	35.20358

2.80000	2.80000	2.80000	2.80000	2.80000	2.50000
2.80000	2.80000	2.80000	2.79970	2.80000	2.12764
2.80000	2.80000	2.80000	2.77368	2.80000	2.23154

14.05000	13.22000	13.22000	13.32000	13.32000	13.42000
14.05000	13.22000	13.11822	13.18662	12.66073	11.86887
13.94950	12.99676	12.78454	12.84125	12.81530	12.45356

5.98000	5.08000	5.08000	5.08000	4.78000	4.78000
5.96390	5.06349	5.00415	4.98989	4.15975	4.15898
5.88430	4.96214	4.86484	4.84497	4.39124	4.37987

City of Westlake, Ohio
Assessed Valuation and Estimated True Values of Taxable Property
Last Ten Years

Collection Year	Real Property Assessed Values		Estimated Actual Value	Tangible Personal Property	
	Residential/ Agricultural	Commercial Industrial		Public Utility Assessed Values	Estimated Actual Value
2018	\$1,034,243,160	\$386,886,600	\$4,060,370,743	\$29,857,840	\$33,929,364
2017	1,029,030,270	386,811,130	4,045,261,143	27,951,630	31,763,216
2016	1,019,017,040	381,570,250	4,001,677,971	25,840,090	29,363,739
2015	961,244,180	378,786,240	3,828,658,343	25,237,460	28,678,932
2014	954,156,290	376,280,950	3,801,249,257	24,094,940	27,380,614
2013	953,166,540	391,329,590	3,841,417,514	21,853,120	24,833,091
2012	967,001,100	378,135,350	3,843,247,000	19,742,750	22,434,943
2011	968,121,950	383,265,660	3,861,107,457	18,395,760	20,904,273
2010	964,775,720	381,758,880	3,847,241,714	17,904,860	20,346,432
2009	1,013,775,970	368,240,130	3,948,617,429	16,859,840	19,158,909

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property tax has been phased out, and during the phase out period, all general business tangible personal property was assessed at 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies, at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property was 2010).

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

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

Tangible Personal Property		General Business		Total		Ratio	Direct Tax Rate
Assessed Values	Estimated Actual Value	Assessed Values	Estimated Actual Value	Ratio	Direct Tax Rate		
\$0	\$0	\$1,450,987,600	\$4,094,300,107	35.44 %	\$9.52		
0	0	1,443,793,030	4,077,024,359	35.41	9.52		
0	0	1,426,427,380	4,031,041,710	35.39	9.52		
0	0	1,365,267,880	3,857,337,275	35.39	9.52		
0	0	1,354,532,180	3,828,629,871	35.38	9.52		
0	0	1,366,349,250	3,866,250,605	35.34	9.52		
0	0	1,364,879,200	3,865,681,943	35.31	9.60		
0	0	1,369,783,370	3,882,011,730	35.29	9.60		
0	0	1,364,439,460	3,867,588,146	35.28	9.60		
12,193,793	195,100,688	1,411,069,733	4,162,877,026	33.90	9.80		

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

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections To Tax Levy
2018	\$13,641,742	\$13,364,689	97.97 %	\$259,573	\$13,624,262	99.87 %
2017	12,158,615	13,206,564	108.62	251,884	13,458,448	110.69
2016	12,783,682	13,150,051	102.87	245,598	13,395,649	104.79
2015	13,023,503	12,597,328	96.73	256,587	12,853,915	98.70
2014	12,927,841	12,465,018	96.42	476,492	12,941,510	100.11
2013	13,042,841	12,144,049	93.11	311,148	12,455,197	95.49
2012	13,263,978	12,477,531	94.07	368,459	12,845,990	96.85
2011	13,201,854	12,628,894	95.66	333,829	12,962,723	98.19
2010	13,117,717	12,686,109	96.71	367,689	13,053,798	99.51
2009	13,464,587	12,989,111	96.47	259,512	13,248,623	98.40

Source: Cuyahoga County Fiscal Officer

Note: The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

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

City of Westlake, Ohio

Principal Taxpayers

2018 and 2009

Taxpayer	2018	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
CP Commercial Delaware, LLC	\$46,863,810	3.23%
American Greetings Corporation	38,818,310	2.68
Cleveland-Cuyahoga County Port Authority	20,979,630	1.45
Cleveland Electric Illuminating Company	20,255,020	1.40
Promenade Delaware LLC	12,272,510	0.85
Hyland Software Inc	8,572,320	0.59
Remington Westlake, LLC	6,759,310	0.47
ARC Westlake Village, Inc	6,508,500	0.44
BCM Westlake, LLC	6,290,280	0.43
CP Phase I Residential Delaware, LLC	5,755,030	0.39
Total	\$173,074,720	11.93%
Total Assessed Valuation	\$1,450,987,600	

Taxpayer	2009	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Toledo-Lucas County Port Authority (Crocker Park)	\$38,841,770	2.75%
Cleveland Electric Illuminating Company	14,649,680	1.04
Promenade Delaware LLC	11,229,580	0.80
Crocker Park LLC	8,297,120	0.59
Energizer Battery Manufacturing, Inc.	7,417,280	0.53
Cleveland Retirement	7,371,040	0.52
University Hospital Health Systems	7,215,120	0.51
Sturbridge Square Apartments	7,035,010	0.50
Remington-OP & F, Incorporated	6,755,010	0.48
Crossings Village Westlake LLC	5,659,650	0.39
Total	\$114,471,260	8.11%
Total Assessed Valuation	\$1,411,069,733	

Source: Cuyahoga County Fiscal Officer

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

Year	Tax Rate	Total Tax Collected (1)	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits	Percentage of Taxes From Net Profits	Taxes From Individuals	Percentage of Taxes From Individuals
2018	1.50 %	\$32,683,513	\$24,839,470	76 %	\$4,248,857	13 %	\$3,595,186	11 %
2017	1.50	30,639,670	22,979,753	75	4,289,553	14	3,370,364	11
2016	1.50	28,235,132	20,893,998	74	3,952,918	14	3,388,216	12
2015	1.50	25,783,606	18,564,196	72	4,125,377	16	3,094,033	12
2014	1.50	23,877,733	18,203,055	76	3,012,550	13	2,662,128	11
2013	1.50	23,463,565	17,730,322	76	2,917,615	12	2,815,628	12
2012	1.50	22,443,194	16,832,396	75	2,917,615	13	2,693,183	12
2011	1.50	21,204,224	16,327,252	77	2,332,465	11	2,544,507	12
2010	1.50	19,012,981	14,639,995	77	2,091,428	11	2,281,558	12
2009	1.50	18,458,455	14,397,595	78	1,661,261	9	2,399,599	13

Sources: Regional Income Tax Agency data - certain amounts may be estimates. Number of filers does not equal total taxpayers due to taxpayers paying City taxes through employer withholding only, without filing requirement.

(1) Based on Accrual Basis

City of Westlake, Ohio
Income Tax Statistics
 2017 (1) and Nine Years Ago

2017				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
0-24,999	3,538	28.45 %	\$34,613,361	2.48 %
25,000-49,999	2,040	16.40	76,124,180	5.46
50,000-99,999	2,970	23.88	214,310,950	15.37
100,000-249,999	2,689	21.62	418,412,568	30.01
Over 250,000	1,199	9.65	650,742,364	46.68
Total	<u>12,436</u>		<u>\$1,394,203,423</u>	
2009				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
0-24,999	3,848	32.53 %	\$33,974,153	3.17 %
25,000-49,999	2,186	18.48	82,238,868	7.68
50,000-74,999	1,586	13.41	98,116,991	9.16
75,000-99,999	1,072	9.06	92,900,469	8.68
Over 100,000	3,136	26.51	763,524,583	71.31
Total	<u>11,828</u>		<u>\$1,070,755,064</u>	

(1) 2017 is the latest information available.

Source: Regional Income Tax data - certain amounts may be estimates

City of Westlake, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

Governmental Activities						
Year	General Obligation Bonds	Special Assessment Bonds	Special Obligation Bonds	Bond Anticipation Notes	SIB Loans	OPWC Loans
2018	\$4,592,630	\$150,000	\$48,137,096	\$0	\$7,610,297	\$2,843,319
2017	6,373,209	200,000	48,921,582	0	8,200,694	2,998,355
2016	8,103,778	245,000	48,921,582	0	8,579,893	3,075,873
2015	9,788,444	3,264,943	48,921,582	0	8,765,300	3,118,802
2014	11,453,100	3,534,580	48,921,582	0	0	2,959,049
2013	13,107,009	3,823,935	0	0	0	443,428
2012	14,866,286	4,142,704	0	0	0	504,189
2011	16,544,639	4,446,110	0	0	0	564,950
2010	10,001,023	4,744,001	0	7,376,970	0	625,711
2009	11,090,129	5,040,303	0	9,301,906	0	686,472

(1) Computation of percentage of personal income divided by total debt over total personal income.
See page S28 for total personal income data.

(2) Computation of per capita divided by total debt over population.
See page S28 for population data.

Capital Lease	Total Debt	Percentage of Personal Income (1)	Per Capita (2)
\$1,546	\$63,334,888	3.76%	\$1,935
5,130	66,698,970	3.98	2,038
8,542	68,934,668	4.30	2,106
11,790	73,870,861	4.83	2,257
1,617	66,869,928	4.38	2,043
5,147	17,379,519	1.21	531
8,228	19,521,407	1.41	596
10,918	21,566,617	1.61	659
0	22,747,705	1.88	695
0	26,118,810	2.21	817

City of Westlake, Ohio
*Ratio of General Obligation Bonded Debt to Estimated Actual
Value and Bonded Debt Per Capita
Last Ten Years*

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt Per Capita
2018	32,729	\$4,094,300,107	\$4,592,630	0.11%	\$140
2017	32,729	4,077,024,359	6,373,209	0.16	195
2016	32,729	4,031,041,710	8,103,778	0.20	248
2015	32,729	3,857,337,275	9,788,444	0.25	299
2014	32,729	3,828,629,871	11,453,100	0.30	350
2013	32,729	3,866,250,605	13,107,009	0.34	400
2012	32,729	3,865,681,943	14,866,286	0.38	454
2011	32,729	3,882,011,730	16,544,639	0.43	506
2010	32,729	3,867,588,146	10,001,023	0.26	306
2009	31,972	4,162,877,026	11,090,129	0.27	347

Source: (1) See S28 for population data.
(2) See S14-15 for taxable property value data.

Note: Although the debt service fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

City of Westlake, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2018

Jurisdiction	Total Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Westlake
Direct Debt:			
City of Westlake			
General Obligation Bonds	\$4,592,630	100.00%	\$4,592,630
Special Assessment Bonds	150,000	100.00	150,000
Special Obligation Bonds	48,137,096	100.00	48,137,096
SIB Loans	7,610,297	100.00	7,610,297
Capital Lease	1,546	100.00	1,546
OPWC Loans	2,843,319	100.00	2,843,319
Total Direct Debt	63,334,888		63,334,888
Overlapping Debt:			
Payable from Property Taxes:			
Cuyahoga County General Obligation Bonds	200,766,146	5.34	10,720,912
Westlake City School District Bonds	113,415,256	100.00	113,415,256
Payable from Other Sources:			
Cuyahoga County Revenue Bonds	681,206,878	5.34	36,376,447
Cuyahoga County Certificates of Participation	235,169,929	5.34	12,558,074
Cuyahoga County Capital Leases	335,053,352	5.34	17,891,849
Cuyahoga County Loans	1,416,331	5.34	75,632
Regional Transit Authority Sales Tax Revenue Bonds	113,117,645	5.34	6,040,482
Westlake City School District Capital Leases	764,617	100.00	764,617
Total Overlapping Debt	1,680,910,154		197,843,269
Total	\$1,744,245,042		\$261,178,157

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) Percentages were determined by dividing each overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations used were for the 2018 collection year.

City of Westlake, Ohio
Legal Debt Margin
Last Ten Years

	2018	2017	2016	2015
Assessed Property Value	\$1,450,987,600	\$1,443,793,030	\$1,426,427,380	\$1,365,267,880
General Bonded Debt Outstanding:				
General Obligation Bonds	\$4,510,000	\$6,265,000	\$7,970,000	\$9,630,000
Special Obligation Bonds	47,555,000	48,330,000	48,330,000	48,330,000
Special Assessment Bonds	150,000	200,000	245,000	3,075,000
Bond Anticipation Notes	0	0	0	0
Total Gross Indebtedness	52,215,000	54,795,000	56,545,000	61,035,000
Less Exempt:				
Special Obligation Bonds	(47,555,000)	(48,330,000)	(48,330,000)	(48,330,000)
Special Assessment Bonds	(150,000)	(200,000)	(245,000)	(3,075,000)
General Obligation Bond Retirement Fund Balance	(216,581)	(209,980)	(212,206)	(218,092)
Issue II Bond Retirement Fund Balance	(148,182)	(152,310)	(151,900)	(150,110)
Total Net Debt Applicable to Debt Limit	4,145,237	5,902,710	7,605,894	9,261,798
Overall Legal Debt Limit				
10 1/2% of Assessed Valuation	152,353,698	151,598,268	149,774,875	143,353,127
Legal Debt Margin Within 10 1/2% Limitations	\$148,208,461	\$145,695,558	\$142,168,981	\$134,091,329
Legal Debt Margin as a Percentage of the Debt Limit	97.28%	96.11%	94.92%	93.54%
Unvoted Debt Limitation				
5 1/2% of Assessed Valuation	\$79,804,318	\$79,408,617	\$78,453,506	\$75,089,733
Total Gross Indebtedness	52,215,000	54,795,000	56,545,000	61,035,000
Less:				
Special Obligation Bonds	(47,555,000)	(48,330,000)	(48,330,000)	(48,330,000)
Special Assessment Bonds	(150,000)	(200,000)	(245,000)	(3,075,000)
General Obligation Bond Retirement Fund Balance	(216,581)	(209,980)	(212,206)	(218,092)
Issue II Bond Retirement Fund Balance	(148,182)	(152,310)	(151,900)	(150,110)
Net Debt Within 5 1/2% Limitations	4,145,237	5,902,710	7,605,894	9,261,798
Unvoted Legal Debt Margin Within 5 1/2% Limitations	\$75,659,081	\$73,505,907	\$70,847,612	\$65,827,935
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	94.81%	92.57%	90.31%	87.67%

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

2014	2013	2012	2011	2010	2009
\$1,354,532,180	\$1,366,349,250	\$1,364,879,200	\$1,369,783,370	\$1,364,439,460	\$1,411,069,733
\$11,270,000	\$12,900,000	\$14,635,000	\$16,290,000	\$10,315,000	\$11,294,268
48,330,000	0	0	0	0	0
3,330,000	3,605,000	3,910,000	4,200,000	4,490,000	4,775,000
0	0	0	0	9,300,000	9,300,000
62,930,000	16,505,000	18,545,000	20,490,000	24,105,000	25,369,268
(48,330,000)	0	0	0	0	0
(3,330,000)	(3,605,000)	(3,910,000)	(4,200,000)	(4,490,000)	(4,775,000)
(220,716)	(297,891)	(553,220)	(723,548)	(854,116)	(1,352,542)
(148,758)	(147,964)	(151,190)	(148,505)	(35,000)	(35,000)
10,900,526	12,454,145	13,930,590	15,417,947	18,725,884	19,206,726
142,225,879	143,466,671	143,312,316	143,827,254	143,266,143	148,162,322
\$131,325,353	\$131,012,526	\$129,381,726	\$128,409,307	\$124,540,259	\$128,955,596
92.34%	91.32%	90.28%	89.28%	86.93%	87.04%
\$74,499,270	\$75,149,209	\$75,068,356	\$75,338,085	\$75,044,170	\$77,608,835
62,930,000	16,505,000	18,545,000	20,490,000	24,105,000	25,369,268
(48,330,000)	0	0	0	0	0
(3,330,000)	(3,605,000)	(3,910,000)	(4,200,000)	(4,490,000)	(4,775,000)
(220,716)	(297,891)	(553,220)	(723,548)	(854,116)	(1,352,542)
(148,758)	(147,964)	(151,190)	(148,505)	(35,000)	(35,000)
10,900,526	12,454,145	13,930,590	15,417,947	18,725,884	19,206,726
\$63,598,744	\$62,695,064	\$61,137,766	\$59,920,138	\$56,318,286	\$58,402,109
85.37%	83.43%	81.44%	79.53%	75.05%	75.25%

City of Westlake, Ohio
Pledged Revenue Coverage
American Greetings Fund (1)
Last Five Years (1)

Year	American Greetings Fund	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2018	\$4,854,112	\$775,000	\$1,980,569	\$2,755,569	1.76
2017	3,706,657	0	1,980,569	1,980,569	1.87
2016	1,084,549	0	1,980,569	1,980,569	0.55
2015	539,499	0	1,980,569	1,980,569	0.27
2014	0	0	1,347,887	1,347,887	0.00

(1) The Tax Incremental Financing bonds were issued in 2014. The special obligation bonds will be paid from tax incremental financing (TIF) revenue. Collections began in 2015 and began covering debt service requirements in 2017.

City of Westlake, Ohio

Principal Employers

2017(1) and 2009

2017 (1)		
Employer	Employees	Percentage of Total City Employment
University Hospital/St. John Medical Center	2,908	8.91 %
Hyland Software Inc	1,739	5.33
American Greetings Corporation	1,533	4.70
TA Operating LLC	696	2.13
Westlake City School District	619	1.90
Brookdale Employee Services	457	1.40
Equity Administrative Services	425	1.30
City of Westlake	420	1.29
Cuyahoga Community College	348	1.07
Cleveland Clinic Foundation	323	0.99
Total	9,468	29.02 %
Total City Employment	32,631	

2009		
Employer	Employees	Percentage of Total City Employment
St. John West Shore Hospital	1,273	4.80 %
Hyland Software Inc	754	2.85
Westlake City School District	577	2.18
City of Westlake	420	1.58
Energizer Battery Manufacturing Inc	365	1.38
Westbay Care and Rehabilitation	300	1.13
Travel Centers of America	300	1.13
Lutheran Home	300	1.13
University Hospitals	248	0.94
Lake Erie Electric, Inc	227	0.86
Total	4,764	17.98 %
Total City Employment	26,496	

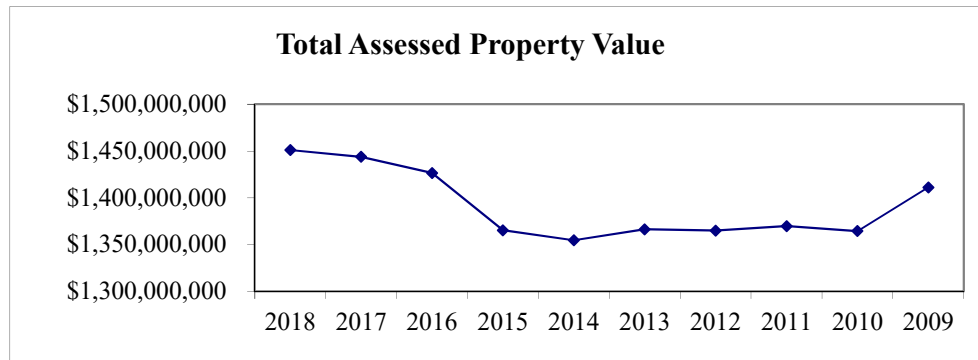
Source: City of Westlake, Ohio, Department of Planning of Economic amounts are estimates. Total City employment based upon estimate from the Regional Development - Regional Income Tax Authority 2017 withholding information.

(1) Information for 2018 was not available as of 12/31/2018.

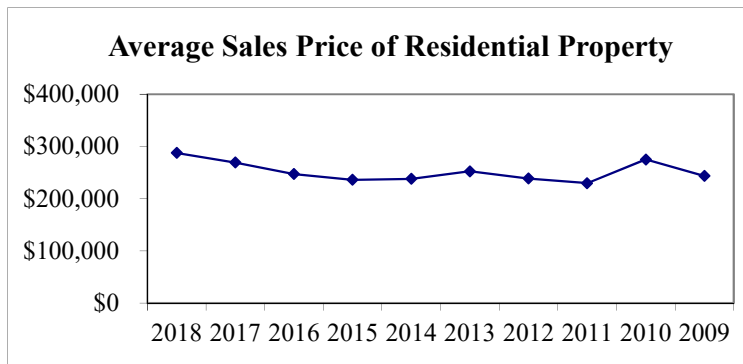
City of Westlake, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1a)	Total Personal Income	Per Capita Personal Income (5) (1a)	Median Household Income (1a)	Median Age (1a)	Educational Attainment: Bachelor's Degree or higher (1a)
2018	32,729	\$1,683,383,386	\$51,434	\$81,966	46.7	53.0 %
2017	32,729	1,676,706,670	51,230	80,989	47.2	52.5
2016	32,729	1,604,015,561	49,009	76,449	46.2	53.4
2015	32,729	1,527,920,636	46,684	76,358	45.3	52.4
2014	32,729	1,527,920,636	46,684	76,358	45.1	52.4
2013	32,729	1,435,723,043	43,867	74,008	45.0	51.2
2012	32,729	1,387,447,768	42,392	71,974	45.0	50.1
2011	32,729	1,336,259,612	40,828	68,282	45.0	46.2
2010	32,729	1,212,413,076	37,044	65,106	46.0	45.2
2009	31,972	1,184,370,768	37,044	65,106	46.0	45.2

- (1) Source: U. S. Census, Census of population
 - (a) 2010 - 2018: 2010 Federal Census
 - (a) 2009: 2000 Federal Census
- (2) Source: Westlake City School District Financial Audit
- (3) Source: Ohio Dept. of Jobs and Family Services Civilian Labor Force Estimate
 - (b) Ohio Labor Market Information
- (4) Source: Cuyahoga County Fiscal Officer
- (5) Computation of per capita personal income divided by population



School Enrollment (2)	City's Unemployment Rate (3b)	Average Sales Price of Residential Property (3)	Total Assessed Property Value (4)
3,483	4.0 %	\$287,700	\$1,450,987,600
3,516	3.7	269,311	1,443,793,030
3,646	4.1	247,137	1,426,427,380
4,059	3.1	236,174	1,365,267,880
3,934	4.4	237,891	1,354,532,180
3,988	5.7	252,411	1,366,349,250
4,065	4.8	238,598	1,364,879,200
4,043	5.5	229,714	1,369,783,370
4,016	7.0	275,057	1,364,439,460
4,041	7.4	243,455	1,411,069,733



City of Westlake, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years

<u>Function/program</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Government:				
Council	4.5	4.5	4.5	4.5
Mayor	2.0	2.0	2.0	2.0
Finance	5.0	6.0	6.0	6.0
Information Technology	2.5	2.0	2.0	1.0
Law	6.0	5.0	5.0	5.0
Purchasing/Adm. Services	2.0	2.0	2.0	2.0
Communication	0.5	0.5	0.5	0.0
Human Resources	2.0	2.0	2.0	2.0
Planning	4.25	4.25	4.25	4.0
Safety Town	1.5	1.5	1.5	1.5
Central Dispatch	11.5	12.5	12.5	12.0
Police/Fire Operating Levy	14.0	13.0	14.0	14.0
Engineering	9.5	10.5	10.5	9.5
Inspection	9.5	10.5	10.5	10.5
Security of Persons and Property:				
Police	84.5	89.0	84.6	81.5
Fire	41.0	40.5	39.0	38.5
Recreation:				
Administration	5.5	5.0	4.5	3.5
Swimming Pool (1)	0.0	26.5	42.0	43.5
Recreation Center	115.5	83.0	91.5	92.0
Golf Course	17.0	15.0	14.0	13.0
Senior/Community Services	16.0	16.0	15.1	15.0
Service:				
Administration	2.25	2.25	2.25	2.0
Building Maintenance	1.0	1.0	0.8	1.0
City Services	42.5	44.5	45.0	46.0
Sanitary/Storm Drainage	8.0	9.0	9.0	9.0
Parks	3.0	3.0	3.0	3.0
Forester	3.0	3.0	3.0	3.0
Street Maintenance	3.0	3.0	3.0	3.0
Cemetery	1.0	1.0	1.0	1.0
Miscellaneous	1.5	2.0	2.0	2.0
Totals:	<u>419.5</u>	<u>420.0</u>	<u>437.0</u>	<u>431.0</u>

Source: City of Westlake, Ohio 2009-2019 Annual Budgets

Method: Using 1.0 for each full-time employee, and 0.50 for each part-time and seasonal employee.

Count taken at December 31.

(1) The Swimming Pool was not open during 2018 due to construction.

2014	2013	2012	2011	2010	2009
4.5	4.5	4.5	4.5	4.5	4.5
2.5	2.0	2.0	2.0	1.0	2.0
6.0	6.0	5.8	5.8	5.8	6.0
2.5	2.5	2.5	3.0	2.0	2.0
5.0	5.0	6.5	6.5	6.5	6.5
2.0	1.5	3.5	3.5	4.0	3.0
0.0	1.0	1.0	1.0	2.0	2.0
2.0	1.0	0.0	0.0	0.0	0.0
4.5	4.0	4.5	5.0	4.5	5.5
1.5	2.0	2.0	1.5	1.5	1.5
11.5	12.5	13.0	11.5	12.5	12.5
14.0	14.0	16.0	18.0	20.0	20.0
10.0	12.0	12.5	12.5	13.0	11.5
10.0	10.0	10.0	9.5	9.5	9.5
82.5	84.5	79.0	76.0	80.5	85.0
40.0	39.5	40.0	35.0	37.5	38.0
3.0	3.0	3.0	4.5	5.0	4.5
43.5	43.5	44.5	46.0	44.0	46.5
85.0	92.5	94.0	100.0	70.0	67.0
11.5	14.5	10.5	14.0	10.5	12.0
15.0	14.0	15.5	15.5	14.5	14.0
2.0	2.0	2.0	2.0	2.0	2.0
1.5	1.5	1.5	1.5	1.5	1.0
46.5	49.0	47.0	41.5	40.0	37.5
9.0	7.0	6.8	8.8	8.8	9.0
3.0	2.0	4.0	4.5	4.5	5.0
3.0	4.0	5.0	4.0	4.0	5.0
4.0	3.0	2.0	3.0	4.0	4.0
1.0	1.0	1.0	1.0	1.0	2.0
2.0	1.5	1.0	1.0	1.0	1.0
<u>428.5</u>	<u>440.5</u>	<u>440.6</u>	<u>442.6</u>	<u>415.6</u>	<u>420.0</u>

City of Westlake, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/program	2018	2017	2016	2015
General Government				
Construction Permits Issued (2)	1,354	1,472	1,260	1,385
Estimated Value of Construction (2)	\$82,300,508	\$101,309,019	\$74,456,760	\$114,400,073
Economic Development Projects approved (square feet) (3)	323,669	373,092	189,858	54,474
Number of Planning Commission docket items (3)	86	90	103	106
Sewer Bills mailed (1)	39,284	39,007	38,551	38,233
Purchase Orders Issued (4)	2,473	2,450	2,379	2,429
Number of new litigations filed (5)	11	9	8	5
Number of pending litigations (5)	8	6	8	8
Police (6)				
Total Arrests	4,680	4,874	5,156	4,798
Part 1 Offenses (major offenses such as murder and theft)	217	388	460	521
DUI Arrests	161	296	166	195
Prisoners	1,149	1,133	1,026	897
Motor Vehicle Accidents	949	758	822	774
Calls for Service	40,539	38,666	36,352	33,751
Fire (7)				
Emergency responses	5,611	5,470	5,159	4,957
Fire Safety Inspections/Re-Inspections	1,483	1,439	1,191	123
Fire Protection Systems Inspected	1,175	1,072	962	627
Building/Fire Protection Plan Review	309	280	280	358
Number of Community Programs	32	41	37	41
Public Service (8)				
Road Maintenance (man hours)*	4,984	3,793	4,697	3,149
Asphalt (hot/cold) used in road maintenance (tons)	127	260	270	299
Concrete used in road maintenance (yards)	247	440	280	322
Number of Trees Removed	300	239	333	299
Number of Trees Planted	97	165	128	118
Truckloads of leaves picked-up	1,363	1,111	1,373	1,257
Cubic Yards of leaf humus delivered/sold	7,258	10,141	7,522	5,349
Cubic Yards of wood chips delivered/sold	2,243	2,774	2,289	4,036
Tons of snow melting salt purchased	6,320	4,692	5,586	7,026
Cemetery Internments	62	44	47	53
Grave purchases/Internment payments	\$54,083	\$34,192	\$44,527	\$61,050
Recreation (9)				
Recreation Center attendance**	602,934	592,700	601,178	583,299
No. of Peterson Pool Memberships***	0	766	569	424
Learn to Swim enrollment (Peterson Pool only)***	0	565	577	680
Average daily golf revenue (June, July, & August)	\$1,053	\$1,029	\$1,220	\$1,177
Senior/Community Services (10)				
Number of Activities/Programs	155	131	120	155
Activity Trips	38	41	37	43
Number of Volunteers	98	88	134	84
Newsletters	14,802	12,698	9,930	7,967
Transports	10,915	7,755	8,838	7,339
Miles Transported	77,291	58,721	58,830	57,324
Donations, Center/Assistance/Prescriptions	\$31,018	\$28,531	\$38,472	\$26,147

Sources:

- | | |
|--|---|
| (1) City of Westlake Finance Department | (6) City of Westlake Police Department |
| (2) City of Westlake Building Department | (7) City of Westlake Fire Department |
| (3) City of Westlake Department of Planning and Economic Development | (8) City of Westlake Department of Public Service |
| (4) City of Westlake Purchasing Department | (9) City of Westlake Recreation Department |
| (5) City of Westlake Law Department | (10) City of Westlake Department of Senior and Community Services |

*Amounts are estimated

**Attendance based upon calendar year

***Peterson Pool was not open during 2018 due to construction of the new Aquatic Center

2014	2013	2012	2011	2010	2009
2,508	1,433	1,471	1,247	1,247	1,172
\$210,550,179	\$95,473,407	\$144,334,087	\$61,334,146	\$29,719,620	\$37,905,420
435,421	63,718	937,338	451,454	20,096	160,308
89	93	96	87	82	82
37,868	37,287	36,811	36,196	35,752	35,477
2,549	2,659	2,618	2,776	2,777	2,879
3	4	5	5	8	8
12	10	9	9	16	11
4,620	4,827	5,806	5,906	6,424	6,227
503	509	507	594	598	585
165	176	246	185	215	232
879	53	1,273	1,203	1,294	1,471
721	729	755	733	750	687
31,721	31,331	33,606	34,268	33,914	34,626
4,513	4,301	4,267	4,364	4,318	4,134
362	317	576	916	1,066	2,351
786	818	926	928	805	638
259	279	272	289	240	278
99	74	78	64	41	45
4,893	5,399	2,813	3,324	3,416	3,429
349	234	280	660	396	313
196	262	349	301	280	330
241	258	417	262	274	360
154	229	186	224	162	217
1,387	1,457	1,387	1,200	1,450	1,538
5,602	6,908	8,213	7,744	5,443	6,622
3,193	3,277	3,576	3,554	2,827	4,432
7,287	4,822	4,713	4,877	6,342	4,262
50	52	32	44	35	49
\$40,955	\$58,925	\$34,425	\$52,050	\$28,110	\$46,440
566,189	595,200	587,182	524,081	504,222	512,754
474	568	591	611	548	537
686	893	901	826	784	832
\$1,328	\$1,861	\$2,047	\$2,031	\$2,363	\$2,689
165	194	143	122	122	138
41	45	39	49	51	36
108	141	387	108	175	200
7,735	7,304	7,579	9,600	10,400	9,600
7,747	4,867	5,211	6,419	6,434	6,431
51,572	47,163	49,834	54,612	50,162	46,648
\$30,995	\$29,489	\$33,966	\$29,125	\$27,385	\$27,172

City of Westlake, Ohio
Capital Asset Statistics by Function/Program
Last Ten Years

Function/program	2018	2017	2016	2015
General Government				
Square Footage Occupied (1)	40,000	40,000	40,000	40,000
Engineering Vehicles (2)	12	11	12	11
Inspection Vehicles (2)	7	7	7	7
Other Departmental Vehicles (2)	6	6	6	6
Police				
Stations	1	1	1	1
Square Footage of Building (3)	25,000	25,000	25,000	25,000
Vehicles (2)	41	43	41	43
Fire				
Stations	2	2	2	2
Vehicles (2)	17	18	18	16
Other public works				
Streets (miles)	139	139	139	137
Number of Streetlights (per light bill)	3,315	3,321	3,322	3,316
Public Service Vehicles (5)	70	72	66	68
Recreation				
Number of Parks	5	5	5	5
Recreation Centers	1	1	1	1
Recreation Center Square Footage	102,000	102,000	102,000	102,000
Vehicles (2)	7	5	7	7
Senior/Community Services				
Vehicles (4)	7	6	6	6
Wastewater				
Sanitary sewers (miles)	124	124	124	123

Sources:

- (1) City of Westlake Department of Engineering
- (2) City of Westlake Finance Department
- (3) City of Westlake Police Department
- (4) City of Westlake Department of Senior and Community Services
- (5) City of Westlake Department of Public Service

2014	2013	2012	2011	2010	2009
40,000	40,000	40,000	40,000	40,000	40,000
12	13	11	10	12	12
7	7	8	8	8	8
8	7	7	7	7	4
1	1	1	1	1	1
25,000	25,000	25,000	25,000	25,000	25,000
38	44	47	47	39	41
2	2	2	2	2	2
18	18	18	18	18	18
137	137	136	136	136	136
3,307	3,313	3,298	3,297	3,297	15,074
64	67	72	67	70	65
5	5	5	5	5	5
1	1	1	1	1	1
102,000	102,000	102,000	102,000	102,000	102,000
7	9	7	7	7	7
6	6	7	6	6	6
123	123	122	122	122	122

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

To the City Council
City of Westlake, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westlake, Ohio (the "City"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 26, 2019, wherein we noted that the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and as a result restated the December 31, 2017 net position of the governmental activities, business-type activities, and sewer and gold course enterprise funds, as disclosed in Note 3.

Internal Control over Financial Reporting

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

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

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

To the City Council
City of Westlake, Ohio

Compliance and Other Matters

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

Purpose of this Report

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

Ciuni + Panichi, Inc.

Cleveland, Ohio
June 26, 2019

OHIO AUDITOR OF STATE KEITH FABER



CITY OF WESTLAKE

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 29, 2019**