

**CITY OF AURORA
PORTAGE COUNTY, OHIO**

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2017**

James G. Zupka, CPA, Inc.
Certified Public Accountants



Dave Yost • Auditor of State

City Council
City of Aurora
130 S Chillicothe Rd
Aurora, OH 44202

We have reviewed the *Independent Auditor's Report* of the City of Aurora, Portage County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

August 21, 2018

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**CITY OF AURORA
PORTAGE COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017**

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Ohio Society of Certified Public Accountants

**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 Members of City Council and the Audit
Committee
City of Aurora
Aurora, Ohio

The Honorable Dave Yost
Auditor of State
State of 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 Aurora, Portage County, Ohio, (the City) as of and for the year ended December 31, 2017, 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 15, 2018.

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.

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.



James G. Zupka, CPA, Inc.
Certified Public Accountants

June 15, 2018

**CITY OF AURORA
PORTAGE COUNTY, OHIO
SCHEDULE OF PRIOR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

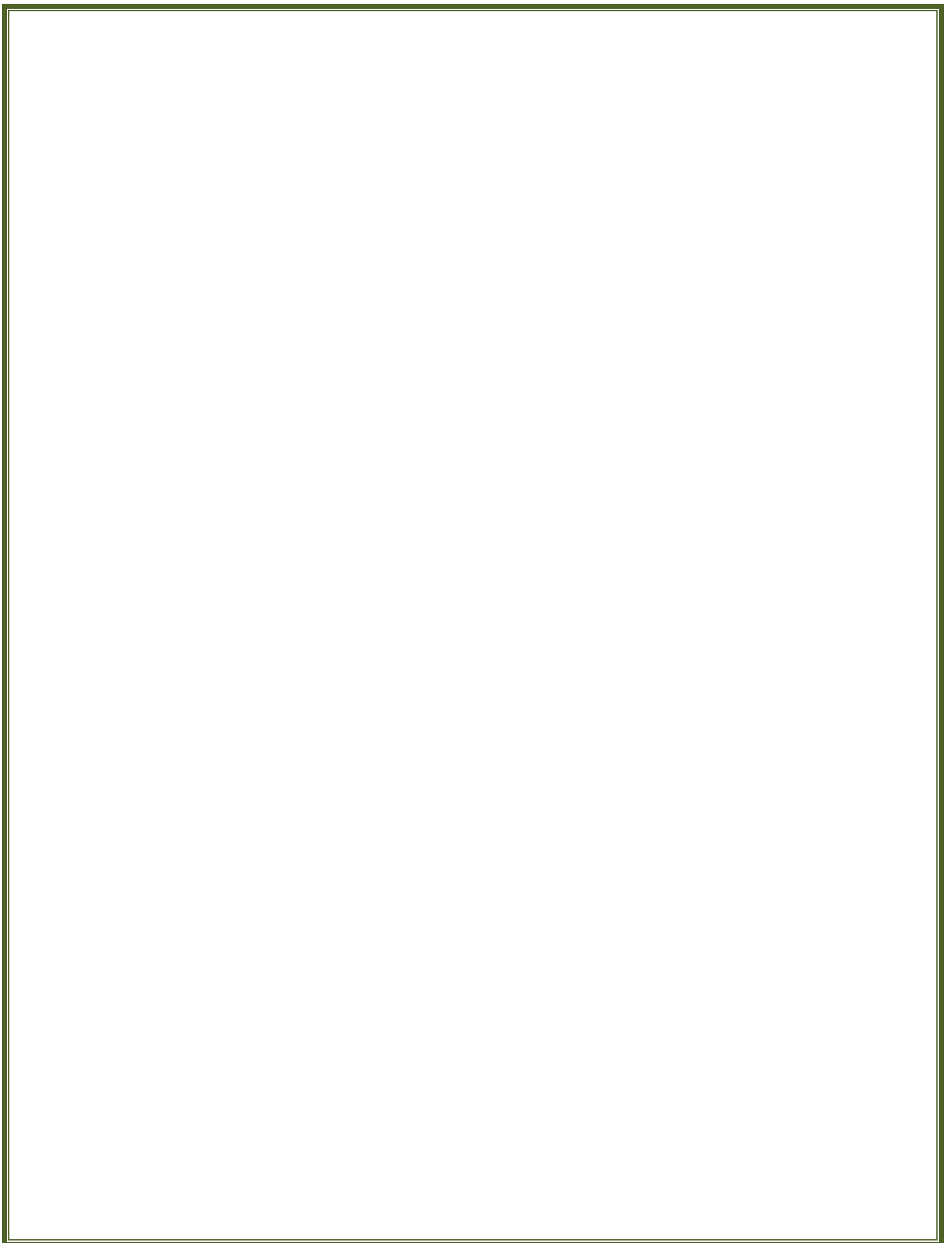
The prior audit report, as of December 31, 2016, included no citations or instances of noncompliance.

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CITY OF AURORA, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31, 2017



CITY OF AURORA, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

PREPARED BY:

FINANCE DEPARTMENT
TIMOTHY CLYMER, FINANCE DIRECTOR

*130 S. CHILLICOTHE ROAD
AURORA, OH 44202*

INTRODUCTORY SECTION

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CITY OF AURORA, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

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June 15, 2018

To the Honorable Mayor Ann Womer Benjamin, Members of City Council, and Citizens of the City of Aurora:

The *first* Comprehensive Annual Financial Report (CAFR) of the City of Aurora, Ohio (City), for the fiscal year ended December 31, 2017, is submitted herewith. The report has a complete set of financial statements presented in accordance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by James G. Zupka, CPA, Inc. 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. The MD&A provides a narrative introduction, overview and analysis of the basic financial statements and complements this letter of transmittal and should be read in conjunction with it.

The City's Department of Finance is responsible for management's representation concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal control should not exceed its anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

In developing and revising the City's accounting and reporting control systems, consideration is given to the adequacy of internal controls to provide reasonable but not absolute assurance regarding the safeguarding of assets from loss, theft, or misuse and reliability of financial records for preparing the City's financial statements in conformity with GAAP and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits require estimates and judgements by management.

As management, we believe the data presented is accurate in all material aspects and that all disclosures necessary to enable the reader to acquire the maximum understanding of the City's financial activity have been included.

Profile of the Government

The City's initial beginnings date back to 1799 when the family of Ebenezer Sheldon settled in the Western Reserve region. The settlement grew into a township, village, and on March 20, 1971, became organized as a municipal corporation under the laws of the State of Ohio. The City established a charter on November 3, 1992. The City covers 24.07 square miles, located approximately thirty minutes southeast of the City of Cleveland, with a population of 15,982.

As required by GAAP, the accompanying financial statements include all the organizations, activities and functions in which the City exercises financial accountability. The functions include: public safety, community environment, recreation, streets, water & sewer, and general government

The annual budget serves as the foundation for the City's financial planning and control. The City complies with the requirements of the Ohio Revised Code in the adoption of the budget. Appropriations for the operation of various City departments are established through the passage of an ordinance by City Council. Budgetary control is facilitated through the maintenance of an encumbrance system for purchase orders, and through the use of the City's automated financial system. The Council is required to hold public meetings on the proposed budget and the City is required to propose the budget no later than December 31, the close of the City's fiscal year.

The appropriated budget is prepared by fund (e.g., General Fund) and department (e.g., Police) in the General Fund, and at the fund level for all other funds. The City Council may pass supplemental appropriations at any time by ordinance. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. The General Fund is presented in the required supplementary section, beginning on page 93. For governmental funds, other than the General Fund, with

appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 95.

Local Economy

The unemployment rate in Portage County is 3.9%, which is above the national rate of 3.6% but below the average Ohio rate of 4.2%. Aurora's income tax base is driven by light industry, as eight of the top-10 income taxpayers in 2017 were light industry. Aurora's property tax base is well-diversified, with increasing growth in the residential sector as shown in Table 21. Reinvestment in Aurora remained strong in 2017. The City's Department of Planning, Zoning and Building reviewed and inspected housing and commercial construction projects valued at more than \$44.68 million, more than \$11 million above the previous year.

Economic development activity remained steady and the City continued its proactive business attraction programs in order to attract new businesses to the City. Some 2017 projects of note include:

- The approval of a Community Reinvestment Area (CRA) property tax abatement for McMaster-Carr Supply Company, which commenced work on a new, \$28 million warehouse and distribution facility.
- The approval of a CRA property tax abatement and income tax incentive grant to Trelleborg Sealing Profiles, which commenced work on a new, \$16 million warehouse facility.
- The approval of a CRA property tax abatement and income tax incentive grant to Piping Rock Health Products, which commenced work on a \$11 million building renovation in order to bring 346 new jobs to Aurora.

Financial Rating

The City has continued to successfully retain a Triple-A financial rating from Fitch Ratings. This is the highest rating available, and reaffirms that the City takes its fiscal responsibilities seriously. It also means the City can expect from the lowest possible interest rates in the marketplace at any given time for future bond sales.

Major Initiatives

The 2018 budget is aggressive in addressing capital needs. We anticipate the completion of a \$1.5mm park facility (Hartman Park), \$1.275mm spent towards paving projects, the completion of the last remaining 1925 waterline (Hurd Rd.), and engineering for a \$4.5mm AMATS traffic signaling grant project.

Long-Term Planning

The City of Aurora's Master Plan, first adopted in 1997 – and updated and re-adopted in 2018 – serves as the community's vision for its future, and comprehensively addresses a wide range of goals and considerations within the areas of land use, housing, community facilities and appearance, economic development, transportation and infrastructure, and implementation. The Master Plan's ultimate goal is to provide a long-range framework for future land use decisions and ensure that future development/redevelopment are consistent with development goals.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awards the Certificate of Achievement for Excellence in Financial Reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements. We believe that our current comprehensive annual financial report meets the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for a certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated efforts of the entire Staff of the Department of Finance. We wish to express our appreciation to everyone who contributed to its preparation.

Respectfully submitted,



Timothy Clymer, CPA, MBA
Finance Director



CITY OF AURORA, OHIO
LIST OF ELECTED AND APPOINTED OFFICIALS
AS OF DECEMBER 31, 2017

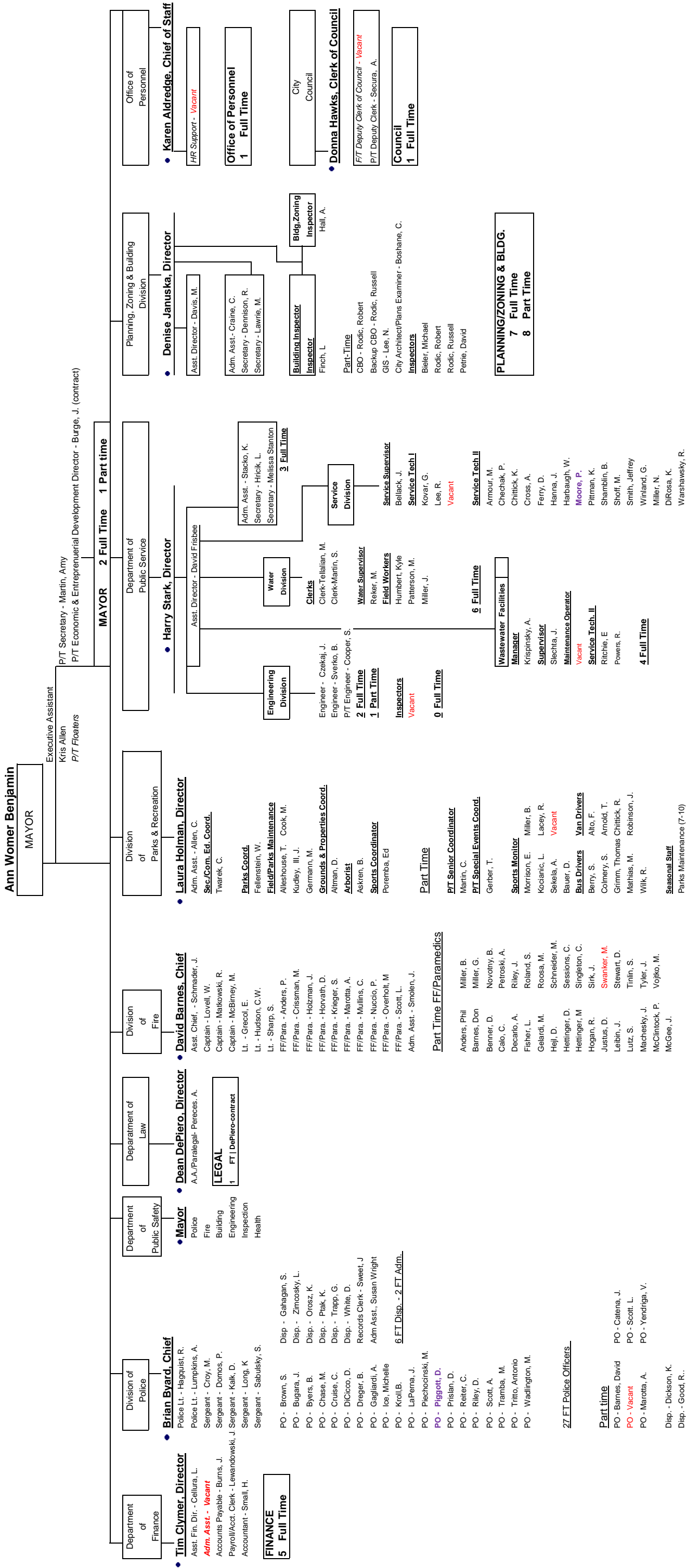
Elected Officials

Mayor	Ann Womer Benjamin
City Council:	
President	George Horvat
At-Large	John Kudley, Jr.
At-Large	Amy McDougald
At-Large	Scott Wolf
1 st Ward	James Vaca
2 nd Ward	Dennis Kovach
3 rd Ward	Reva Barner
4 th Ward	George Horvat
5 th Ward	Kathi Grandillo
6 th Ward	Harold Hatridge
Clerk of Council	Donna Hawks

Appointed Officials

Chief of Staff/Director of Personnel	Karen Aldredge
Executive Assistant to the Mayor	Kris Allen
Planning, Zoning & Building Division Director	Denise Januska
Finance Director	Timothy Clymer
Fire Chief	David Barnes
Law Director	Dean DePiero
Parks & Recreation Director	Laura Holman
Police Chief	Brian Byard
Director of Public Services	Harry Stark
Economic & Entrepreneurial Development Director	Jack Burge

CITY OF AURORA, PORTAGE COUNTY Organizational Chart



EMPLOYEE COUNT	
Full Time Positions	125
Full Time Employees	119
Full Time Vacancies	6

FINANCIAL SECTION

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JAMES G. ZUPKA, C.P.A., INC.

*Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council and the Audit
Committee
City of Aurora
Aurora, Ohio

The Honorable Dave Yost
Auditor of State
State of 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 Aurora, Portage County, Ohio, (the City) as of and for the year ended December 31, 2017, 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 City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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 of Aurora as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund and the Fire Paramedic Levy Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension Liabilities and Pension Contributions, 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 nonmajor 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 nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor 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 15, 2018, 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 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 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.



James G. Zupka, CPA, Inc.
Certified Public Accountants

June 15, 2018

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CITY OF AURORA, OHIO

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

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

Financial Highlights

Key financial highlights for 2017 are as follows:

- The total net position of the City increased \$2,151,461. Net position of governmental activities increased \$149,577 or 0.16% from 2016. Net position of business-type activities increased \$2,001,884 or 4.21% from 2016.
- General revenues accounted for \$19,598,015 or 89.75% of total governmental activities revenue. Program specific revenues accounted for \$2,239,071 or 10.25% of total governmental activities revenue.
- The City had \$20,792,039 in expenses related to governmental activities; \$2,239,071 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$18,552,968 were offset by general revenues (primarily property taxes, municipal income taxes, and unrestricted grants and entitlements) of \$19,598,015.
- The City's major governmental funds are the general fund and the fire paramedic levy fund. The general fund had revenues and other financing sources of \$17,654,607 and expenditures and other financing uses of \$17,471,391 during 2017. The net increase in fund balance for the general fund was \$183,216 or 1.65%.
- The fire paramedic levy fund had revenues of \$1,060,591 and expenditures of \$1,133,477 during 2017. The net decrease in the fund balance for the fire paramedic levy fund was \$72,886 or 35.30%.
- Business-type activities include operations of the City's water, sewer, and cemetery enterprise funds. The net position of the business-type activities totaled \$49,531,949 at December 31, 2017. General revenues accounted for \$26,122 or 0.39% of total business-type activities revenue, while program specific revenues accounted for \$6,747,148 or 99.61% of total business-type activities revenue.

Using this Comprehensive Annual Financial Report (CAFR)

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

The City's basic financial statements are comprised of three components: 1) City-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

CITY OF AURORA, OHIO

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

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

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

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

The City's statement of net position and statement of activities can be found on pages 21-23 of this report.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The City's major governmental funds are the general fund and the fire paramedic levy fund. The City's major enterprise funds are the water fund and the sewer fund. The analysis of the City's major governmental funds begins on page 14.

Governmental Funds

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

CITY OF AURORA, OHIO

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

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund and the fire paramedic levy fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 24-29 of this report.

Proprietary Funds

The City maintains 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 water operations, sewer operations and cemetery activity. The City reports the water fund and the sewer fund as major enterprise funds. These major funds are presented separately in the proprietary fund financial statements. The cemetery and perpetual care fund is considered a nonmajor fund and is combined into a single, aggregated presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 30-33 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Agency funds are the City's only fiduciary fund type. The basic fiduciary fund financial statement can be found on page 34 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 36-80 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability. The required supplementary information can be found on pages 82-88 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements, schedules, and a statistical section, which can be found on pages 90 through 151 of this report.

CITY OF AURORA, OHIO

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

Government-Wide Financial Analysis

The statement of net position provides the perspective of the City as a whole. The table below provides a summary of the City's net position at December 31, 2017 and December 31, 2016.

Net Position

	Governmental Activities 2017	Governmental Activities 2016	Business-type Activities 2017	Business-type Activities 2016	Total 2017	Total 2016
<u>Assets</u>						
Current and other assets	\$ 29,645,483	\$ 29,809,776	\$ 12,876,270	\$ 10,735,547	\$ 42,521,753	\$ 40,545,323
Capital assets, net	85,752,877	85,156,410	39,147,379	39,784,576	124,900,256	124,940,986
Total assets	<u>115,398,360</u>	<u>114,966,186</u>	<u>52,023,649</u>	<u>50,520,123</u>	<u>167,422,009</u>	<u>165,486,309</u>
<u>Deferred Outflows of Resources</u>						
Unamortized deferred charges	156,797	196,072	1,125	3,522	157,922	199,594
Pension	4,574,720	4,887,952	520,438	409,576	5,095,158	5,297,528
Total deferred outflows of resources	<u>4,731,517</u>	<u>5,084,024</u>	<u>521,563</u>	<u>413,098</u>	<u>5,253,080</u>	<u>5,497,122</u>
<u>Liabilities</u>						
Current and other liabilities	923,017	1,008,542	349,690	247,296	1,272,707	1,255,838
Long-term liabilities outstanding:						
Due within one year	964,337	981,728	328,540	797,225	1,292,877	1,778,953
Net pension liability	17,484,723	16,868,891	1,321,708	1,054,089	18,806,431	17,922,980
Other amounts	4,363,231	5,324,481	972,566	1,267,639	5,335,797	6,592,120
Total liabilities	<u>23,735,308</u>	<u>24,183,642</u>	<u>2,972,504</u>	<u>3,366,249</u>	<u>26,707,812</u>	<u>27,549,891</u>
<u>Deferred Inflows of Resources</u>						
Property taxes	3,578,557	3,540,564	-	-	3,578,557	3,540,564
Pension	546,539	206,108	40,759	36,907	587,298	243,015
Total deferred inflows of resources	<u>4,125,096</u>	<u>3,746,672</u>	<u>40,759</u>	<u>36,907</u>	<u>4,165,855</u>	<u>3,783,579</u>
<u>Net Position</u>						
Net investment in capital assets	81,734,777	80,164,977	37,881,085	37,741,929	119,615,862	117,906,906
Restricted	4,729,983	4,536,231	-	-	4,729,983	4,536,231
Unrestricted	5,804,713	7,418,688	11,650,864	9,788,136	17,455,577	17,206,824
Total net position	<u>\$ 92,269,473</u>	<u>\$ 92,119,896</u>	<u>\$ 49,531,949</u>	<u>\$ 47,530,065</u>	<u>\$ 141,801,422</u>	<u>\$ 139,649,961</u>

The City has adopted Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68" which significantly revises accounting for pension costs and liabilities. 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 the net pension liability to the reported net position and subtracting deferred outflows related to pension.

CITY OF AURORA, OHIO

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

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

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

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

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

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

In accordance with GASB Statement No. 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB Statement No. 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2017, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$141,801,422.

CITY OF AURORA, OHIO

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

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 74.60% of total assets. Capital assets include land, easements, right of ways, land improvements, buildings and improvements, equipment, infrastructure, and construction in progress. The City's net investment in capital assets at December 31, 2017 was \$119,615,862. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, \$4,729,983, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position of \$5,804,713 may be used to meet the government's ongoing obligations to citizens and creditors.

The following tables show the changes in net position for 2017 and 2016.

Change in Net Position

	Governmental Activities <u>2017</u>	Governmental Activities <u>2016</u>	Business-type Activities <u>2017</u>	Business-type Activities <u>2016</u>	2017 <u>Total</u>	2016 <u>Total</u>
Revenues:						
Program revenues:						
Charges for services	\$ 1,156,231	\$ 983,170	\$ 6,747,148	\$ 6,931,498	\$ 7,903,379	\$ 7,914,668
Operating grants and contributions	1,030,439	963,527	-	-	1,030,439	963,527
Capital grants and contributions	<u>52,401</u>	<u>1,394,575</u>	-	-	<u>52,401</u>	<u>1,394,575</u>
Total program revenues	<u>2,239,071</u>	<u>3,341,272</u>	<u>6,747,148</u>	<u>6,931,498</u>	<u>8,986,219</u>	<u>10,272,770</u>
General revenues:						
Property taxes	3,562,647	3,754,299	-	-	3,562,647	3,754,299
Income taxes	14,662,819	13,552,188	-	-	14,662,819	13,552,188
Grants and entitlements	580,017	549,962	-	-	580,017	549,962
Investment earnings	170,427	239,340	-	-	170,427	239,340
Miscellaneous	<u>622,105</u>	<u>477,039</u>	<u>26,122</u>	<u>27,196</u>	<u>648,227</u>	<u>504,235</u>
Total general revenues	<u>19,598,015</u>	<u>18,572,828</u>	<u>26,122</u>	<u>27,196</u>	<u>19,624,137</u>	<u>18,600,024</u>
Total revenues	<u>21,837,086</u>	<u>21,914,100</u>	<u>6,773,270</u>	<u>6,958,694</u>	<u>28,610,356</u>	<u>28,872,794</u>

--Continued

CITY OF AURORA, OHIO

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

Change in Net Position - (Continued)

	Governmental Activities <u>2017</u>	Governmental Activities <u>2016</u>	Business-type Activities <u>2017</u>	Business-type Activities <u>2016</u>	2017 <u>Total</u>	2016 <u>Total</u>
Program expenses:						
General government	\$ 2,736,078	\$ 2,657,947	\$ -	\$ -	\$ 2,736,078	\$ 2,657,947
Security of persons and property	10,164,447	9,864,845	-	-	10,164,447	9,864,845
Transportation	4,186,650	4,118,347	-	-	4,186,650	4,118,347
Community environment	1,340,450	1,181,110	-	-	1,340,450	1,181,110
Leisure time activity	2,219,869	1,969,060	-	-	2,219,869	1,969,060
Interest and fiscal charges	144,545	176,749	-	-	144,545	176,749
Water	-	-	2,959,351	2,766,987	2,959,351	2,766,987
Sewer	-	-	2,646,138	2,424,962	2,646,138	2,424,962
Other business-type activities	-	-	61,367	56,005	61,367	56,005
Total program expenses	<u>20,792,039</u>	<u>19,968,058</u>	<u>5,666,856</u>	<u>5,247,954</u>	<u>26,458,895</u>	<u>25,216,012</u>
Change in net position before transfers	1,045,047	1,946,042	1,106,414	1,710,740	2,151,461	3,656,782
Transfers	<u>(895,470)</u>	<u>(1,350,592)</u>	<u>895,470</u>	<u>1,350,592</u>	<u>-</u>	<u>-</u>
Change in net position	149,577	595,450	2,001,884	3,061,332	2,151,461	3,656,782
Net position at beginning of year	<u>92,119,896</u>	<u>91,524,446</u>	<u>47,530,065</u>	<u>44,468,733</u>	<u>139,649,961</u>	<u>135,993,179</u>
Net position at end of year	<u>\$ 92,269,473</u>	<u>\$ 92,119,896</u>	<u>\$ 49,531,949</u>	<u>\$ 47,530,065</u>	<u>\$ 141,801,422</u>	<u>\$ 139,649,961</u>

Governmental Activities

Governmental activities net position increased \$149,577 in 2017. The three primary general revenue sources of governmental activities are property taxes, municipal income taxes, and miscellaneous revenues. These revenue sources increased overall during 2017, which is mainly a result of the City receiving an increase in municipal income tax receipts during 2017 as compared to 2016.

Security of persons and property, which primarily supports the operations of the police and fire departments, accounted for \$10,164,447 of the total expenses of the City. These expenses were partially funded by \$3,774 and \$171,439 in direct charges to users of the services and operating grants and contributions, respectively. Transportation expenses were also significant, totaling \$4,186,650.

The State and federal government contributed to the City a total of \$1,030,439 in operating grants and contributions and \$52,401 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$858,500 subsidized transportation programs, \$171,439 subsidized security of persons and property programs, and \$500 subsidized leisure time activity programs. Of the total capital grants and contributions, \$2,400 subsidized leisure time activity programs and \$50,001 subsidized community environment. Capital grants and contributions decreased \$1,342,174, or 96.24% from the prior year. This decrease is due to a decrease in the amount of Ohio Department of Transportation capital contributions received in 2017 compared to 2016.

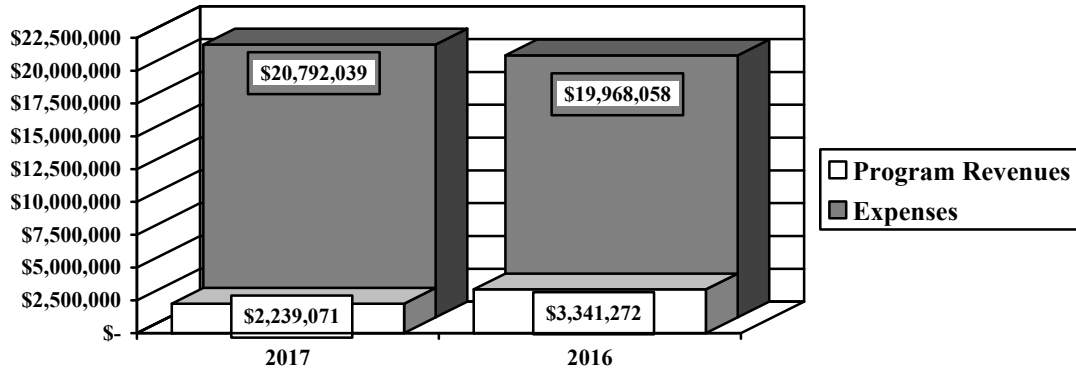
General revenues totaled \$19,598,015 and amounted to 89.75% of total governmental activities revenue. These revenues primarily consist of property and income tax revenue of \$18,225,466. The other primary source of general revenues is miscellaneous revenues, totaling \$622,105.

CITY OF AURORA, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following shows, for governmental activities, the total cost of services and the net cost of services for 2017 and 2016. That is, it identifies the cost of these services supported by general revenues (such as tax revenue and unrestricted State grants and entitlements). The chart and table that follow illustrate the City’s dependence upon general revenues, as program revenues are not sufficient to cover total governmental expenses.

Governmental Activities – Program Revenues vs. Total Expenses



Governmental Activities

	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2017</u>	Total Cost of Services <u>2016</u>	Net Cost of Services <u>2016</u>
Program expenses:				
General government	\$ 2,736,078	\$ 2,014,373	\$ 2,657,947	\$ 2,120,265
Security of persons and property	10,164,447	9,989,234	9,864,845	9,863,812
Transportation	4,186,650	3,328,150	4,118,347	1,939,544
Community environment	1,340,450	1,290,449	1,181,110	1,002,311
Leisure time activity	2,219,869	1,786,217	1,969,060	1,524,105
Interest and fiscal charges	144,545	144,545	176,749	176,749
Total	<u>\$ 20,792,039</u>	<u>\$ 18,552,968</u>	<u>\$ 19,968,058</u>	<u>\$ 16,626,786</u>

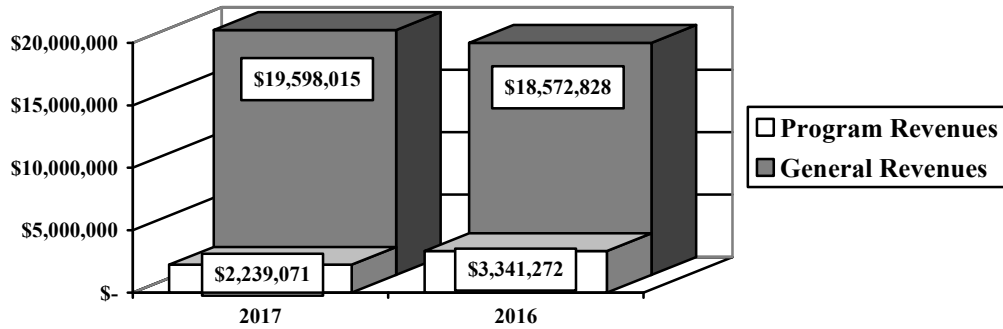
The dependence upon general revenues for governmental activities is apparent, with 89.23% of expenses supported through taxes and other general revenues.

CITY OF AURORA, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

The chart below illustrates the City’s program revenues versus general revenues for 2017 and 2016.

Governmental Activities – General and Program Revenues



Business-type Activities

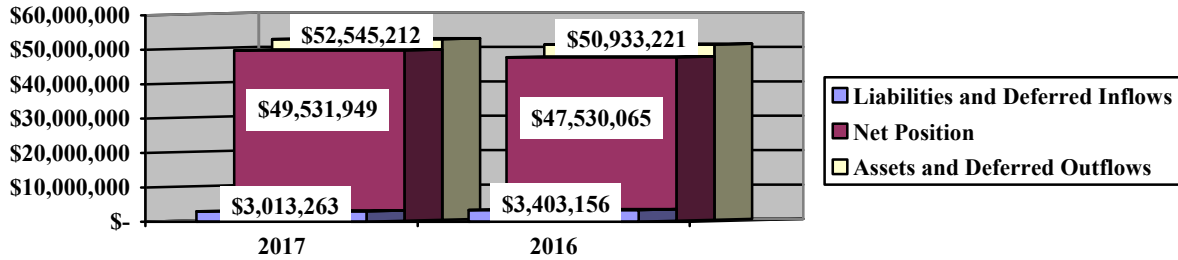
Business-type activities consist of water, sewer, and cemetery operations. These programs had revenues of \$6,773,270, expenses of \$5,666,856, and net transfers in of \$895,470 during 2017. The water operations had program revenues of \$3,800,270, expenses of \$2,962,467 and net transfers out of \$664 and capital contributions of \$146,452. This resulted in an increase in net position for the year of \$983,591. The sewer operations had program revenues of \$2,899,980, general revenues of \$26,122, expenses of \$2,643,022, transfers in of \$734,000 and capital contributions of \$15,682. This resulted in an increase in net position for the year of \$1,032,762. The other business-type activities had program revenues of \$46,898 and expenses of \$61,367. This resulted in a decrease in net position for the year of \$14,469. Management assesses the performance of each of these activities to ensure that they are running efficiently.

CITY OF AURORA, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

The chart below illustrates the City’s business-type activities assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position at December 31, 2017 and December 31, 2016.

Business-type Activities



Financial Analysis of the Government’s Funds

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

Governmental Funds

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements.

The City’s governmental funds (as presented on the balance sheet on page 21) reported a combined fund balance of \$21,982,266, which is \$245,466 greater than last year’s total of \$21,736,800. The table below indicates the fund balances and the total change in fund balances as of December 31, 2017 and December 31, 2016 for all major and nonmajor governmental funds.

	<u>Fund Balances December 31, 2017</u>	<u>Fund Balances December 31, 2016</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Major funds:				
General	\$ 11,274,144	\$ 11,090,928	\$ 183,216	1.65 %
Fire paramedic levy fund	133,565	206,451	(72,886)	(35.30) %
Nonmajor governmental funds	<u>10,574,557</u>	<u>10,439,421</u>	<u>135,136</u>	1.29 %
Total	<u>\$ 21,982,266</u>	<u>\$ 21,736,800</u>	<u>\$ 245,466</u>	1.13 %

CITY OF AURORA, OHIO

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

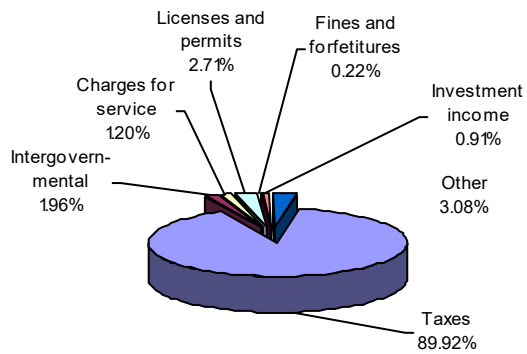
General Fund

The City's general fund balance increased \$183,216. The table that follows assists in illustrating the revenues of the general fund for 2017 and 2016.

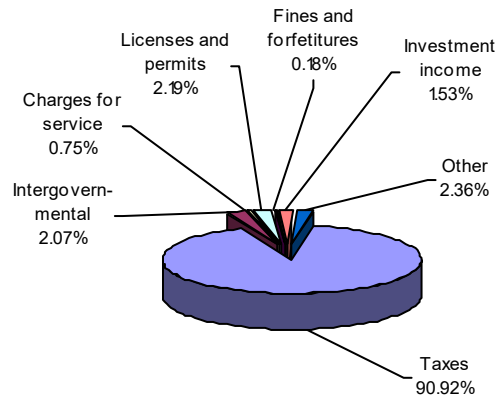
	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
Revenues			
Taxes	\$ 15,849,359	\$ 15,311,907	3.51 %
Intergovernmental	345,732	349,092	(0.96) %
Charges for services	211,772	125,228	69.11 %
Licenses and permits	478,611	368,526	29.87 %
Fines and forfeitures	39,257	30,763	27.61 %
Investment income	161,222	258,313	(37.59) %
Other	<u>543,699</u>	<u>396,636</u>	37.08 %
Total	<u>\$ 17,629,652</u>	<u>\$ 16,840,465</u>	4.69 %

Overall revenues of the general fund increased \$789,187 or 4.69%. Charges for services increased \$86,544 or 69.11% primarily due to the City receiving an increase in dispatch service receipts in 2017. Licenses and permits receipts increased \$110,085 or 29.87% due to the City receiving more receipts from permits issued during 2017. Fines and forfeitures increased \$8,494 or 27.61% due to an increase in court fines and forfeitures collected in 2017. Investment income decreased \$97,091 or 37.59% due to an accrual fair market value entry to record the City's investment at fair market value instead of at cost. In 2016, cost was less than the fair market value, increasing the City's investment income. In 2017, cost was greater than the fair market value, decreasing the City's investment income. Other revenue increased \$147,063 or 37.08% due to the City receiving an increase in insurance reimbursement from exceeded stop loss in 2017. All other revenue classifications remained comparable to 2016.

Revenues - 2017



Revenues - 2016



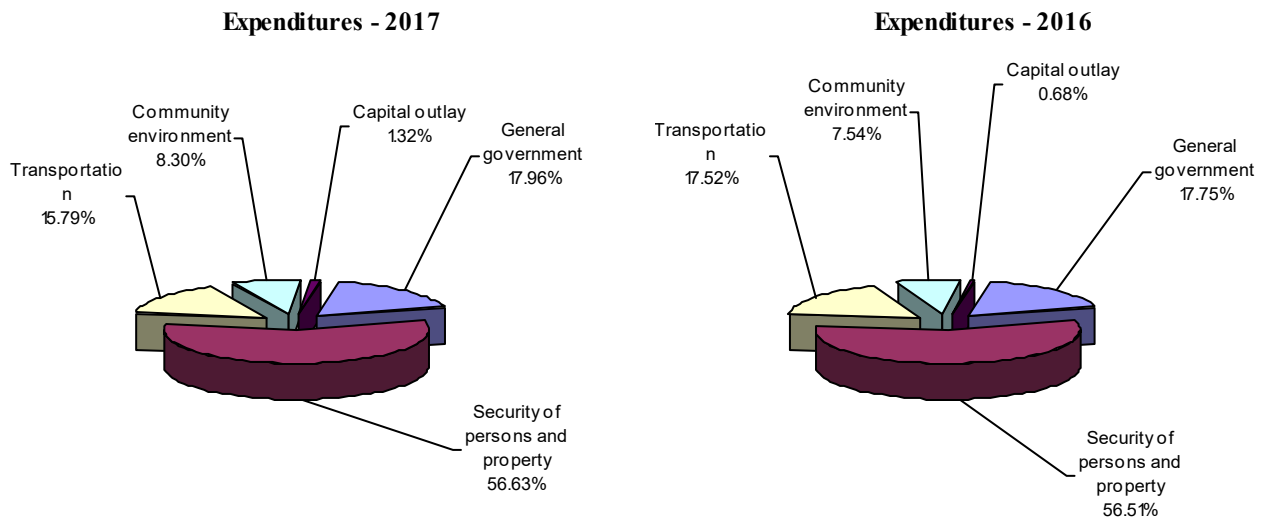
CITY OF AURORA, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

The table that follows assists in illustrating the expenditures of the general fund for 2017 and 2016.

	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 2,331,110	\$ 2,250,010	3.60 %
Security of persons and property	7,349,620	7,164,358	2.59 %
Transportation	2,049,705	2,221,173	(7.72) %
Community environment	1,077,545	956,510	12.65 %
Capital outlay	<u>171,411</u>	<u>85,909</u>	99.53 %
Total	<u>\$ 12,979,391</u>	<u>\$ 12,677,960</u>	2.38 %

Overall expenditures of the general fund increased \$301,431 or 2.38%. Community environment increased \$121,035 or 12.65% due to an increase in community environment expenditures in the engineering and planning, zoning, and building departments in 2017. Capital outlay increased \$85,502 or 99.53% due to more capital related expenditures being paid out of the general fund in 2017. All other expenditure classifications remained comparable to 2016.



Fire Paramedic Levy Fund

The fire paramedic fund had revenues of \$1,060,591 and expenditures of \$1,133,477 during 2017. The net decrease in the fund balance for the fire paramedic levy fund was \$72,886 or 35.30%.

Budgeting Highlights

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

CITY OF AURORA, OHIO

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

Budgetary information is presented for the general fund and major special revenue funds. In the general fund, the original and final budgeted revenues and other financing sources were \$15,952,525. Actual revenues and other financing sources of \$17,870,373 were \$1,917,848 greater than final budgeted revenues and other financing sources. All actual categories were greater than final budget estimates. The final budgeted expenditures and other financing uses were \$19,136,036, which were \$3,021,433 greater than original budgeted expenditures and other financing uses of \$16,114,603. Actual expenditures and other financing uses of \$17,914,054 were \$1,221,982 less than final budgeted expenditures and other financing uses.

Capital Assets and Debt Administration

Capital Assets

At the end of 2017, the City had \$124,900,256 (net of accumulated depreciation) invested in land, easements, right of ways, land improvements, buildings and improvements, equipment, infrastructure, and construction in progress. Of this total, \$85,752,877 is reported in governmental activities and \$39,147,379 is reported in business-type activities. See Note 7 in the basic financial statements for additional capital assets disclosure. The following table shows December 31, 2017 balances compared to December 31, 2016.

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

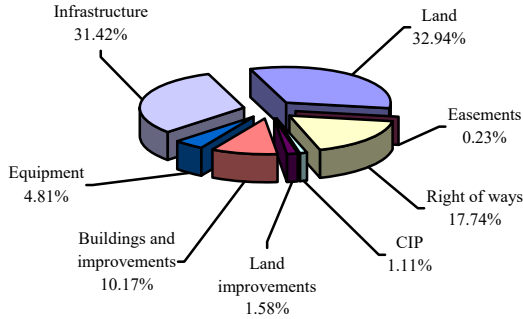
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 28,243,577	\$ 28,121,052	\$ 611,521	\$ 611,521	\$ 28,855,098	\$ 28,732,573
Easements	198,519	198,519	27,677	27,677	226,196	226,196
Right of ways	15,209,994	15,209,994	-	-	15,209,994	15,209,994
Construction in progress	955,414	401,754	521,855	2,227,707	1,477,269	2,629,461
Land improvements	2,447,909	2,332,596	502,008	502,008	2,949,917	2,834,604
Buildings and improvements	14,934,295	14,757,330	16,622,497	16,622,497	31,556,792	31,379,827
Equipment	10,570,816	10,181,884	2,209,824	2,166,501	12,780,640	12,348,385
Infrastructure	34,619,354	34,138,775	41,529,208	39,270,551	76,148,562	73,409,326
Less: accumulated depreciation	<u>(21,427,001)</u>	<u>(20,185,494)</u>	<u>(22,877,211)</u>	<u>(21,643,886)</u>	<u>(44,304,212)</u>	<u>(41,829,380)</u>
Totals	<u>\$ 85,752,877</u>	<u>\$ 85,156,410</u>	<u>\$ 39,147,379</u>	<u>\$ 39,784,576</u>	<u>\$ 124,900,256</u>	<u>\$ 124,940,986</u>

CITY OF AURORA, OHIO

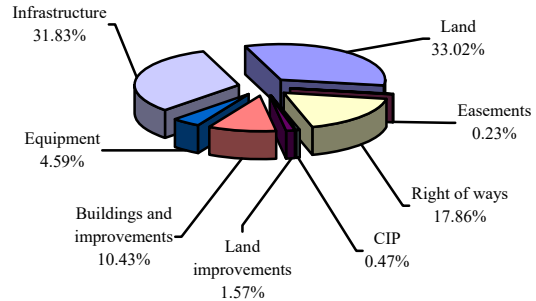
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

The following graphs show the breakdown of governmental activities and business-type activities capital assets by category at December 31, 2017 and December 31, 2016.

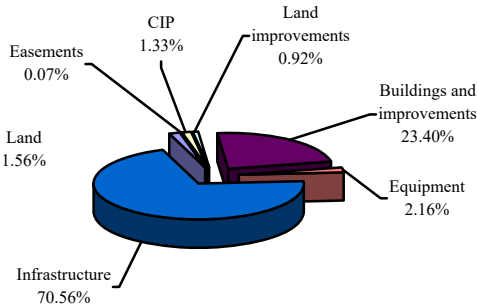
Capital Assets - Governmental Activities 2017



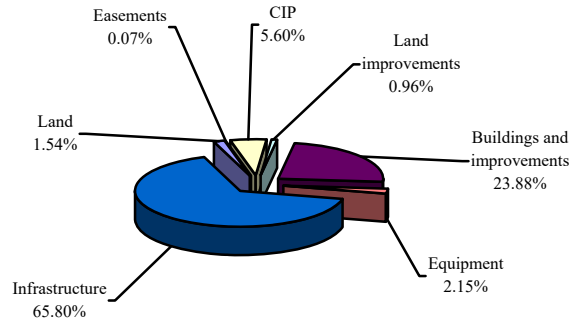
Capital Assets - Governmental Activities 2016



Capital Assets - Business-type Activities 2017



Capital Assets - Business-type Activities 2016



The City has an aggressive stance on maintaining its assets, including infrastructure, in excellent condition. Equipment such as fire trucks and ambulances are planned for well in advance by the respective department heads and a scheduled maintenance and replacement timetable is followed to provide peak performance for the maximum time frame. Police cars are replaced every four years on a rotational basis. The older vehicles are either traded in to the dealers or sold to the highest bidder at auction.

With regards to the infrastructure, the City's engineering department maintains a comprehensive listing of all the streets, culverts, water lines, sewer lines, and storm sewers in the City. As part of the City's annual road maintenance program, the Engineer evaluates the condition of each street after each winter and prepares a list of streets to be either resurfaced or crack-sealed and in the case of concrete roads, either replaced or repaired. After approval from City Council, the projects are bid in early to late spring to get the best possible pricing from contractors. This program is paid for out of the capital improvements fund and the various levy funds of the City (all of which are nonmajor governmental funds).

CITY OF AURORA, OHIO

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

The City is committed to a long-term goal of meeting the needs of its infrastructure and facilities. The City has a five-year capital plan in place that provides for street improvements and adding additional facilities to complement the current structures.

Debt Administration

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

	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General obligation bonds	\$ 4,030,629	\$ 4,917,728	\$ 268,862	\$ 341,002	\$ 4,299,491	\$ 5,258,730
OWDA loans	-	-	703,829	1,395,270	703,829	1,395,270
OPWC loans	117,521	172,859	263,248	295,917	380,769	468,776
Compensated absences	<u>1,179,418</u>	<u>1,215,622</u>	<u>65,167</u>	<u>32,675</u>	<u>1,244,585</u>	<u>1,248,297</u>
Total long-term obligations	<u>\$ 5,327,568</u>	<u>\$ 6,306,209</u>	<u>\$ 1,301,106</u>	<u>\$ 2,064,864</u>	<u>\$ 6,628,674</u>	<u>\$ 8,371,073</u>

See Note 8 in the basic financial statements for additional debt administration disclosure.

Economic Conditions and Next Year's General Fund Budget Outlook

The year 2017 witnessed another strong financial year for the City of Aurora. Overall actual revenues continued to exceed budgeted amounts, which helped the City produce a significant General Fund operating surplus. At the request of the City's Administration, City Council authorized the transfer of \$2,500,000 to various capital project funds for future capital needs.

The beginning of the year 2018 will see income tax collections continue a growth trend, with January and February 2018 amounts \$137,721 higher than those of 2017. With increased interest rates and increasing balances under investment, interest revenues have grown by over \$10,000 over January and February 2017 amounts. Conservative budgeting and increasing revenues will help Aurora continue to operate within its means while simultaneously furthering its infrastructure investments.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Timothy Clymer, Finance Director, City of Aurora, 130 S. Chillicothe Road, Aurora, Ohio 44202.

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CITY OF AURORA, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash, cash equivalents and investments . . .	\$ 20,189,126	\$ 11,542,896	\$ 31,732,022
Receivables:			
Municipal income taxes.	3,871,570	-	3,871,570
Real and other taxes	3,714,338	-	3,714,338
Other local taxes.	75,338	-	75,338
Accounts.	50,957	1,264,898	1,315,855
Special assessments	8,610	-	8,610
Accrued interest	42,025	-	42,025
Loans.	602,130	-	602,130
Due from other governments.	719,226	-	719,226
Prepayments	333,476	64,695	398,171
Materials and supplies inventory.	20,906	-	20,906
Net pension asset.	17,781	3,781	21,562
Capital assets:			
Non-depreciable capital assets.	44,607,504	1,161,053	45,768,557
Depreciable capital assets, net.	41,145,373	37,986,326	79,131,699
Total capital assets.	<u>85,752,877</u>	<u>39,147,379</u>	<u>124,900,256</u>
Total assets	<u>115,398,360</u>	<u>52,023,649</u>	<u>167,422,009</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	156,797	1,125	157,922
Pension OP&F	2,126,973	-	2,126,973
Pension OPERS.	2,447,747	520,438	2,968,185
Total deferred outflows of resources	<u>4,731,517</u>	<u>521,563</u>	<u>5,253,080</u>
Total assets and deferred outflows of resources	<u>120,129,877</u>	<u>52,545,212</u>	<u>172,675,089</u>
Liabilities:			
Accounts payable.	308,709	111,319	420,028
Contracts payable.	26,747	31,480	58,227
Accrued wages and benefits.	170,072	15,686	185,758
Due to other governments	160,590	165,759	326,349
Unearned revenue	8,193	23,840	32,033
Accrued interest payable	9,806	1,606	11,412
Claims payable.	238,900	-	238,900
Long-term liabilities:			
Due within one year	964,337	328,540	1,292,877
Due in more than one year:			
Net pension liability	17,484,723	1,321,708	18,806,431
Other amounts due in more than one year.	4,363,231	972,566	5,335,797
Total liabilities	<u>23,735,308</u>	<u>2,972,504</u>	<u>26,707,812</u>
Deferred inflows of resources:			
Real and other taxes levied for the next fiscal year.	3,578,557	-	3,578,557
Pension OP&F	368,886	-	368,886
Pension OPERS.	177,653	40,759	218,412
Total deferred inflows of resources	<u>4,125,096</u>	<u>40,759</u>	<u>4,165,855</u>
Total liabilities and deferred inflows of resources.	<u>27,860,404</u>	<u>3,013,263</u>	<u>30,873,667</u>
Net position:			
Net investment in capital assets.	81,734,777	37,881,085	119,615,862
Restricted for:			
Debt service	556,917	-	556,917
Capital projects.	784,904	-	784,904
Transportation projects	1,858,875	-	1,858,875
Security of persons and property.	657,472	-	657,472
Other purposes.	871,815	-	871,815
Unrestricted.	5,804,713	11,650,864	17,455,577
Total net position	<u>\$ 92,269,473</u>	<u>\$ 49,531,949</u>	<u>\$ 141,801,422</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF AURORA, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 2,736,078	\$ 721,705	\$ -	\$ -
Security of persons and property	10,164,447	3,774	171,439	-
Transportation	4,186,650	-	858,500	-
Community environment	1,340,450	-	-	50,001
Leisure time activity	2,219,869	430,752	500	2,400
Interest and fiscal charges	144,545	-	-	-
Total governmental activities	20,792,039	1,156,231	1,030,439	52,401
Business-type activities:				
Water	2,962,467	3,800,270	-	-
Sewer	2,643,022	2,899,980	-	-
Other business-type activities:				
Cemetery/Perpetual Care	61,367	46,898	-	-
Total business-type activities	5,666,856	6,747,148	-	-
Total primary government	\$ 26,458,895	\$ 7,903,379	\$ 1,030,439	\$ 52,401

General revenues:
Property and other local taxes levied for:
 General purposes
 Debt service
Municipal income taxes levied for:
 General purposes
 Capital projects
Grants and entitlements not restricted
 to specific programs
Investment earnings
Miscellaneous

Total general revenues

Transfers

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Governmental Activities	Business-type Activities	Total
\$ (2,014,373)	\$ -	\$ (2,014,373)
(9,989,234)	-	(9,989,234)
(3,328,150)	-	(3,328,150)
(1,290,449)	-	(1,290,449)
(1,786,217)	-	(1,786,217)
(144,545)	-	(144,545)
<u>(18,552,968)</u>	<u>-</u>	<u>(18,552,968)</u>
-	837,803	837,803
-	256,958	256,958
-	(14,469)	(14,469)
-	1,080,292	1,080,292
<u>(18,552,968)</u>	<u>1,080,292</u>	<u>(17,472,676)</u>
3,220,443	-	3,220,443
342,204	-	342,204
14,062,819	-	14,062,819
600,000	-	600,000
580,017	-	580,017
170,427	-	170,427
622,105	26,122	648,227
<u>19,598,015</u>	<u>26,122</u>	<u>19,624,137</u>
<u>(895,470)</u>	<u>895,470</u>	<u>-</u>
149,577	2,001,884	2,151,461
<u>92,119,896</u>	<u>47,530,065</u>	<u>139,649,961</u>
<u>\$ 92,269,473</u>	<u>\$ 49,531,949</u>	<u>\$ 141,801,422</u>

CITY OF AURORA, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	<u>General</u>	<u>Fire Paramedic Levy Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 10,191,523	\$ 138,057	\$ 9,859,546	\$ 20,189,126
Receivables:				
Municipal income taxes	3,721,570	-	150,000	3,871,570
Real and other taxes	1,545,844	937,537	1,230,957	3,714,338
Other local taxes	75,338	-	-	75,338
Accounts	38,970	6,500	5,487	50,957
Accrued interest	40,344	-	1,681	42,025
Special assessments	-	-	8,610	8,610
Loans	50,000	-	552,130	602,130
Due from other governments	165,627	56,356	497,243	719,226
Prepayments	248,787	12,340	72,349	333,476
Materials and supplies inventory	20,906	-	-	20,906
Total assets	<u>\$ 16,098,909</u>	<u>\$ 1,150,790</u>	<u>\$ 12,378,003</u>	<u>\$ 29,627,702</u>
Liabilities:				
Accounts payable	\$ 212,569	\$ 6,098	\$ 90,042	\$ 308,709
Contracts payable	112	-	26,635	26,747
Accrued wages and benefits	146,529	10,678	12,865	170,072
Compensated absences payable	17,950	-	21,025	38,975
Due to other governments	138,239	12,731	9,620	160,590
Unearned revenue	8,193	-	-	8,193
Claims payable	238,900	-	-	238,900
Total liabilities	<u>762,492</u>	<u>29,507</u>	<u>160,187</u>	<u>952,186</u>
Deferred inflows of resources:				
Real and other taxes levied for the next fiscal year	1,489,267	903,154	1,186,136	3,578,557
Income tax revenue not available	2,353,833	-	-	2,353,833
Delinquent property tax revenue not available	56,577	34,383	44,821	135,781
Accrued interest not available	12,934	-	539	13,473
Special assessments revenue not available	-	-	8,610	8,610
Intergovernmental revenue not available	149,662	50,181	403,153	602,996
Total deferred inflows of resources	<u>4,062,273</u>	<u>987,718</u>	<u>1,643,259</u>	<u>6,693,250</u>
Fund balances:				
Nonspendable	300,960	12,340	72,349	385,649
Restricted	-	121,225	4,232,763	4,353,988
Committed	770,650	-	3,017,836	3,788,486
Assigned	124,827	-	3,251,609	3,376,436
Unassigned	10,077,707	-	-	10,077,707
Total fund balances	<u>11,274,144</u>	<u>133,565</u>	<u>10,574,557</u>	<u>21,982,266</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,098,909</u>	<u>\$ 1,150,790</u>	<u>\$ 12,378,003</u>	<u>\$ 29,627,702</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF AURORA, OHIO

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

Total governmental fund balances		\$ 21,982,266
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		85,752,877
Other long-term assets are not available to pay for current period expenditures and therefore are unavailable revenue in the funds.		
Income taxes receivable	\$ 2,353,833	
Real and other taxes receivable	135,781	
Accrued interest receivable	13,473	
Special assessments receivable	8,610	
Intergovernmental receivable	602,996	
Total	3,114,693	3,114,693
Unamortized deferred charges on debt refundings are not recognized in the funds.		156,797
Unamortized premiums on bond issuances are not recognized in the funds.		(223,107)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(9,806)
The net pension asset is not available to pay for current period expenditures and the net pension liability is not available to pay for current period expenditures; therefore, the asset, liability and related deferred inflows/ outflows are not reported in governmental funds.		
Net pension asset	17,781	
Deferred outflows of resources	4,574,720	
Deferred inflows of resources	(546,539)	
Net pension liability	(17,484,723)	
Total	(13,438,761)	(13,438,761)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds payable	(3,807,522)	
Loans payable	(117,521)	
Compensated absences payable	(1,140,443)	
Total	(5,065,486)	(5,065,486)
Net position of governmental activities		\$ 92,269,473

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF AURORA, OHIO

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

	<u>General</u>	<u>Fire Paramedic Levy Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Municipal income taxes	\$ 14,129,510	\$ -	\$ 675,000	\$ 14,804,510
Real and other taxes.	1,308,891	793,096	1,049,582	3,151,569
Other local taxes	410,958	-	-	410,958
Charges for services.	211,772	-	434,036	645,808
Licenses and permits	478,611	-	-	478,611
Fines and forfeitures	39,257	-	490	39,747
Intergovernmental.	345,732	260,674	1,214,121	1,820,527
Investment income.	161,222	-	8,854	170,076
Rental income	9,451	-	-	9,451
Contributions and donations.	-	6,500	-	6,500
Other	534,248	321	87,536	622,105
Total revenues	<u>17,629,652</u>	<u>1,060,591</u>	<u>3,469,619</u>	<u>22,159,862</u>
Expenditures:				
Current:				
General government	2,331,110	18,830	18,374	2,368,314
Security of persons and property	7,349,620	818,775	267,109	8,435,504
Transportation	2,049,705	-	910,590	2,960,295
Community environment	1,077,545	-	58,708	1,136,253
Leisure time activity	-	-	1,854,255	1,854,255
Capital outlay	171,411	295,872	2,933,071	3,400,354
Debt service:				
Principal retirement.	-	-	900,671	900,671
Interest and fiscal charges	-	-	149,705	149,705
Total expenditures	<u>12,979,391</u>	<u>1,133,477</u>	<u>7,092,483</u>	<u>21,205,351</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>4,650,261</u>	<u>(72,886)</u>	<u>(3,622,864)</u>	<u>954,511</u>
Other financing sources (uses):				
Sale of capital assets.	24,955	-	-	24,955
Transfers in	-	-	3,758,000	3,758,000
Transfers out.	<u>(4,492,000)</u>	<u>-</u>	<u>-</u>	<u>(4,492,000)</u>
Total other financing sources (uses)	<u>(4,467,045)</u>	<u>-</u>	<u>3,758,000</u>	<u>(709,045)</u>
Net change in fund balances	183,216	(72,886)	135,136	245,466
Fund balances at beginning of year	<u>11,090,928</u>	<u>206,451</u>	<u>10,439,421</u>	<u>21,736,800</u>
Fund balances at end of year	<u>\$ 11,274,144</u>	<u>\$ 133,565</u>	<u>\$ 10,574,557</u>	<u>\$ 21,982,266</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF AURORA, OHIO

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

Net change in fund balances - total governmental funds		\$ 245,466
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital outlays	\$ 2,960,790	
Depreciation expense	<u>(1,877,630)</u>	
Total		1,083,160
Miscellaneous transactions involving capital assets (i.e. capital contributions, transfers, and disposals) are not reflected in the governmental funds, but had the following effect in the statement of activities:		
Capital contributions from outside sources	2,400	
Capital contributions to business type activities	(162,134)	
Transfers from business-type activities, net	664	
Disposals, net	<u>(327,623)</u>	
Total		(486,693)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	(141,691)	
Real and other taxes	120	
Investment income	9,597	
Special assessments	(17,386)	
Intergovernmental	<u>(175,816)</u>	
Total		(325,176)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in less interest being reported in the statement of activities:		
Decrease in accrued interest payable	2,669	
Amortization of bond premiums	41,766	
Amortization of deferred charges on refundings	<u>(39,275)</u>	
Total		5,160
Repayment of general obligation bonds, long-term loans, and capital lease obligations are expenditures in the governmental funds, but the repayments reduce long-term liabilities on the statement of net position.		
		900,671
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		1,372,632
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities.		
		(2,642,428)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		<u>(3,215)</u>
Change in net position of governmental activities		<u>\$ 149,577</u>

CITY OF AURORA, OHIO

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 12,640,063	\$ 12,640,063	\$ 14,159,679	\$ 1,519,616
Real and other taxes	1,164,480	1,164,480	1,304,476	139,996
Other local taxes	369,507	369,507	413,930	44,423
Charges for services	143,719	143,719	160,997	17,278
Licenses and permits	425,338	425,338	476,473	51,135
Fines and forfeitures	34,599	34,599	38,759	4,160
Intergovernmental	304,335	304,335	340,923	36,588
Investment income	233,531	233,531	261,607	28,076
Rental income	8,438	8,438	9,452	1,014
Other.	561,699	561,699	629,228	67,529
Total revenues	15,885,709	15,885,709	17,795,524	1,909,815
Expenditures:				
Current:				
General government.	2,357,314	2,417,315	2,157,612	259,703
Security of persons and property.	7,818,239	7,948,239	7,552,258	395,981
Transportation	2,520,989	2,540,989	2,115,349	425,640
Community environment.	1,185,471	1,200,471	1,091,757	108,714
Contingencies.	39,064	487,022	455,078	31,944
Total expenditures.	13,921,077	14,594,036	13,372,054	1,221,982
Excess of revenues over expenditures	1,964,632	1,291,673	4,423,470	3,131,797
Other financing sources (uses):				
Sale of capital assets	22,182	22,182	24,849	2,667
Advances in.	44,634	44,634	50,000	5,366
Advances (out)	-	(50,000)	(50,000)	-
Transfers (out)	(2,193,526)	(4,492,000)	(4,492,000)	-
Total other financing sources (uses).	(2,126,710)	(4,475,184)	(4,467,151)	8,033
Net change in fund balance	(162,078)	(3,183,511)	(43,681)	3,139,830
Fund balance at beginning of year	9,093,191	9,093,191	9,093,191	-
Prior year encumbrances appropriated.	195,222	195,222	195,222	-
Fund balance at end of year.	\$ 9,126,335	\$ 6,104,902	\$ 9,244,732	\$ 3,139,830

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF AURORA, OHIO

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Real and other taxes.	\$ 678,038	\$ 807,167	\$ 793,096	\$ (14,071)
Intergovernmental.	217,578	259,015	254,499	(4,516)
Contributions and donations	5,080	6,048	5,943	(105)
Total revenues	<u>900,696</u>	<u>1,072,230</u>	<u>1,053,538</u>	<u>(18,692)</u>
Expenditures:				
Current:				
General government.	16,986	21,630	21,630	-
Security of persons and property	650,397	828,230	828,230	-
Capital outlay	<u>315,225</u>	<u>354,282</u>	<u>304,769</u>	<u>49,513</u>
Total expenditures.	<u>982,608</u>	<u>1,204,142</u>	<u>1,154,629</u>	<u>49,513</u>
Net change in fund balance	(81,912)	(131,912)	(101,091)	30,821
Fund balance at beginning of year	145,459	145,459	145,459	-
Prior year encumbrances appropriated	75,894	75,894	75,894	-
Fund balance at end of year	<u>\$ 139,441</u>	<u>\$ 89,441</u>	<u>\$ 120,262</u>	<u>\$ 30,821</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF AURORA, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Other Nonmajor	Total
Assets:				
Current assets:				
Equity in pooled cash, cash equivalents and investments.	\$ 4,790,054	\$ 6,474,137	\$ 278,705	\$ 11,542,896
Receivables:				
Accounts.	734,212	529,742	944	1,264,898
Prepayments	33,634	30,514	547	64,695
Total current assets	5,557,900	7,034,393	280,196	12,872,489
Noncurrent assets:				
Net pension asset.	1,249	2,434	98	3,781
Capital assets:				
Non-depreciable capital assets.	412,288	746,575	2,190	1,161,053
Depreciable capital assets, net.	14,408,179	23,491,822	86,325	37,986,326
Total capital assets.	14,820,467	24,238,397	88,515	39,147,379
Total noncurrent assets	14,821,716	24,240,831	88,613	39,151,160
Total assets	20,379,616	31,275,224	368,809	52,023,649
Deferred outflows of resources:				
Unamortized deferred charges on debt refunding	-	1,125	-	1,125
Pension OPERS.	171,905	335,067	13,466	520,438
Total deferred outflows of resources	171,905	336,192	13,466	521,563
Total assets and deferred outflows of resources	20,551,521	31,611,416	382,275	52,545,212
Liabilities:				
Current liabilities:				
Accounts payable.	54,307	56,672	340	111,319
Contracts payable.	-	31,480	-	31,480
Accrued wages and benefits	4,772	10,517	397	15,686
Compensated absences.	8,975	10,576	-	19,551
Due to other governments	136,673	28,772	314	165,759
Unearned revenue.	23,840	-	-	23,840
Accrued interest payable	-	1,606	-	1,606
G.O. bonds payable - current	-	72,478	-	72,478
OPWC loans payable - current	17,670	-	-	17,670
OWDA loans payable - current	-	218,841	-	218,841
Total current liabilities	246,237	430,942	1,051	678,230
Long-term liabilities:				
Compensated absences.	30,751	14,865	-	45,616
G.O. bonds payable	-	196,384	-	196,384
OPWC loans payable	245,578	-	-	245,578
OWDA loans payable	-	484,988	-	484,988
Net pension liability	436,571	850,939	34,198	1,321,708
Total long-term liabilities	712,900	1,547,176	34,198	2,294,274
Total liabilities	959,137	1,978,118	35,249	2,972,504
Deferred inflows of resources:				
Pension OPERS.	15,245	24,261	1,253	40,759
Total liabilities and deferred inflows of resources.	974,382	2,002,379	36,502	3,013,263
Net position:				
Net investment in capital assets.	14,557,219	23,235,351	88,515	37,881,085
Unrestricted	5,019,920	6,373,686	257,258	11,650,864
Total net position.	\$ 19,577,139	\$ 29,609,037	\$ 345,773	\$ 49,531,949

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF AURORA, OHIO

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

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Other Nonmajor	Total
Operating revenues:				
Charges for services	\$ 3,795,263	\$ 2,896,672	\$ 46,885	\$ 6,738,820
Other	5,007	3,308	13	8,328
Total operating revenues.	<u>3,800,270</u>	<u>2,899,980</u>	<u>46,898</u>	<u>6,747,148</u>
Operating expenses:				
Personal services	537,188	967,761	36,833	1,541,782
Contract services.	1,744,490	485,294	-	2,229,784
Materials and supplies.	230,912	236,849	8,187	475,948
Depreciation.	421,817	867,435	9,388	1,298,640
Other	14,671	1,247	6,959	22,877
Total operating expenses.	<u>2,949,078</u>	<u>2,558,586</u>	<u>61,367</u>	<u>5,569,031</u>
Operating income (loss)	<u>851,192</u>	<u>341,394</u>	<u>(14,469)</u>	<u>1,178,117</u>
Nonoperating revenues (expenses):				
Interest expense and fiscal charges	-	(78,123)	-	(78,123)
Loss on disposal of capital assets	(13,389)	(6,313)	-	(19,702)
Special assessments.	-	26,122	-	26,122
Total nonoperating revenues (expenses).	<u>(13,389)</u>	<u>(58,314)</u>	<u>-</u>	<u>(71,703)</u>
Net income (loss) before transfers and capital contributions.	837,803	283,080	(14,469)	1,106,414
Transfers in	-	734,000	-	734,000
Transfers out	(664)	-	-	(664)
Capital contributions.	146,452	15,682	-	162,134
Change in net position	983,591	1,032,762	(14,469)	2,001,884
Net position at beginning of year	<u>18,593,548</u>	<u>28,576,275</u>	<u>360,242</u>	<u>47,530,065</u>
Net position at end of year	<u>\$ 19,577,139</u>	<u>\$ 29,609,037</u>	<u>\$ 345,773</u>	<u>\$ 49,531,949</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF AURORA, OHIO

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

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Other Nonmajor	Total
Cash flows from operating activities:				
Cash received from customers	\$ 3,825,255	\$ 2,923,131	\$ 47,644	\$ 6,796,030
Cash received from other operations	8,458	9,552	250	18,260
Cash payments for personal services	(482,189)	(850,298)	(33,114)	(1,365,601)
Cash payments for contract services	(1,691,470)	(467,023)	-	(2,158,493)
Cash payments for materials and supplies	(218,403)	(236,647)	(7,858)	(462,908)
Cash payments for other expenses	(13,793)	(1,247)	(6,959)	(21,999)
 Net cash provided (used) by operating activities	 1,427,858	 1,377,468	 (37)	 2,805,289
Cash flows from noncapital financing activities:				
Cash received from transfers in	-	734,000	-	734,000
Cash received from special assessments	-	26,122	-	26,122
 Net cash provided by noncapital financing activities	 -	 760,122	 -	 760,122
Cash flows from capital and related financing activities:				
Principal payments on OWDA loans	-	(691,441)	-	(691,441)
Principal payments on OPWC loans	(17,669)	(15,000)	-	(32,669)
Principal payments on G.O. bonds	-	(69,667)	-	(69,667)
Acquisition of capital assets	(318,346)	(183,306)	-	(501,652)
Interest and fiscal charges	-	(59,201)	-	(59,201)
 Net cash used in capital and related financing activities	 (336,015)	 (1,018,615)	 -	 (1,354,630)
 Net increase (decrease) in cash and cash equivalents	 1,091,843	 1,118,975	 (37)	 2,210,781
 Cash and cash equivalents at beginning of year	 3,698,211	 5,355,162	 278,742	 9,332,115
Cash and cash equivalents at end of year	\$ 4,790,054	\$ 6,474,137	\$ 278,705	\$ 11,542,896

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CITY OF AURORA, OHIO

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

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Other Nonmajor	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 851,192	\$ 341,394	\$ (14,469)	\$ 1,178,117
Adjustments:				
Depreciation	421,817	867,435	9,388	1,298,640
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
Decrease in accounts receivable	29,992	26,459	759	57,210
(Increase) in prepayments.	(3,450)	(2,908)	(180)	(6,538)
Decrease in net pension asset.	41	41	3	85
(Increase) in deferred outflows-pension-OPERS	(35,222)	(72,911)	(2,729)	(110,862)
Increase in accounts payable	44,706	18,769	340	63,815
(Decrease) in contracts payable	-	(9,990)	-	(9,990)
Increase (decrease) in accrued wages and benefits.	(627)	220	(27)	(434)
Increase in due to other governments	22,784	8,472	27	31,283
Increase in compensated absences payable	8,894	23,598	-	32,492
Increase in net pension liability	84,802	176,251	6,566	267,619
Increase in deferred inflows-pension-OPERS	2,929	638	285	3,852
Net cash provided (used) by operating activities	<u>\$ 1,427,858</u>	<u>\$ 1,377,468</u>	<u>\$ (37)</u>	<u>\$ 2,805,289</u>

Non-Cash Transactions:

During 2017, the water fund received capital contributions from governmental activities in the amount of \$146,452.
 During 2016, the water fund purchased capital assets on account in the amount of \$3,990.
 During 2017, the water fund transferred capital assets in the amount of \$664 (net of accumulated depreciation of \$12,610) to the governmental activities.

During 2017, the sewer fund received capital contributions from governmental activities in the amount of \$15,682.
 During 2017 and 2016, the sewer fund purchased capital assets on account in the amount of \$31,480 and \$9,467, respectively.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF AURORA, OHIO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUND
 DECEMBER 31, 2017

	Agency
Assets:	
Equity in pooled cash, cash equivalents and investments.	\$ 1,779,420
Cash in segregated accounts.	10,661
Receivables:	
Real and other taxes.	4,850
Accounts.	149,774
Total assets	\$ 1,944,705
Liabilities:	
Accounts payable	\$ 48,716
Due to others.	10,661
Loans payable.	50,000
Due to other governments.	1,835,328
Total liabilities.	\$ 1,944,705

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF AURORA, OHIO

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

NOTE 1 - DESCRIPTION OF THE CITY

The City of Aurora, Ohio (the "City") operates as a Home Rule City in accordance with Article XVIII of the Ohio Constitution under a Mayor - Council form of government.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City's reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City, this includes police and fire protection, parks and recreation, water and sewer service, street maintenance and repairs and general administrative services.

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

B. Basis of Presentation - Fund Accounting

The City's 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 statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

CITY OF AURORA, OHIO

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

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

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. Interfund services provided and used are not eliminated in the process of consolidation. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental functions are self-financing or draw 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. Fiduciary funds are reported by type.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for services. Operating expenses for the enterprise funds include personnel expenses and other expenses related to sewer, water, and cemetery and perpetual care operations. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Agency funds do not report a measurement focus as they do not report operations.

C. Fund Accounting

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

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

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

CITY OF AURORA, OHIO

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

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

Fire paramedic levy fund - The fire paramedic levy fund accounts for tax monies and expenditures restricted to fire activities.

Other governmental funds of the City are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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. The City has no internal service funds.

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

Water - The water fund accounts for the purchase of water from Portage County and distributes and bills residents and commercial users located within the City.

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

The nonmajor enterprise fund is used to account for cemetery and perpetual care operations.

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. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has several agency funds, which are combined into one on the basic financial statements.

D. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, 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 (e.g. revenues) and decreases (e.g. expenses) in total net position.

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

CITY OF AURORA, OHIO

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

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of 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.

E. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. 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 forty-five 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 and entitlements, and donations. On the accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 6.B). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6.A). Revenue from grants and 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.

Income taxes are collected by the Regional Income Tax Agency ("RITA") and remitted to the City net of collection costs on the tenth working day of the month following collection. Revenues are susceptible to accrual and are so recorded at year end (See Note 6.B). These revenues are intended for use in the general fund and the capital improvements fund (a nonmajor governmental fund) by City Council. All collection costs and related income retained are reflected in the general fund.

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, local government funds, and permissive tax), fines and forfeitures, interest, and grants.

CITY OF AURORA, OHIO

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, See Note 11 for deferred outflows of resources related the City's net pension liability. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

For the City, See Note 11 for deferred inflows of resources related to the City's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis 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 cost, such as depreciation and amortization, are not recognized in governmental funds.

F. Budgetary Process

The City follows these procedures in establishing and legally adopting the budgetary information for all funds:

The Administration prepares the annual budget and submits it to the City Council for adoption. This budget is based upon estimated receipts and expenditures, including encumbrances.

Prior to holding a public hearing on the proposed budget, it is made available for review at the office of the Finance Director.

CITY OF AURORA, OHIO

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

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

City Council holds a public hearing on the proposed budget.

City Council adopts the budget, on a total fund basis, for the following year by ordinance on or before July 15 of each year.

After adoption, the budget is certified to the County Budget Commission by July 20 for the period January 1 to December 31 of the following year. The County Budget Commission conducts another hearing and determines if the budget fairly represents the needs of the City.

The County Budget Commission certifies its actions to the City by September 1. As part of this examination, the City receives the official certificate of estimated resources, which projects receipts of each fund.

The City accepts and levies the County Budget Commission's estimated necessary tax rate for the ensuing tax year. Their acceptance must be certified to the County Auditor by October 1.

On or about January 1, the Finance Director files an amendment to the certificate of estimated resources and expenditures to include the fund balances at the end of the preceding year.

A temporary appropriation measure may be passed by City Council on or before January 1 for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 for the period January 1 to December 31. The level at which expenditures cannot legally exceed appropriations is at the fund and department level for the general fund and at the fund level for all other funds. The budgeted amounts by department or expenditure category reflected in the basic financial statements include this initial appropriation measure and all revisions thereto for the year.

The Finance Director is authorized to transfer budgeted amounts within expenditure categories within any department; however, all other transfers or other revisions that affect the total appropriation measure for any fund must be authorized by City Council.

At the close of each year, the unencumbered balance of each appropriation lapses, reverts to the fund from which it was appropriated, and is subject to future appropriation.

G. Cash and Investments

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

The City has segregated bank accounts for monies held separate from the City's central bank account. These depository accounts are presented on the basic financial statements as "cash in segregated accounts" since it is not required to be deposited into the City Treasury. The City maintains segregated depository accounts for medical claims and flexible spending.

During 2017, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), negotiable certificates of deposit (CDs), U.S. treasury note and U.S. government money markets. Investments are reported at fair value, except for nonnegotiable certificates of deposit, which are reported at cost. Fair value is based on quoted market prices.

CITY OF AURORA, OHIO

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

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

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

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

Investment procedures are restricted by the provisions of the Ohio Revised Code. Investment income credited to the general fund during 2017 amounted to \$161,222, which includes \$107,491 assigned from other City funds.

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

An analysis of the City's investment account at year end is provided in Note 4.

H. Materials and Supplies Inventory

Inventory is stated at cost (first-in, first-out) in the governmental fund types, and at the lower of cost (first-in, first-out) or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and expenses in the proprietary funds when used.

On the governmental fund financial statements, reported materials and supplies inventory is equally offset by nonspendable fund balance, which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption.

I. Capital Assets

General capital assets are capital assets that 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 governmental fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

CITY OF AURORA, OHIO

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

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deductions during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$2,000. The City's infrastructure consists of roads, storm sewers, and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All reported capital assets are depreciated except for land, easements, right of ways, and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method with one-half year convention and a 5% salvage value over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>	
	<u>Government-type</u>	<u>Business-type</u>
Land improvements	15 to 50 years	20 to 45 years
Buildings and improvements	10 to 45 years	10 to 45 years
Equipment	3 to 26 years	5 to 20 years
Infrastructure	15 to 30 years	-
Roads	25 to 50 years	25 years
Water lines	-	15 to 55 years
Sewer lines	-	15 to 55 years
Stormwater lines	-	45 years

J. Compensated Absences

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences", vacation leave 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 City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation leave 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 the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for employees after ten years of service with the City. Compensatory time benefits are accrued as a liability based on accumulated unused compensatory time balances and the rate of pay attributable to applicable employees at year end.

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

CITY OF AURORA, OHIO

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

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2017, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which the services are consumed. Prepaid items are equally offset by nonspendable fund balance in the governmental funds, which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on 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 payable and compensated absences that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds, loans, and capital lease obligations are recognized as liabilities on the governmental fund financial statements when due.

On the government-wide financial statements and proprietary fund financial statements, bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premiums.

M. Bond Issuance Costs/Bond Premium and Discount/Deferred Charges on Refunding

On both the government-wide financial statements and the fund financial statements, bond issuance costs are recognized in the period in which these items are incurred.

On the government-wide financial statements, bond premiums and discounts are amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds and bond discounts are presented as a reduction to the face amount of the bonds. On the governmental fund financial statements, bond premiums and discounts are recognized in the period in which these items are incurred. The reconciliation between the face value of bonds and the amount reported on the statement of net position is presented in Note 8.

CITY OF AURORA, OHIO

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

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

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

N. Interfund Balances

Loans between governmental activities and agency funds are classified as “loans receivable/payable” on the government-wide and fund financial statements.

O. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds 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 not presented on the basic financial statements.

P. Capital Contributions

Capital contributions in the governmental activities arise from outside contributions of capital assets, from grants, or from outside contributions of resources restricted to capital acquisition and construction. During 2017, the governmental activities reported capital contributions in the amount of \$2,400, which consists of the contribution of two dugouts and two bleacher pads from the Aurora Baseball League.

Capital contributions in the business-type activities arise from contributions from governmental activities, from outside contributions of capital assets, from grants, or from outside contributions of resources restricted to capital acquisition and construction. During 2017, the water and sewer funds received \$146,452 and \$15,682, respectively, in capital contributions from governmental activities.

Q. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

CITY OF AURORA, OHIO

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

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

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

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

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

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

R. Estimates

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. The City reported neither type of transaction during 2017.

CITY OF AURORA, OHIO

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

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

T. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. The net position component “net investment in capital assets,” consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing or liabilities used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. Net position restricted for other purposes consists primarily of programs to enhance law enforcement and the community environment.

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

U. Loans Receivable

Loans receivable represent the right to receive repayment for certain loans made by the City. These loans are based upon written agreements between the City and the various loan recipients. Reported loans receivable is offset by restricted fund balance in the governmental funds.

V. Pensions

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

W. Fair Value Measurements

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

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

CITY OF AURORA, OHIO

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

CITY OF AURORA, OHIO

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

A. Cash on Hand

At December 31, 2017, the City had \$2,050 in undeposited cash on hand, which is included on the basic financial statements of the City as part of "equity in pooled cash and cash equivalents".

B. Cash in Segregated Accounts

At December 31, 2017, the City had \$10,661 in segregated accounts for medical claims and flexible spending. These accounts were covered by the FDIC or pooled collateral held by the depository institution. These amounts are not included in the City's depository balance below.

C. Deposits with Financial Institutions

At December 31, 2017, the carrying amount of all City deposits was \$15,044,178 and the bank balance of all City deposits was \$15,779,692. Of the bank balance, \$3,051,515 was covered by the FDIC and \$12,728,177 was covered by the Ohio Pooled Collateral System.

CITY OF AURORA, OHIO

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State.

At December 31, 2017, the \$1,238,007 of the City's bank balance of \$1,488,007 was exposed to custodial credit risk. Certain timing issues related to fluctuations in depository balances contributed to the uncollateralized balance. These insufficiencies were corrected the next business day.

D. Investments

As of December 31, 2017, the City had the following investments and maturities:

Measurement/ Investment type	Measurement Amount	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair Value:</i>						
Negotiable CDs	\$ 11,938,943	\$ 993,824	\$ 2,973,853	\$ 1,337,266	\$ 2,822,049	\$ 3,811,951
U.S. Treasury note	1,500,111	-	-	-	-	1,500,111
U.S. Government money market	592,891	592,891	-	-	-	-
<i>Amortized cost:</i>						
STAR Ohio	4,433,269	4,433,269	-	-	-	-
Total	<u>\$ 18,465,214</u>	<u>\$ 6,019,984</u>	<u>\$ 2,973,853</u>	<u>\$ 1,337,266</u>	<u>\$ 2,822,049</u>	<u>\$ 5,312,062</u>

The weighted average maturity of investments is 1.58 years.

The City's investments in U.S. government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The City's investments in U.S. Treasury notes and negotiable CDs are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: Interest rate risk arises as potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the City's investment policy limits investment portfolio maturities to five years or less.

CITY OF AURORA, OHIO

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: Standard & Poor’s has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable CDs and the U.S. government money market were not rated. The negotiable CDs are covered by FDIC. The City has no investment policy dealing with investment credit risk beyond the requirements in State statutes.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City’s investment policy does not specifically address custodial credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

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

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% to Total</u>
Negotiable CDs	\$ 11,938,943	64.66
U.S. Treasury note	1,500,111	8.12
U.S. Government money market	592,891	3.12
STAR Ohio	<u>4,433,269</u>	<u>24.01</u>
Total	<u>\$ 18,465,214</u>	<u>99.91</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2017:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 15,044,178
Investments	18,465,214
Cash in segregated accounts	10,661
Cash on hand	<u>2,050</u>
Total	<u>\$ 33,522,103</u>

<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 20,189,126
Business-type activities	11,542,896
Agency funds	<u>1,790,081</u>
Total	<u>\$ 33,522,103</u>

CITY OF AURORA, OHIO

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

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund transfers for the year ended December 31, 2017, consisted of the following, as reported on the fund financial statements:

<u>Transfers from general fund to:</u>	
Sewer fund	\$ 734,000
Nonmajor governmental funds	<u>3,758,000</u>
Total	<u>\$ 4,492,000</u>

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers between governmental funds are eliminated on the government-wide financial statements. Transfers between governmental funds and proprietary funds (business-type activities) are reported as transfers on the statement of activities.

- B. The water fund transferred \$664 in capital assets (net of \$12,610 in accumulated depreciation) to the governmental activities during 2017. This amount is presented as a transfer on the statement of revenues, expenses and changes in net position - proprietary funds on the statement of activities.
- C. Advances outstanding at December 31, 2017 between governmental funds and fiduciary funds consist of \$50,000 due to the general fund from the City's agency funds. The advances are reported as loans on the government-wide financial statements.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2017 consisted of municipal income taxes, real and other taxes, other local taxes, accounts, special assessments, accrued interest, loans and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are expected to be collected within the subsequent year.

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

A. Property Taxes

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

CITY OF AURORA, OHIO

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

NOTE 6 - RECEIVABLES - (Continued)

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

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

The full tax rate for all City operations for the year ended December 31, 2017 was \$7.62 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2017 property tax receipts were based are as follows:

Real property	\$ 608,478,990
Public utility tangible personal property	<u>12,049,370</u>
Total assessed value	<u>\$ 620,528,360</u>

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is 0.24% (2.4 mills) of assessed value.

B. Municipal Income Taxes

The City levies an income tax of 2% on substantially all earned income in the City with a 100% credit up to 2% allowed for income taxes paid to other municipalities. Collection fees charged by RITA of \$444,455 (less a refund of \$220,198) in 2017 are reflected in the basic financial statements as general government expenditures in the general fund. See Note 2.E. (Revenues - Exchange and Nonexchange Transactions) for distribution of income taxes by fund.

CITY OF AURORA, OHIO

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

NOTE 6 - RECEIVABLES - (Continued)

C. Intergovernmental Receivables

A summary of the principal items of governmental activities intergovernmental receivables (due from other governments) follows:

<u>Governmental activities</u>	<u>Amounts</u>
Homestead and rollback	\$ 200,723
State sales tax	80,741
Gasoline and excise tax	289,998
Motor vehicle license fees	63,389
Permissive motor vehicle license tax	62,436
County fines and forfeitures and training reimbursement	2,615
Grants	<u>19,324</u>
Total	<u>\$ 719,226</u>

D. Loans Receivable

Loans receivable represent loans for housing repair and rehabilitation projects granted to eligible City property owners under the Community Housing Improvement Program (CHIP). As of December 31, 2017, \$70,282 in loans receivable were repaid to the City, no new loans were issued by the City and \$58,708 in loans receivable were written off for various property owners. The loans outstanding at December 31, 2017 total \$552,130 and are to be repaid in accordance with the loan agreement upon the sale or abandonment of the various properties.

Loans receivable in the amount of \$50,000 represents the outstanding advance made from the general fund to the developer's escrow agency fund at year-end (see Note 5.C for additional information). The loan will be repaid as revenues become available to pay back the general fund.

CITY OF AURORA, OHIO

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

NOTE 7 - CAPITAL ASSETS

- A. The capital asset activity of governmental activities for the year ended December 31, 2017, was as follows:

<u>Governmental activities:</u>	Balance <u>January 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>December 31, 2017</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 28,121,052	\$ 122,525	\$ -	\$ 28,243,577
Easements and right of ways	15,408,513	-	-	15,408,513
Construction in progress	<u>401,754</u>	<u>784,329</u>	<u>(230,669)</u>	<u>955,414</u>
Total capital assets, not being depreciated	<u>43,931,319</u>	<u>906,854</u>	<u>(230,669)</u>	<u>44,607,504</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	2,332,596	115,313	-	2,447,909
Buildings and improvements	14,757,330	176,965	-	14,934,295
Equipment	10,181,884	910,089	(521,157)	10,570,816
Infrastructure	<u>34,138,775</u>	<u>935,778</u>	<u>(455,199)</u>	<u>34,619,354</u>
Total capital assets, being depreciated	<u>61,410,585</u>	<u>2,138,145</u>	<u>(976,356)</u>	<u>62,572,374</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(999,221)	(94,439)	-	(1,093,660)
Buildings and improvements	(5,877,686)	(334,318)	-	(6,212,004)
Equipment	(6,274,983)	(641,906)	471,062	(6,445,827)
Infrastructure	<u>(7,033,604)</u>	<u>(819,577)</u>	<u>177,671</u>	<u>(7,675,510)</u>
Total accumulated depreciation	<u>(20,185,494)</u>	<u>(1,890,240)</u>	<u>648,733</u>	<u>(21,427,001)</u>
Total capital assets, being depreciated, net	<u>41,225,091</u>	<u>247,905</u>	<u>(327,623)</u>	<u>41,145,373</u>
Governmental activities capital assets, net	<u>\$ 85,156,410</u>	<u>\$ 1,154,759</u>	<u>\$ (558,292)</u>	<u>\$ 85,752,877</u>

The governmental activities received transfers of capital assets from the business-type activities with a cost and accumulated depreciation of \$13,274 and \$12,610, respectively.

CITY OF AURORA, OHIO

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

NOTE 7 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental activities as follows:

Governmental activities:

General government	\$ 193,054
Security of persons and property	404,114
Transportation	1,126,663
Community environment	8,976
Leisure time activity	<u>144,823</u>
Total depreciation expense - governmental activities	<u>\$ 1,877,630</u>

B. The capital asset activity of business-type activities for the year ended December 31, 2017, was as follows:

<u>Business-type activities:</u>	<u>Balance</u> <u>January 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2017</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 611,521	\$ -	\$ -	\$ 611,521
Easements	27,677	-	-	27,677
Construction in progress	<u>2,227,707</u>	<u>521,855</u>	<u>(2,227,707)</u>	<u>521,855</u>
Total capital assets, not being depreciated	<u>2,866,905</u>	<u>521,855</u>	<u>(2,227,707)</u>	<u>1,161,053</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	502,008	-	-	502,008
Buildings and improvements	16,622,497	-	-	16,622,497
Equipment	2,166,501	106,004	(62,681)	2,209,824
Infrastructure	<u>39,270,551</u>	<u>2,281,657</u>	<u>(23,000)</u>	<u>41,529,208</u>
Total capital assets, being depreciated	<u>58,561,557</u>	<u>2,387,661</u>	<u>(85,681)</u>	<u>60,863,537</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(121,683)	(19,292)	-	(140,975)
Buildings and improvements	(7,120,674)	(342,571)	-	(7,463,245)
Equipment	(1,309,417)	(110,331)	55,604	(1,364,144)
Infrastructure	<u>(13,092,112)</u>	<u>(826,446)</u>	<u>9,711</u>	<u>(13,908,847)</u>
Total accumulated depreciation	<u>(21,643,886)</u>	<u>(1,298,640)</u>	<u>65,315</u>	<u>(22,877,211)</u>
Total capital assets, being depreciated, net	<u>36,917,671</u>	<u>1,089,021</u>	<u>(20,366)</u>	<u>37,986,326</u>
Business-type activities capital assets, net	<u>\$ 39,784,576</u>	<u>\$ 1,610,876</u>	<u>\$ (2,248,073)</u>	<u>\$ 39,147,379</u>

CITY OF AURORA, OHIO

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

NOTE 7 - CAPITAL ASSETS - (Continued)

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

Business-type activities:

Water	\$ 421,817
Sewer	867,435
Other nonmajor	9,388
Total depreciation expense - business-type activities	<u>\$ 1,298,640</u>

NOTE 8 - LONG-TERM OBLIGATIONS

Long-term bonds and loans outstanding for the governmental and business-type activities at December 31, 2017 included the following:

<u>Purpose (Description)</u>	<u>Principal Original Issuance</u>	<u>Interest Rate</u>	<u>Date of Final Installment</u>	<u>Balance at December 31, 2017</u>
<u>Governmental activities:</u>				
Voted general obligation bonds to be repaid by property tax revenues:				
Land acquisition improvement refunding bonds	\$ 4,675,000	1.375-3.75%	December 1, 2027	\$ 3,215,000
Total voted debt				<u>\$ 3,215,000</u>
Unvoted general obligation bonds:				
Various purpose refunding bonds, series 2005 (limited tax bonds)	\$ 4,910,825	3.00-5.00%	December 1, 2018	\$ 592,522
Total unvoted debt				<u>\$ 592,522</u>
Long-term loans payable:				
OPWC loan - CG16L	\$ 150,000	0.00%	January 1, 2019	\$ 15,000
OPWC loan - CG28M	246,514	0.00%	January 1, 2020	49,303
OPWC loan - CG32O	81,874	0.00%	July 1, 2024	53,218
Total long-term loans				<u>\$ 117,521</u>
Total governmental activities bonds and loans				<u>\$ 3,925,043</u>

CITY OF AURORA, OHIO

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

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

Business-type activities:

Unvoted general obligations bonds:

Various purpose refunding bonds, series 2005 (limited tax bonds) Weston Woods Subdivision	\$ 479,175	3.00-5.00%	December 1, 2018	\$ 57,478
bonds, series 2008	300,000	5.50-5.75%	December 1, 2028	<u>205,000</u>
Total unvoted debt				<u><u>\$ 262,478</u></u>

Long-term loans payable:

OWDA loans to be repaid from user fees:

Central wastewater treatment facility	\$ 10,762,206	3.98-4.04%	January 1, 2021	\$ 677,655
Sunny Lake Park	N/A	3.43%	January 1, 2030	26,174

OWPC loans:

OPWC loan - CG21E	200,000	0.00%	January 1, 2024	60,000
OPWC loan - CG43P	230,092	0.00%	July 1, 2044	<u>203,248</u>

Total long-term loans \$ 967,077

Total business-type activities bonds and loans \$ 1,229,555

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

	<u>Balance</u> <u>January 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31, 2017</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
<u>Governmental activities:</u>					
General obligation bonds	\$ 4,652,855	\$ -	\$ (845,333)	\$ 3,807,522	\$ 877,522
OPWC loans	172,859	-	(55,338)	117,521	47,840
Net pension liability	16,868,891	1,287,291	(671,459)	17,484,723	-
Compensated absences	<u>1,215,622</u>	<u>44,853</u>	<u>(81,057)</u>	<u>1,179,418</u>	<u>38,975</u>
Total governmental activities long-term liabilities	<u><u>\$ 22,910,227</u></u>	<u><u>\$ 1,332,144</u></u>	<u><u>\$ (1,653,187)</u></u>	<u>22,589,184</u>	<u><u>\$ 964,337</u></u>
				Add: unamortized premiums on bond issues	<u>223,107</u>
				Total reported on the statement of net position	<u><u>\$ 22,812,291</u></u>
 <u>Business-type activities:</u>					
General obligation bonds	\$ 332,145	\$ -	\$ (69,667)	\$ 262,478	\$ 72,478
OWDA loans	1,395,270	-	(691,441)	703,829	218,841
OPWC loans	295,917	-	(32,669)	263,248	17,670
Net pension liability	1,054,089	267,619	-	1,321,708	-
Compensated absences	<u>32,675</u>	<u>37,174</u>	<u>(4,682)</u>	<u>65,167</u>	<u>19,551</u>
Total business-type activities long-term liabilities	<u><u>\$ 3,110,096</u></u>	<u><u>\$ 304,793</u></u>	<u><u>\$ (798,459)</u></u>	<u>2,616,430</u>	<u><u>\$ 328,540</u></u>
				Add: unamortized premiums on bond issues	<u>6,384</u>
				Total reported on the statement of net position	<u><u>\$ 2,622,814</u></u>

CITY OF AURORA, OHIO

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

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

Net Pension Liability

See Note 11 for additional disclosure on net pension liability. The City pays obligations related to employee compensation from the fund benefitting from their service, which is primarily the general fund.

Compensated Absences

Compensated absences will be paid from the fund from which the employee is paid. For governmental activities, this is primarily the general fund. For business-type activities, this is primarily the water fund and the sewer fund.

Various Purpose Refunding Bonds, Series 2005

On May 19, 2005, the City issued \$5,390,000 in general obligation various purpose refunding bonds. The bonds bear interest at rates ranging from 3.00 percent to 5.00 percent per annum and mature in various installments through December 1, 2018. The proceeds of the bonds were used to advance refund a portion of the City's governmental activities and business-type activities various purpose 1998 general obligation bonds by purchasing SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The amounts refunded were \$4,769,540 and \$465,460, in the governmental activities and the business-type activities, respectively. The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding, and the assets held in trust as a result of the advance refunding are not included in the accompanying basic financial statements.

The reacquisition price exceeded the net carrying amount of the old debt by \$320,173 in the governmental activities and \$31,165 in the business-type activities. The City also received a premium on the issue allocated to the governmental activities and the business-type activities in the amounts of \$262,923 and \$25,654, respectively. These amounts are being amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

The bond issue also resulted in \$155,000 in new money, which the City used to help pay costs incurred related to the refunding.

Land Acquisition Improvement Refunding Bonds, Series 2012

On February 1, 2012, the City issued \$4,675,000 in land acquisition improvement general obligation refunding bonds. The bonds bear interest at rates ranging from 1.375 percent to 3.75 percent per annum and mature on December 1, 2027. A portion of the proceeds of the bonds were used to purchase U.S. Treasury Securities and to provide cash that was placed in an escrow account to advance refund the City's land acquisition improvement general obligation bonds. The refunded bonds are not included in the City's outstanding debt since the City satisfied its obligation for those bonds through this advance refunding.

The reacquisition price exceeded the net carrying amount of the old debt by \$231,900. The City also received a premium on the issue of \$341,070. These amounts are being amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

Weston Woods Subdivision Bonds, Series 2008

On July 16, 2008, the City issued \$300,000 in general obligation bonds attributable to the sewer fund for projects completed in the Weston Woods Subdivision. The bonds bear interest at rates ranging from 5.5 percent to 5.75 percent per annum and mature on December 1, 2028.

CITY OF AURORA, OHIO

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

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

Ohio Water Development Authority (OWDA) Loans

The City has pledged future sewer revenues to repay OWDA loans. The loans are payable solely from sewer fund revenues and are payable through 2029. Annual principal and interest payments on the loans are expected to require 60.30 percent of net revenues and 25.07 percent of total revenues. The total principal and interest remaining to be paid on the loans is \$745,215. Principal and interest paid for the current year was \$727,022, total net revenues were \$1,205,713, and total revenues were \$2,899,980.

Ohio Public Works Commission (OPWC) Loans

The City has OPWC loans for various construction projects. The loans are zero interest loans and are payable through 2044 by the road and bridge levy fund (a nonmajor governmental fund), the water fund, and the sewer fund. The loans in the water fund are payable from water fund revenues, and the loans in the sewer fund are payable from sewer fund revenues.

Future Debt Service Requirements

The remaining commitments under long-term bonds and loans are as follows for governmental activities:

Year Ending December 31,	G. O. Bonds			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 877,522	\$ 117,666	\$ 995,188	\$ 47,840	\$ -	\$ 47,840
2019	295,000	94,912	389,912	32,838	-	32,838
2020	295,000	90,118	385,118	8,187	-	8,187
2021	300,000	84,587	384,587	8,188	-	8,188
2022	310,000	74,088	384,088	8,187	-	8,187
2023 - 2027	1,730,000	196,838	1,926,838	12,281	-	12,281
Total	<u>\$ 3,807,522</u>	<u>\$ 658,209</u>	<u>\$ 4,465,731</u>	<u>\$ 117,521</u>	<u>\$ -</u>	<u>\$ 117,521</u>

The remaining commitments under long-term bonds and loans are as follows for business-type activities:

Year Ending December 31,	OWDA Loans			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 218,841	\$ 19,490	\$ 238,331	\$ 17,670	\$ -	\$ 17,670
2019	227,627	12,859	240,486	17,670	-	17,670
2020	236,766	5,962	242,728	17,670	-	17,670
2021	1,989	603	2,592	17,669	-	17,669
2022	2,059	543	2,602	17,670	-	17,670
2023 - 2027	11,411	1,735	13,146	48,349	-	48,349
2028 - 2032	5,136	194	5,330	38,348	-	38,348
2033 - 2037	-	-	-	38,349	-	38,349
2038 - 2042	-	-	-	38,348	-	38,348
2043 - 2044	-	-	-	11,505	-	11,505
Total	<u>\$ 703,829</u>	<u>\$ 41,386</u>	<u>\$ 745,215</u>	<u>\$ 263,248</u>	<u>\$ -</u>	<u>\$ 263,248</u>

CITY OF AURORA, OHIO

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

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	G. O. Bonds		
	Principal	Interest	Total
2018	\$ 72,478	\$ 19,272	\$ 91,750
2019	15,000	10,925	25,925
2020	15,000	10,062	25,062
2021	15,000	9,200	24,200
2022	15,000	8,338	23,338
2023 - 2027	105,000	25,875	130,875
2028	25,000	1,438	26,438
Total	<u>\$ 262,478</u>	<u>\$ 85,110</u>	<u>\$ 347,588</u>

Legal Debt Margin

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of the property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2017, the City's voted debt margin was \$62,895,834 and the unvoted debt margin was \$34,129,060.

NOTE 9 - COMPENSATED ABSENCES

Vacation leave is earned at rates that vary depending upon length of service and standard workweek. Vacation leave cannot be accumulated and must be used or will be lost at the end of each year. City employees are paid for earned, unused vacation leave at the time of termination of employment.

A permanent full-time employee working a normal forty-hour average workweek shall accrue sick leave at the rate of 1.25 workdays for each full calendar month of service. There is no limit as to the accumulation of sick leave days. Upon retirement from the City, each employee working a normal forty-hour workweek shall receive the lesser of eighty working days of pay or a formula established by the City's employee ordinance. Permanent full-time firefighters working a fifty-three hour average workweek shall earn sick leave at a rate of fourteen hours for each full calendar month of service.

Eligible employees can also earn compensatory time in accordance with City policy. Applicable employees can receive a compensatory time payout at will, which is based upon the balance of unused compensatory time multiplied by the rate of pay at the time of the payout.

NOTE 10 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City contracted with HCC Companies (HCC) for blanket property liability, general liability and excess general liability coverage for \$38,000,120, \$1,000,000 and \$4,000,000, respectively.

CITY OF AURORA, OHIO

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

NOTE 10 - RISK MANAGEMENT - (Continued)

Law enforcement liability is provided by HCC with a \$5,000 deductible for \$1,000,000 in coverage for each person/occurrence. Vehicles are also covered by HCC and hold a \$500 deductible for comprehensive and a \$1,000 deductible for collision. Automobile liability has \$1,000,000 combined single limit of liability.

Cyber liability is provided by Illinois National Insurance Company (AIG) with a \$10,000 deductible for \$1,000,000 in coverage for each person/ occurrence.

Workers' compensation claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

The City provides a self-funded health insurance program through United Health Care, with claims processed by UMR on behalf of the City. The City uses the general fund to account for its risk financing and the City's claims liability is reflected within the general fund at year end.

As an integral part of the health insurance program, a reinsurance policy has been purchased covering claims in excess of \$85,000 per individual per year.

Settled claims have not exceeded the commercial coverage limits in any of the past three years.

Total contributions to the health insurance program during 2017 were \$2,288,680. The claims liability of \$238,900 reported in the government-wide financial statements at December 31, 2017 is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," as amended by GASB Statement No. 30 "Risk Financing Omnibus", which requires that a liability for claims be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the claims liability amount for the last two years are as follows:

	Balance at Beginning <u>of Year</u>	Current <u>Claims</u>	Claims <u>Payments</u>	Balance at End <u>of Year</u>
2017	\$ 238,316	\$ (2,288,096)	\$ 2,288,680	\$ 238,900
2016	220,799	(2,428,669)	2,446,186	238,316

The City continues to carry commercial insurance for other risks of loss, including vision insurance, life insurance and accidental death insurance for most employees. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

CITY OF AURORA, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

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

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

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

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

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

CITY OF AURORA, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

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

CITY OF AURORA, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$627,219 for 2017. Of this amount, \$65,234 is reported as due to other governments.

CITY OF AURORA, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

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

CITY OF AURORA, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2017 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2017 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$855,389 for 2017. Of this amount \$86,173 is reported as due to other governments.

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

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

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.034542%	0.044830%	0.035117%	0.185601%	
Proportion of the net pension liability/asset current measurement date	<u>0.033195%</u>	<u>0.038438%</u>	<u>0.040272%</u>	<u>0.1779070%</u>	
Change in proportionate share	<u>-0.001347%</u>	<u>-0.006392%</u>	<u>0.005155%</u>	<u>-0.007694%</u>	
Proportionate share of the net pension liability	\$ 7,538,019	\$ -	\$ -	\$ 11,268,412	\$ 18,806,431
Proportionate share of the net pension asset	-	(21,394)	(168)	-	(21,562)
Pension expense	1,532,374	15,456	207	1,365,061	2,913,098

CITY OF AURORA, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ 10,217	\$ -	\$ 1,707	\$ 3,188	\$ 15,112
Net difference between projected and actual earnings on pension plan investments	1,122,587	5,218	143	1,095,806	2,223,754
Changes of assumptions	1,195,621	5,214	189	-	1,201,024
Changes in employer's proportionate percentage/difference between employer contributions	70	-	-	172,590	172,660
City contributions subsequent to the measurement date	586,228	19,858	21,133	855,389	1,482,608
Total deferred outflows of resources	<u>\$ 2,914,723</u>	<u>\$ 30,290</u>	<u>\$ 23,172</u>	<u>\$ 2,126,973</u>	<u>\$ 5,095,158</u>
Deferred inflows of resources					
Differences between expected and actual experience	\$ 44,862	\$ 10,941	\$ -	\$ 25,945	\$ 81,748
Changes in employer's proportionate percentage/difference between employer contributions	162,609	-	-	342,941	505,550
Total deferred inflows of resources	<u>\$ 207,471</u>	<u>\$ 10,941</u>	<u>\$ -</u>	<u>\$ 368,886</u>	<u>\$ 587,298</u>

\$1,482,608 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2018.

CITY OF AURORA, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2018	\$ 846,980	\$ 1,014	\$ 300	\$ 390,065	\$ 1,238,359
2019	912,714	1,013	298	390,064	1,304,089
2020	394,233	786	290	290,234	685,543
2021	(32,903)	(1,062)	238	(100,984)	(134,711)
2022	-	(868)	243	(60,017)	(60,642)
Thereafter	-	(1,392)	670	(6,664)	(7,386)
Total	\$ 2,121,024	\$ (509)	\$ 2,039	\$ 902,698	\$ 3,025,252

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, for the defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

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

CITY OF AURORA, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

CITY OF AURORA, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 11,516,009	\$ 7,538,019	\$ 4,223,068
Combined Plan	1,538	(21,394)	(39,207)
Member-Directed Plan	403	(168)	(403)

CITY OF AURORA, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016 and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. 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.

CITY OF AURORA, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2016 are summarized below:

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

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

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

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

CITY OF AURORA, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 8.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25%), or one percentage point higher (9.25%) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 15,008,241	\$ 11,268,412	\$ 8,098,928

Changes Between Measurement Date and Report Date - In October 2017, the OP&F Board adopted certain assumptions changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8 percent. Although the exact amount of these changes is not known, it has the potential to impact the City's net pension liability.

NOTE 12 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment 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 health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 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 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

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

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

CITY OF AURORA, OHIO

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

NOTE 12 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

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

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2017, 2016, and 2015 were \$55,075, \$98,578, and \$89,734, respectively; 90.44% has been contributed for 2017 and 100% has been contributed for 2016 and 2017. The remaining 2017 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

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

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide 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 statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the website at www.op-f.org.

CITY OF AURORA, OHIO

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

NOTE 12 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% 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, one account is for health care benefits under an Internal Revenue Code Section 115 trust and the other account is for Medicare Part B reimbursements administered as an Internal Revenue Code Section 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

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

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the 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 contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$11,672 and \$8,763 for the year ended December 31, 2017, \$11,045 and \$8,418 for the year ended December 31, 2016, and \$11,096 and \$8,267, for the year ended December 31, 2015. 100% has been contributed for 2016 and 2015. 90.43% has been contributed for police and 89.87% has been contributed for firefighters for 2017. The remaining 2017 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

CITY OF AURORA, OHIO

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

NOTE 13 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance 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 and actual (non-GAAP budgetary basis) presented for the general fund and for the fire paramedic levy 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:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);
- (e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (f) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

	<u>General Fund</u>	<u>Fire Paramedic Levy Fund</u>
Budget basis	\$ (43,681)	\$ (101,091)
Net adjustment for revenue accruals	(166,808)	7,053
Net adjustment for expenditure accruals	146,169	3,357
Net adjustment for other sources/uses	106	-
Funds budgeted elsewhere	26	-
Adjustment for encumbrances	<u>247,404</u>	<u>17,795</u>
GAAP basis	<u>\$ 183,216</u>	<u>\$ (72,886)</u>

Certain funds that are legally budgeted in separate fund classifications by the City are considered part of the general fund on a GAAP basis. This includes the medical reserve fund and unclaimed monies fund.

CITY OF AURORA, OHIO

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

NOTE 14 - CONTINGENCIES

A. Grants

The City received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2017.

B. Litigation

At December 31, 2017, the City was not involved in any pending litigation that would potentially have a material adverse effect on the City's financial position.

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CITY OF AURORA, OHIO

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

NOTE 15 - FUND BALANCE

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

Fund Balance	General	Fire Paramedic Levy Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepayments	\$ 248,787	\$ 12,340	\$ 72,349	\$ 333,476
Materials and supplies inventory	20,906	-	-	20,906
Unclaimed monies	31,267	-	-	31,267
Total nonspendable	300,960	12,340	72,349	385,649
Restricted:				
Capital projects	-	-	784,904	784,904
Debt service	-	-	515,978	515,978
Transportation projects	-	-	1,475,184	1,475,184
Security of persons and property	-	121,225	633,589	754,814
Other purposes	-	-	823,108	823,108
Total restricted	-	121,225	4,232,763	4,353,988
Committed:				
Capital projects	43,751	-	2,885,474	2,929,225
General government	10,374	-	-	10,374
Security of persons and property	286	-	-	286
Transportation projects	13,719	-	27,200	40,919
Community environment	2,520	-	-	2,520
Leisure time activities	-	-	100,622	100,622
Medical reserve	700,000	-	-	700,000
Other purposes	-	-	4,540	4,540
Total committed	770,650	-	3,017,836	3,788,486
Assigned:				
Capital projects	-	-	2,812,231	2,812,231
Debt service	-	-	439,378	439,378
General government	32,653	-	-	32,653
Security of persons and property	31,859	-	-	31,859
Transportation projects	36,020	-	-	36,020
Community environment	10,399	-	-	10,399
Subsequent year appropriations	13,896	-	-	13,896
Total assigned	124,827	-	3,251,609	3,376,436
Unassigned	10,077,707	-	-	10,077,707
Total fund balances	\$ 11,274,144	\$ 133,565	\$ 10,574,557	\$ 21,982,266

CITY OF AURORA, OHIO

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

NOTE 16 - CONTRACTUAL COMMITMENTS

As a result of various capital projects that were in progress at year end, the City had the following outstanding contractual commitments at December 31, 2017:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Amount Outstanding</u>
Hedjuk-Cox and Associates	\$ 57,718	\$ (19,355)	\$ 38,363
Artistic Design Homes	15,700	-	15,700
Glaus, Pyle, Schomer, Burns & Dehaven, Inc.	194,700	(95,235)	99,465
Rudzik Excavating	330,600	(325,689)	4,911
Interaction Insight GLR Corporation	25,169	-	25,169
EMT & T	21,400	(5,350)	16,050
Stantec Consulting Services, Inc.	48,500	(3,029)	45,471
Emshoff Excavating Inc.	12,455	-	12,455
Daniel Terreri & Sons	137,000	(111,945)	25,055
Software Solutions Inc.	5,625	-	5,625
Total Contractual Commitments	<u>\$ 848,867</u>	<u>\$ (560,603)</u>	<u>\$ 288,264</u>

NOTE 17 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year End Encumbrances</u>
General	\$ 181,581
Fire paramedic levy fund	11,713
Nonmajor governmental funds	<u>541,672</u>
Total	<u>\$ 734,966</u>

NOTE 18 - TAX ABATEMENTS

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

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA’s are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity’s property tax bill. The City has no “clawback” provisions to recapture abated taxes, however a review board annually evaluates future status of each CRA. The total value of the City’s share of taxes abated for 2017 was \$62,707.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF AURORA, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.033195%	0.034542%	0.035408%	0.035408%
City's proportionate share of the net pension liability	\$ 7,538,019	\$ 5,983,109	\$ 4,270,601	\$ 4,174,143
City's covered payroll	\$ 4,311,208	\$ 4,336,775	\$ 4,352,192	\$ 4,267,338
City's proportionate share of the net pension liability as a percentage of its covered payroll	174.85%	137.96%	98.13%	97.82%
Plan fiduciary net position as a percentage of the total pension liability	77.25%	81.08%	86.45%	86.36%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.038438%	0.044830%	0.042465%	0.042465%
City's proportionate share of the net pension asset	\$ 21,394	\$ 21,815	\$ 16,351	\$ 4,457
City's covered payroll	\$ 149,625	\$ 149,883	\$ 155,225	\$ 135,769
City's proportionate share of the net pension asset as a percentage of its covered payroll	14.30%	14.55%	10.53%	3.28%
Plan fiduciary net position as a percentage of the total pension asset	116.55%	116.90%	114.83%	104.56%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.040272%	0.035117%	n/a	n/a
City's proportionate share of the net pension asset	\$ 168	\$ 134	n/a	n/a
City's covered payroll	\$ 164,692	\$ 185,967	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.10%	0.07%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	103.40%	103.91%	n/a	n/a

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

Amounts presented for each 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 AURORA, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.17790700%	0.18560100%	0.18067450%	0.18067450%
City's proportionate share of the net pension liability	\$ 11,268,412	\$ 11,939,871	\$ 9,359,693	\$ 8,799,414
City's covered payroll	\$ 3,892,507	\$ 3,814,159	\$ 3,629,439	\$ 3,605,323
City's proportionate share of the net pension liability as a percentage of its covered payroll	289.49%	313.04%	257.88%	244.07%
Plan fiduciary net position as a percentage of the total pension liability	68.36%	66.77%	72.20%	73.00%

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

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 AURORA, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 586,228	\$ 517,345	\$ 520,413	\$ 522,263
Contributions in relation to the contractually required contribution	<u>(586,228)</u>	<u>(517,345)</u>	<u>(520,413)</u>	<u>(522,263)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 4,509,446	\$ 4,311,208	\$ 4,336,775	\$ 4,352,192
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 19,858	\$ 17,955	\$ 17,986	\$ 18,627
Contributions in relation to the contractually required contribution	<u>(19,858)</u>	<u>(17,955)</u>	<u>(17,986)</u>	<u>(18,627)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 152,754	\$ 149,625	\$ 149,883	\$ 155,225
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 21,133	\$ 19,763	\$ 22,316	
Contributions in relation to the contractually required contribution	<u>(21,133)</u>	<u>(19,763)</u>	<u>(22,316)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
City's covered payroll	\$ 211,330	\$ 164,692	\$ 185,967	
Contributions as a percentage of covered payroll	10.00%	12.00%	12.00%	

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 554,754	\$ 407,678	\$ 408,274	\$ 388,125	\$ 378,569	\$ 310,278
<u>(554,754)</u>	<u>(407,678)</u>	<u>(408,274)</u>	<u>(388,125)</u>	<u>(378,569)</u>	<u>(310,278)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,267,338	\$ 4,076,780	\$ 4,082,740	\$ 4,351,177	\$ 4,656,445	\$ 4,432,543
13.00%	10.00%	10.00%	8.92%	8.13%	7.00%
\$ 17,650	\$ 10,025	\$ 10,220	\$ 12,271	\$ -	\$ -
<u>(17,650)</u>	<u>(10,025)</u>	<u>(10,220)</u>	<u>(12,271)</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 135,769	\$ 126,101	\$ 128,553	\$ 126,636	\$ -	\$ -
13.00%	7.95%	7.95%	9.69%	8.13%	7.00%

CITY OF AURORA, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Police:</i>				
Contractually required contribution	\$ 443,531	\$ 419,693	\$ 410,562	\$ 397,616
Contributions in relation to the contractually required contribution	<u>(443,531)</u>	<u>(419,693)</u>	<u>(410,562)</u>	<u>(397,616)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,334,374	\$ 2,208,911	\$ 2,160,853	\$ 2,092,716
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 411,858	\$ 395,645	\$ 388,527	\$ 361,130
Contributions in relation to the contractually required contribution	<u>(411,858)</u>	<u>(395,645)</u>	<u>(388,527)</u>	<u>(361,130)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,752,587	\$ 1,683,596	\$ 1,653,306	\$ 1,536,723
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 331,987	\$ 252,147	\$ 251,971	\$ 237,763	\$ 239,637	\$ 236,671
<u>(331,987)</u>	<u>(252,147)</u>	<u>(251,971)</u>	<u>(237,763)</u>	<u>(239,637)</u>	<u>(236,671)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,090,598	\$ 1,977,624	\$ 1,976,243	\$ 1,864,808	\$ 1,879,506	\$ 1,856,243
15.88%	12.75%	12.75%	12.75%	12.75%	12.75%
\$ 308,701	\$ 252,664	\$ 260,890	\$ 242,674	\$ 233,563	\$ 226,268
<u>(308,701)</u>	<u>(252,664)</u>	<u>(260,890)</u>	<u>(242,674)</u>	<u>(233,563)</u>	<u>(226,268)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,514,725	\$ 1,464,719	\$ 1,512,406	\$ 1,406,806	\$ 1,353,988	\$ 1,311,699
20.38%	17.25%	17.25%	17.25%	17.25%	17.25%

CITY OF AURORA, OHIO

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

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

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

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

OHIO POLICE AND FIRE (OP&F) PENSION FUND

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

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

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

CITY OF AURORA, OHIO
INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

GENERAL FUND

The general fund is used to account for and report 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 general laws of Ohio.

SPECIAL REVENUE FUNDS

The special revenue funds are used to account for all specific financial resources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The following are the special revenue funds which the City operates:

Major Special Revenue Fund

Fire Paramedic Levy Fund

This fund accounts for tax monies and expenditures restricted to fire paramedic activities.

Nonmajor Special Revenue Funds

Special Assessment

This fund accounts for the collected taxes levied by special assessment where specified improvements were levied to specific taxpayers and expenditures to pay the costs associated with collection and payment.

Capital FEMA Grant

This fund was established to record and monitor Federal Emergency Management Association (FEMA) grant dollars.

Community Housing Improvement (CHIP)

This fund accounts for funding from the CHIP program to provide funding to improve and provide affordable housing for low and moderate income citizens and strengthening neighborhoods through community collaboration.

Police Wireless 911

This fund accounts for a tax included on cell phone bills which was remitted to the City and required to be spent on equipment necessary to locate mobile 911 calls.

Streetscape Abatement

This fund is restricted for the purchase of items enhancing the City's streetscape.

Ohio Police Office Training

This fund accounts for grant dollars restricted for police officer training expenditures.

Parks and Lake

This fund accounts for donations and grants related to the City's park and lake properties.

Parks and Recreation Sponsorship

This fund accounts for sponsorship donations to recreation teams.

Road and Bridge Levy

This fund accounts for tax monies and expenditures restricted to roads and bridges.

Police Levy

This fund accounts for tax monies and expenditures restricted to police activities.

Fire Levy

This fund accounts for tax monies and expenditures restricted to fire activities.

CITY OF AURORA, OHIO

INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS (CONTINUED)

Nonmajor Special Revenue Funds (Continued)

Street Construction Maintenance and Repair

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

State Highway Improvement

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

Police D.A.R.E

This fund accounts for grant dollars for drug abuse resistance education.

Sunny Lake Oil Royalties

This fund accounts for revenues obtained from oil and gas wells at the Sunny Lake Park.

DWI Law Enforcement

This fund accounts for fines designated to subsidize each agency's law enforcement effort that pertain to DWI offenses.

Police Contraband Sales

This fund accounts for receipts from the sale of items seized and forfeited to the City.

Drug Fines and Enforcement Education

This fund accounts for fines designated to subsidize each agency's law enforcement effort that pertain to drug offenses.

Safety Town

This fund accounts for grants and donations to the Safety Town program, as well as corresponding expenditures.

Recreation

This fund accounts for the Parks & Recreation enterprise activity.

The following funds are included in the general fund (GAAP-basis), but have a separate legally adopted budget (budget basis). These funds are not included in the combining statements for the nonmajor special revenue funds since they are reported in the general fund (GAAP-basis); however, the budgetary schedule for these funds are presented in this section.

Medical Reserve

This fund was established to serve as an emergency reserve in case medical claims exceeded the estimated (and budgeted) amount.

Unclaimed Monies

To account for unclaimed funds.

DEBT SERVICE FUND

Nonmajor Debt Service Fund

Bond Retirement

The bond retirement fund accounts for the resources that are used for the payment of principal, interest and other fiscal charges on general obligation debt.

CITY OF AURORA, OHIO
INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

The capital project funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary fund types. Following is a description of the capital project funds:

Nonmajor Capital Projects Funds

City Operations

This fund accounts for capital expenditures that will help satisfy future operating needs of the City.

Building and Grounds

This fund accounts for capital expenditures pertaining to City buildings and properties.

Parks & Recreation Land/Property Acquisition

This fund accounts for the expenditure of monies for land and property acquisition.

Capital Improvement

This fund accounts for capital expenditures and acquisitions for the City.

Capital Improvement Public Space

This fund accounts for capital expenditures related to parks and public spaces.

Emergency Capital

This fund was established to serve as an emergency reserve for unexpected capital needs.

Road Programs

This fund accounts for major road capital improvements.

Aurora Lake Road Capital

This fund accounts for receipts from new development pertaining to maintenance and repair for Aurora Lake Road.

CITY OF AURORA, OHIO

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 12,640,063	\$ 12,640,063	\$ 14,159,679	\$ 1,519,616
Real and other taxes	1,164,480	1,164,480	1,304,476	139,996
Other local taxes	369,507	369,507	413,930	44,423
Charges for services	143,719	143,719	160,997	17,278
Licenses and permits	425,338	425,338	476,473	51,135
Fines and forfeitures	34,599	34,599	38,759	4,160
Intergovernmental	304,335	304,335	340,923	36,588
Investment income	233,531	233,531	261,607	28,076
Rental income	8,438	8,438	9,452	1,014
Other	561,699	561,699	629,228	67,529
Total revenues	<u>15,885,709</u>	<u>15,885,709</u>	<u>17,795,524</u>	<u>1,909,815</u>
Expenditures:				
Current:				
General government				
Mayor	582,674	582,674	507,441	75,233
Civil services.	23,895	23,895	13,132	10,763
Finance	1,075,363	1,095,363	1,000,640	94,723
Legal	430,558	470,559	411,693	58,866
Legislative	244,824	244,824	224,706	20,118
Total general government.	<u>2,357,314</u>	<u>2,417,315</u>	<u>2,157,612</u>	<u>259,703</u>
Security of persons and property				
Police.	5,048,891	5,148,891	4,937,878	211,013
Fire.	2,769,348	2,799,348	2,614,380	184,968
Total security of persons and property	<u>7,818,239</u>	<u>7,948,239</u>	<u>7,552,258</u>	<u>395,981</u>
Transportation				
Service	2,520,989	2,540,989	2,115,349	425,640
Total transportation.	<u>2,520,989</u>	<u>2,540,989</u>	<u>2,115,349</u>	<u>425,640</u>
Community environment				
Engineering	316,038	321,038	265,800	55,238
Planning and zoning	869,433	879,433	825,957	53,476
Total community enviroment.	<u>1,185,471</u>	<u>1,200,471</u>	<u>1,091,757</u>	<u>108,714</u>
Contingencies	39,064	487,022	455,078	31,944
Total expenditures.	<u>13,921,077</u>	<u>14,594,036</u>	<u>13,372,054</u>	<u>1,221,982</u>
Excess of revenues over expenditures	<u>1,964,632</u>	<u>1,291,673</u>	<u>4,423,470</u>	<u>3,131,797</u>
Other financing sources (uses):				
Sale of capital assets	22,182	22,182	24,849	2,667
Advances in.	44,634	44,634	50,000	5,366
Advances (out)	-	(50,000)	(50,000)	-
Transfers (out)	(2,193,526)	(4,492,000)	(4,492,000)	-
Total other financing (uses).	<u>(2,126,710)</u>	<u>(4,475,184)</u>	<u>(4,467,151)</u>	<u>8,033</u>
Net change in fund balance	(162,078)	(3,183,511)	(43,681)	3,139,830
Fund balance at beginning of year	9,093,191	9,093,191	9,093,191	-
Prior year encumbrances appropriated.	195,222	195,222	195,222	-
Fund balance at end of year	<u>\$ 9,126,335</u>	<u>\$ 6,104,902</u>	<u>\$ 9,244,732</u>	<u>\$ 3,139,830</u>

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CITY OF AURORA, OHIO

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fire Paramedic Levy				
Total revenues and other sources	\$ 900,696	\$ 1,072,230	\$ 1,053,538	\$ (18,692)
Total expenditures and other uses.	<u>982,608</u>	<u>1,204,142</u>	<u>1,154,629</u>	<u>49,513</u>
Net change in fund balances	(81,912)	(131,912)	(101,091)	30,821
Fund balance at beginning of year.	145,459	145,459	145,459	-
Prior year encumbrances appropriated.	<u>75,894</u>	<u>75,894</u>	<u>75,894</u>	-
Fund balance at end of year	<u>\$ 139,441</u>	<u>\$ 89,441</u>	<u>\$ 120,262</u>	<u>\$ 30,821</u>

CITY OF AURORA, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 2,551,373	\$ 955,356	\$ 6,352,817	\$ 9,859,546
Receivables:				
Municipal income taxes	-	-	150,000	150,000
Real and other taxes	831,384	399,573	-	1,230,957
Accounts	4,771	-	716	5,487
Accrued interest.	1,681	-	-	1,681
Special assessments.	8,610	-	-	8,610
Loans	552,130	-	-	552,130
Due from other governments.	458,000	26,094	13,149	497,243
Prepayments	63,431	-	8,918	72,349
Total assets	<u>\$ 4,471,380</u>	<u>\$ 1,381,023</u>	<u>\$ 6,525,600</u>	<u>\$ 12,378,003</u>
Liabilities:				
Accounts payable	\$ 81,513	\$ -	\$ 8,529	\$ 90,042
Contracts payable	1,091	-	25,544	26,635
Accrued wages and benefits payable	12,865	-	-	12,865
Compensated absences payable	21,025	-	-	21,025
Due to other governments.	9,620	-	-	9,620
Total liabilities	<u>126,114</u>	<u>-</u>	<u>34,073</u>	<u>160,187</u>
Deferred inflows of resources:				
Real and other taxes levied for the next fiscal year	801,408	384,728	-	1,186,136
Delinquent property tax revenue not available	29,976	14,845	-	44,821
Accrued interest not available.	539	-	-	539
Special assessments revenue not available	8,610	-	-	8,610
Intergovernmental revenue not available	377,059	26,094	-	403,153
Total deferred inflows of resources.	<u>1,217,592</u>	<u>425,667</u>	<u>-</u>	<u>1,643,259</u>
Fund Balances:				
Nonspendable	63,431	-	8,918	72,349
Restricted	2,931,881	515,978	784,904	4,232,763
Committed	132,362	-	2,885,474	3,017,836
Assigned	-	439,378	2,812,231	3,251,609
Total fund balances	<u>3,127,674</u>	<u>955,356</u>	<u>6,491,527</u>	<u>10,574,557</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,471,380</u>	<u>\$ 1,381,023</u>	<u>\$ 6,525,600</u>	<u>\$ 12,378,003</u>

CITY OF AURORA, OHIO

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Municipal income taxes	\$ -	\$ -	\$ 675,000	\$ 675,000
Real and other taxes	707,143	342,439	-	1,049,582
Charges for services	434,036	-	-	434,036
Fines and forfeitures	490	-	-	490
Intergovernmental	1,120,015	44,105	50,001	1,214,121
Investment income	8,854	-	-	8,854
Other revenue	12,907	-	74,629	87,536
Total revenues	<u>2,283,445</u>	<u>386,544</u>	<u>799,630</u>	<u>3,469,619</u>
Expenditures:				
Current:				
General government	12,345	6,029	-	18,374
Security of persons and property	267,109	-	-	267,109
Transportation	910,590	-	-	910,590
Community environment	58,708	-	-	58,708
Leisure time activity	1,854,255	-	-	1,854,255
Capital outlay	656,277	-	2,276,794	2,933,071
Debt service:				
Principal retirement	55,338	845,333	-	900,671
Interest and fiscal charges	-	149,705	-	149,705
Total expenditures	<u>3,814,622</u>	<u>1,001,067</u>	<u>2,276,794</u>	<u>7,092,483</u>
Excess of expenditures over revenues	<u>(1,531,177)</u>	<u>(614,523)</u>	<u>(1,477,164)</u>	<u>(3,622,864)</u>
Other financing sources:				
Transfers in	<u>1,700,000</u>	<u>483,000</u>	<u>1,575,000</u>	<u>3,758,000</u>
Total other financing sources	<u>1,700,000</u>	<u>483,000</u>	<u>1,575,000</u>	<u>3,758,000</u>
Net change in fund balances	168,823	(131,523)	97,836	135,136
Fund balances at beginning of year	<u>2,958,851</u>	<u>1,086,879</u>	<u>6,393,691</u>	<u>10,439,421</u>
Fund balances at end of year	<u><u>\$ 3,127,674</u></u>	<u><u>\$ 955,356</u></u>	<u><u>\$ 6,491,527</u></u>	<u><u>\$ 10,574,557</u></u>

CITY OF AURORA, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017

	<u>Special Assesment</u>	<u>Capital FEMA Grant</u>	<u>CHIP</u>	<u>Police Wireless 911</u>
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 50,944	\$ 8,242	\$ 129,289	\$ 25,880
Receivables:				
Real and other taxes	-	-	-	-
Accounts	-	-	-	-
Accrued interest.	-	-	-	-
Special assessments.	8,610	-	-	-
Loans	-	-	552,130	-
Due from other governments.	-	-	-	-
Prepayments	-	-	-	40,097
Total assets	<u>\$ 59,554</u>	<u>\$ 8,242</u>	<u>\$ 681,419</u>	<u>\$ 65,977</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits payable	-	-	-	-
Compensated absences payable	-	-	-	-
Due to other governments.	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Real and other taxes levied for the next fiscal year . .	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Accrued interest not available.	-	-	-	-
Special assessments revenue not available	8,610	-	-	-
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>8,610</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	40,097
Restricted	50,944	8,242	681,419	25,880
Committed	-	-	-	-
Total fund balances.	<u>50,944</u>	<u>8,242</u>	<u>681,419</u>	<u>65,977</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 59,554</u>	<u>\$ 8,242</u>	<u>\$ 681,419</u>	<u>\$ 65,977</u>

<u>Streetscape Abatement</u>	<u>Ohio Police Officer Training</u>	<u>Parks and Lake</u>	<u>Parks and Recreation Sponsorship</u>	<u>Road and Bridge Levy</u>	<u>Police Levy</u>
\$ 27,200	\$ 12,033	\$ 198	\$ 6,856	\$ 112,777	\$ 138,754
-	-	-	-	551,355	114,557
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	28,101	6,022
-	-	-	-	-	-
<u>\$ 27,200</u>	<u>\$ 12,033</u>	<u>\$ 198</u>	<u>\$ 6,856</u>	<u>\$ 692,233</u>	<u>\$ 259,333</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	1,091	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,091	-
-	-	-	-	531,211	110,535
-	-	-	-	20,144	4,022
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	28,101	6,022
-	-	-	-	579,456	120,579
-	-	-	-	-	-
-	12,033	-	-	111,686	138,754
27,200	-	198	6,856	-	-
<u>27,200</u>	<u>12,033</u>	<u>198</u>	<u>6,856</u>	<u>111,686</u>	<u>138,754</u>
<u>\$ 27,200</u>	<u>\$ 12,033</u>	<u>\$ 198</u>	<u>\$ 6,856</u>	<u>\$ 692,233</u>	<u>\$ 259,333</u>

Continued

CITY OF AURORA, OHIO

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

	<u>Fire Levy</u>	<u>Street Construction Maintenance & Repair</u>	<u>Street Highway Improvement</u>	<u>Police D.A.R.E.</u>
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 494,835	\$ 1,026,072	\$ 314,651	\$ 84
Receivables:				
Real and other taxes	165,472	-	-	-
Accounts	-	-	-	-
Accrued interest.	-	1,286	395	-
Special assessments.	-	-	-	-
Loans	-	-	-	-
Due from other governments.	8,029	389,317	26,506	-
Prepayments	-	-	-	-
Total assets	<u>\$ 668,336</u>	<u>\$ 1,416,675</u>	<u>\$ 341,552</u>	<u>\$ 84</u>
Liabilities:				
Accounts payable	\$ -	\$ 59,283	\$ -	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits payable	-	-	-	-
Compensated absences payable	-	-	-	-
Due to other governments.	-	-	-	-
Total liabilities	<u>-</u>	<u>59,283</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Real and other taxes levied for the next fiscal year	159,662	-	-	-
Delinquent property tax revenue not available	5,810	-	-	-
Accrued interest not available.	-	412	127	-
Special assessments revenue not available	-	-	-	-
Intergovernmental revenue not available	8,029	312,838	22,069	-
Total deferred inflows of resources	<u>173,501</u>	<u>313,250</u>	<u>22,196</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	494,835	1,044,142	319,356	84
Committed	-	-	-	-
Total fund balances.	<u>494,835</u>	<u>1,044,142</u>	<u>319,356</u>	<u>84</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 668,336</u>	<u>\$ 1,416,675</u>	<u>\$ 341,552</u>	<u>\$ 84</u>

<u>Sunny Lake Oil Royalties</u>	<u>DWI Law Enforcement</u>	<u>Police Contraband Sales</u>	<u>Drug Fines Enforcement & Education</u>	<u>Safety Town</u>	<u>Recreation</u>	<u>Totals</u>
\$ 3,920	\$ 15,537	\$ -	\$ 925	\$ 28,019	\$ 155,157	\$ 2,551,373
-	-	-	-	-	-	831,384
422	-	-	-	-	4,349	4,771
-	-	-	-	-	-	1,681
-	-	-	-	-	-	8,610
-	-	-	-	-	-	552,130
-	25	-	-	-	-	458,000
-	-	-	-	-	23,334	63,431
<u>\$ 4,342</u>	<u>\$ 15,562</u>	<u>\$ -</u>	<u>\$ 925</u>	<u>\$ 28,019</u>	<u>\$ 182,840</u>	<u>\$ 4,471,380</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,230	\$ 81,513
-	-	-	-	-	-	1,091
-	-	-	-	-	12,865	12,865
-	-	-	-	-	21,025	21,025
-	-	-	-	-	9,620	9,620
-	-	-	-	-	65,740	126,114
-	-	-	-	-	-	801,408
-	-	-	-	-	-	29,976
-	-	-	-	-	-	539
-	-	-	-	-	-	8,610
-	-	-	-	-	-	377,059
-	-	-	-	-	-	1,217,592
-	-	-	-	-	23,334	63,431
-	15,562	-	925	28,019	-	2,931,881
4,342	-	-	-	-	93,766	132,362
<u>4,342</u>	<u>15,562</u>	<u>-</u>	<u>925</u>	<u>28,019</u>	<u>117,100</u>	<u>3,127,674</u>
<u>\$ 4,342</u>	<u>\$ 15,562</u>	<u>\$ -</u>	<u>\$ 925</u>	<u>\$ 28,019</u>	<u>\$ 182,840</u>	<u>\$ 4,471,380</u>

CITY OF AURORA, OHIO

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

	<u>Special Assesment</u>	<u>Capital FEMA Grant</u>	<u>CHIP</u>	<u>Police Wireless 911</u>
Revenues:				
Real and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Other revenue	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
General government.	-	-	-	-
Security of persons and property	-	-	-	5,295
Transportation	-	-	-	-
Community environment	-	-	58,708	-
Leisure time activity.	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement.	-	-	-	-
Total expenditures.	<u>-</u>	<u>-</u>	<u>58,708</u>	<u>5,295</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(58,708)</u>	<u>(5,295)</u>
Other financing sources:				
Transfers in.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances.	-	-	(58,708)	(5,295)
Fund balances at beginning of year	<u>50,944</u>	<u>8,242</u>	<u>740,127</u>	<u>71,272</u>
Fund balances at end of year	<u><u>\$ 50,944</u></u>	<u><u>\$ 8,242</u></u>	<u><u>\$ 681,419</u></u>	<u><u>\$ 65,977</u></u>

Streetscape Abatement	Ohio Police Officer Training	Parks and Lake	Parks and Recreation Sponsorship	Road and Bridge Levy	Police Levy
\$ -	\$ -	\$ -	\$ -	\$ 466,085	\$ 98,616
-	-	-	-	-	-
-	-	-	-	-	-
-	6,280	-	-	215,776	10,818
-	-	-	-	-	-
-	-	-	6,374	-	-
-	6,280	-	6,374	681,861	109,434
-	-	-	-	8,207	1,693
-	814	-	-	-	100,000
-	-	-	-	507,504	-
-	-	-	-	-	-
-	-	-	2,228	-	-
-	-	-	-	1,091	-
-	-	-	-	55,338	-
-	814	-	2,228	572,140	101,693
-	5,466	-	4,146	109,721	7,741
-	-	-	-	-	-
-	-	-	-	-	-
-	5,466	-	4,146	109,721	7,741
27,200	6,567	198	2,710	1,965	131,013
<u>\$ 27,200</u>	<u>\$ 12,033</u>	<u>\$ 198</u>	<u>\$ 6,856</u>	<u>\$ 111,686</u>	<u>\$ 138,754</u>

Continued

CITY OF AURORA, OHIO

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

	<u>Fire Levy</u>	<u>Street Construction Maintenance & Repair</u>	<u>Street Highway Improvement</u>	<u>Police D.A.R.E.</u>
Revenues:				
Real and other taxes	\$ 142,442	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	15,625	816,161	54,855	-
Investment income	-	6,801	2,053	-
Other revenue	-	-	-	-
Total revenues	<u>158,067</u>	<u>822,962</u>	<u>56,908</u>	<u>-</u>
Expenditures:				
Current:				
General government	2,445	-	-	-
Security of persons and property	150,000	-	-	-
Transportation	-	364,173	38,913	-
Community environment	-	-	-	-
Leisure time activity	-	-	-	-
Capital outlay	-	652,290	-	-
Debt service:				
Principal retirement	-	-	-	-
Total expenditures	<u>152,445</u>	<u>1,016,463</u>	<u>38,913</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,622</u>	<u>(193,501)</u>	<u>17,995</u>	<u>-</u>
Other financing sources:				
Transfers in	-	355,000	-	-
Total other financing sources	<u>-</u>	<u>355,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,622	161,499	17,995	-
Fund balances at beginning of year	<u>489,213</u>	<u>882,643</u>	<u>301,361</u>	<u>84</u>
Fund balances at end of year	<u>\$ 494,835</u>	<u>\$ 1,044,142</u>	<u>\$ 319,356</u>	<u>\$ 84</u>

<u>Sunny Lake Oil Royalties</u>	<u>DWI Law Enforcement</u>	<u>Police Contraband Sales</u>	<u>Drug Fines Enforcement & Education</u>	<u>Safety Town</u>	<u>Recreation</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 707,143
-	-	2,709	-	575	430,752	434,036
-	490	-	-	-	-	490
-	-	-	-	-	500	1,120,015
-	-	-	-	-	-	8,854
5,648	258	-	-	-	627	12,907
<u>5,648</u>	<u>748</u>	<u>2,709</u>	<u>-</u>	<u>575</u>	<u>431,879</u>	<u>2,283,445</u>
-	-	-	-	-	-	12,345
-	-	3,074	-	7,926	-	267,109
-	-	-	-	-	-	910,590
-	-	-	-	-	-	58,708
-	-	-	-	-	1,852,027	1,854,255
2,896	-	-	-	-	-	656,277
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,338</u>
<u>2,896</u>	<u>-</u>	<u>3,074</u>	<u>-</u>	<u>7,926</u>	<u>1,852,027</u>	<u>3,814,622</u>
<u>2,752</u>	<u>748</u>	<u>(365)</u>	<u>-</u>	<u>(7,351)</u>	<u>(1,420,148)</u>	<u>(1,531,177)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,345,000</u>	<u>1,700,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,345,000</u>	<u>1,700,000</u>
2,752	748	(365)	-	(7,351)	(75,148)	168,823
1,590	14,814	365	925	35,370	192,248	2,958,851
<u>\$ 4,342</u>	<u>\$ 15,562</u>	<u>\$ -</u>	<u>\$ 925</u>	<u>\$ 28,019</u>	<u>\$ 117,100</u>	<u>\$ 3,127,674</u>

CITY OF AURORA, OHIO

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Assessment				
Fund balance at beginning of year	\$ 50,944	\$ 50,944	\$ 50,944	\$ -
Fund balance at end of year	\$ 50,944	\$ 50,944	\$ 50,944	\$ -
Capital FEMA Grant				
Total expenditures and other uses	\$ 8,242	\$ 8,242		\$ 8,242
Net change in fund balances	(8,242)	(8,242)	-	8,242
Fund balance at beginning of year	8,242	8,242	8,242	-
Fund balance at end of year	\$ -	\$ -	\$ 8,242	\$ 8,242
CHIP				
Total revenues and other sources	\$ -	\$ -	\$ 70,282	\$ 70,282
Net change in fund balances	-	-	70,282	70,282
Fund balance at beginning of year	59,007	59,007	59,007	-
Fund balance at end of year	\$ 59,007	\$ 59,007	\$ 129,289	\$ 70,282
Police Wireless 911				
Total expenditures and other uses	\$ 25,017	\$ 25,017		\$ 25,017
Net change in fund balances	(25,017)	(25,017)	-	25,017
Fund balance at beginning of year	25,880	25,880	25,880	-
Fund balance at end of year	\$ 863	\$ 863	\$ 25,880	\$ 25,017
Streetscape Abatement				
Fund balance at beginning of year	\$ 27,200	\$ 27,200	\$ 27,200	\$ -
Fund balance at end of year	\$ 27,200	\$ 27,200	\$ 27,200	\$ -

CITY OF AURORA, OHIO

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Ohio Police Officer Training				
Total revenues and other sources	\$ -	\$ -	\$ 6,280	\$ 6,280
Total expenditures and other uses.	6,000	6,000	814	5,186
Net change in fund balances	(6,000)	(6,000)	5,466	11,466
Fund balance at beginning of year.	6,567	6,567	6,567	-
Fund balance at end of year	<u>\$ 567</u>	<u>\$ 567</u>	<u>\$ 12,033</u>	<u>\$ 11,466</u>
Parks and Lake				
Fund balance at beginning of year.	\$ 198	\$ 198	\$ 198	\$ -
Fund balance at end of year	<u>\$ 198</u>	<u>\$ 198</u>	<u>\$ 198</u>	<u>\$ -</u>
Parks and Recreation Sponsorship				
Total revenues and other sources	\$ 4,500	\$ 4,500	\$ 6,374	\$ 1,874
Total expenditures and other uses.	3,000	3,000	2,228	772
Net change in fund balances	1,500	1,500	4,146	2,646
Fund balance at beginning of year.	2,710	2,710	2,710	-
Fund balance at end of year	<u>\$ 4,210</u>	<u>\$ 4,210</u>	<u>\$ 6,856</u>	<u>\$ 2,646</u>
Road and Bridge Levy				
Total revenues and other sources	\$ 688,078	\$ 688,078	\$ 681,861	\$ (6,217)
Total expenditures and other uses.	624,040	624,040	572,140	51,900
Net change in fund balances	64,038	64,038	109,721	45,683
Fund balance at beginning of year.	1,965	1,965	1,965	-
Fund balance at end of year	<u>\$ 66,003</u>	<u>\$ 66,003</u>	<u>\$ 111,686</u>	<u>\$ 45,683</u>

CITY OF AURORA, OHIO

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Police Levy				
Total revenues and other sources	\$ 109,231	\$ 109,231	\$ 109,434	\$ 203
Total expenditures and other uses.	102,100	117,100	101,693	15,407
Net change in fund balances	7,131	(7,869)	7,741	15,610
Fund balance at beginning of year.	131,013	131,013	131,013	-
Fund balance at end of year	<u>\$ 138,144</u>	<u>\$ 123,144</u>	<u>\$ 138,754</u>	<u>\$ 15,610</u>
Fire Levy				
Total revenues and other sources	\$ 157,779	\$ 157,779	\$ 158,067	\$ 288
Total expenditures and other uses.	153,100	153,100	152,445	655
Net change in fund balances	4,679	4,679	5,622	943
Fund balance at beginning of year.	489,213	489,213	489,213	-
Fund balance at end of year	<u>\$ 493,892</u>	<u>\$ 493,892</u>	<u>\$ 494,835</u>	<u>\$ 943</u>
Street Construction, Maintenance and Repair				
Total revenues and other sources	\$ 764,500	\$ 764,500	\$ 1,163,423	\$ 398,923
Total expenditures and other uses.	1,502,643	1,502,643	1,178,285	324,358
Net change in fund balances	(738,143)	(738,143)	(14,862)	723,281
Fund balance at beginning of year.	673,342	673,342	673,342	-
Prior year encumbrances appropriated.	191,088	191,088	191,088	-
Fund balance at end of year	<u>\$ 126,287</u>	<u>\$ 126,287</u>	<u>\$ 849,568</u>	<u>\$ 723,281</u>
State Highway Improvement				
Total revenues and other sources	\$ 50,900	\$ 50,900	\$ 57,191	\$ 6,291
Total expenditures and other uses.	58,985	58,985	40,177	18,808
Net change in fund balances	(8,085)	(8,085)	17,014	25,099
Fund balance at beginning of year.	295,621	295,621	295,621	-
Prior year encumbrances appropriated.	985	985	985	-
Fund balance at end of year	<u>\$ 288,521</u>	<u>\$ 288,521</u>	<u>\$ 313,620</u>	<u>\$ 25,099</u>

CITY OF AURORA, OHIO

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Police D.A.R.E				
Fund balance at beginning of year	\$ 84	\$ 84	\$ 84	\$ -
Fund balance at end of year	<u>\$ 84</u>	<u>\$ 84</u>	<u>\$ 84</u>	<u>\$ -</u>
Sunny Lake Oil Royalties				
Total revenues and other sources	\$ 4,500	\$ 4,500	\$ 5,402	\$ 902
Total expenditures and other uses.	<u>4,000</u>	<u>4,000</u>	<u>2,896</u>	<u>1,104</u>
Net change in fund balances	500	500	2,506	2,006
Fund balance at beginning of year.	<u>1,414</u>	<u>1,414</u>	<u>1,414</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,914</u>	<u>\$ 1,914</u>	<u>\$ 3,920</u>	<u>\$ 2,006</u>
DWI Law Enforcement				
Total revenues and other sources	\$ 750	\$ 750	\$ 545	\$ (205)
Total expenditures and other uses.	<u>2,677</u>	<u>2,677</u>	<u>-</u>	<u>2,677</u>
Net change in fund balances	(1,927)	(1,927)	545	2,472
Fund balance at beginning of year.	14,815	14,815	14,815	-
Prior year encumbrances appropriated.	<u>177</u>	<u>177</u>	<u>177</u>	<u>-</u>
Fund balance at end of year	<u>\$ 13,065</u>	<u>\$ 13,065</u>	<u>\$ 15,537</u>	<u>\$ 2,472</u>
Police Contraband Sales				
Total revenues and other sources	\$ -	\$ 2,709	\$ 2,709	\$ -
Total expenditures and other uses.	<u>365</u>	<u>3,074</u>	<u>3,074</u>	<u>-</u>
Net change in fund balances	(365)	(365)	(365)	-
Fund balance at beginning of year.	<u>365</u>	<u>365</u>	<u>365</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF AURORA, OHIO

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Drug Fines Enforcement and Education				
Total revenues and other sources	\$ 500	\$ 500	\$ -	\$ (500)
Net change in fund balances	500	500	-	(500)
Fund balance at beginning of year.	925	925	925	-
Fund balance at end of year	<u>\$ 1,425</u>	<u>\$ 1,425</u>	<u>\$ 925</u>	<u>\$ (500)</u>
Safety Town				
Total revenues and other sources	\$ 6,300	\$ 6,300	\$ 7,075	\$ 775
Total expenditures and other uses.	6,000	8,000	7,926	74
Net change in fund balances	300	(1,700)	(851)	849
Fund balance at beginning of year.	28,870	28,870	28,870	-
Fund balance at end of year	<u>\$ 29,170</u>	<u>\$ 27,170</u>	<u>\$ 28,019</u>	<u>\$ 849</u>
Recreation				
Total revenues and other sources	\$ 1,768,000	\$ 1,768,000	\$ 1,783,723	\$ 15,723
Total expenditures and other uses.	1,919,126	1,969,626	1,860,508	109,118
Net change in fund balances	(151,126)	(201,626)	(76,785)	124,841
Fund balance at beginning of year.	189,405	189,405	189,405	-
Prior year encumbrances appropriated.	22,103	22,103	22,103	-
Fund balance at end of year	<u>\$ 60,382</u>	<u>\$ 9,882</u>	<u>\$ 134,723</u>	<u>\$ 124,841</u>
Medical Reserve				
Fund balance at beginning of year.	\$ 700,000	\$ 700,000	\$ 700,000	\$ -
Fund balance at end of year	<u>\$ 700,000</u>	<u>\$ 700,000</u>	<u>\$ 700,000</u>	<u>\$ -</u>

CITY OF AURORA, OHIO

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Unclaimed Monies				
Total revenues and other sources	\$ 3,000	\$ 3,000	\$ 936	\$ (2,064)
Total expenditures and other uses.	<u>3,502</u>	<u>3,502</u>	<u>910</u>	<u>2,592</u>
Net change in fund balances	(502)	(502)	26	528
Fund balance at beginning of year.	<u>31,241</u>	<u>31,241</u>	<u>31,241</u>	<u>-</u>
Fund balance at end of year	<u>\$ 30,739</u>	<u>\$ 30,739</u>	<u>\$ 31,267</u>	<u>\$ 528</u>

CITY OF AURORA, OHIO

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Bond Retirement				
Total revenues and other sources	\$ 868,705	\$ 868,705	\$ 869,544	\$ 839
Total expenditures and other uses.	<u>1,005,039</u>	<u>1,005,039</u>	<u>1,001,067</u>	<u>3,972</u>
Net change in fund balances	(136,334)	(136,334)	(131,523)	4,811
Fund balance at beginning of year.	<u>1,086,879</u>	<u>1,086,879</u>	<u>1,086,879</u>	<u>-</u>
Fund balance at end of year	<u>\$ 950,545</u>	<u>\$ 950,545</u>	<u>\$ 955,356</u>	<u>\$ 4,811</u>

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CITY OF AURORA, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2017

	<u>City Operations</u>	<u>Buildings and Grounds</u>	<u>Capital Improvement</u>	<u>Capital Improvement Public Space</u>
Assets:				
Equity in pooled cash, cash equivalents and investments.	\$ 1,081,259	\$ 43,707	\$ 2,617,680	\$ 115,267
Receivables:				
Municipal income taxes	-	-	150,000	-
Accounts	-	-	716	-
Due from other governments.	-	-	13,149	-
Prepayments	-	-	8,918	-
Total assets	<u>\$ 1,081,259</u>	<u>\$ 43,707</u>	<u>\$ 2,790,463</u>	<u>\$ 115,267</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 8,529	\$ -
Contracts payable	12,735	-	11,264	1,545
Total liabilities	<u>12,735</u>	<u>-</u>	<u>19,793</u>	<u>1,545</u>
Fund Balances:				
Nonspendable	-	-	8,918	-
Restricted	-	-	-	-
Committed	-	-	2,761,752	113,722
Assigned	1,068,524	43,707	-	-
Total fund balances.	<u>1,068,524</u>	<u>43,707</u>	<u>2,770,670</u>	<u>113,722</u>
Total liabilities and fund balances	<u>\$ 1,081,259</u>	<u>\$ 43,707</u>	<u>\$ 2,790,463</u>	<u>\$ 115,267</u>

<u>Emergency Capital</u>	<u>Road Programs</u>	<u>Aurora Lake Road Capital</u>	<u>Totals</u>
\$ 1,700,000	\$ 784,904	\$ 10,000	\$ 6,352,817
-	-	-	150,000
-	-	-	716
-	-	-	13,149
-	-	-	8,918
<u>\$ 1,700,000</u>	<u>\$ 784,904</u>	<u>\$ 10,000</u>	<u>\$ 6,525,600</u>
\$ -	\$ -	\$ -	8,529
-	-	-	25,544
-	-	-	34,073
-	-	-	8,918
-	784,904	-	784,904
-	-	10,000	2,885,474
1,700,000	-	-	2,812,231
<u>1,700,000</u>	<u>784,904</u>	<u>10,000</u>	<u>6,491,527</u>
<u>\$ 1,700,000</u>	<u>\$ 784,904</u>	<u>\$ 10,000</u>	<u>\$ 6,525,600</u>

CITY OF AURORA, OHIO

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

	<u>City Operations</u>	<u>Buildings and Grounds</u>	<u>Parks and Recreation Land/ Property Acquisition</u>	<u>Capital Improvement</u>
Revenues:				
Municipal income taxes	\$ -	\$ -	\$ -	\$ 675,000
Intergovernmental	-	-	-	50,001
Other revenue	-	-	-	14,964
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>739,965</u>
Expenditures:				
Capital outlay	<u>292,548</u>	<u>-</u>	<u>4,801</u>	<u>1,873,799</u>
Total expenditures	<u>292,548</u>	<u>-</u>	<u>4,801</u>	<u>1,873,799</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(292,548)</u>	<u>-</u>	<u>(4,801)</u>	<u>(1,133,834)</u>
Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,225,000</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,225,000</u>
Net change in fund balances	(292,548)	-	(4,801)	91,166
Fund balances at beginning of year	<u>1,361,072</u>	<u>43,707</u>	<u>4,801</u>	<u>2,679,504</u>
Fund balances at end of year	<u>\$ 1,068,524</u>	<u>\$ 43,707</u>	<u>\$ -</u>	<u>\$ 2,770,670</u>

Capital Improvement Public Space	Emergency Capital	Road Programs	Aurora Lake Road Capital	Totals
\$ -	\$ -	\$ -	\$ -	\$ 675,000
-	-	-	-	50,001
49,665	-	-	10,000	74,629
49,665	-	-	10,000	799,630
83,496	-	22,150	-	2,276,794
83,496	-	22,150	-	2,276,794
(33,831)	-	(22,150)	10,000	(1,477,164)
-	-	350,000	-	1,575,000
-	-	350,000	-	1,575,000
(33,831)	-	327,850	10,000	97,836
147,553	1,700,000	457,054	-	6,393,691
<u>\$ 113,722</u>	<u>\$ 1,700,000</u>	<u>\$ 784,904</u>	<u>\$ 10,000</u>	<u>\$ 6,491,527</u>

CITY OF AURORA, OHIO

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
City Operations				
Total expenditures and other uses.	\$ 978,252	\$ 978,252	\$ 432,029	\$ 546,223
Net change in fund balances	(978,252)	(978,252)	(432,029)	546,223
Fund balance at beginning of year.	1,185,899	1,185,899	1,185,899	-
Prior year encumbrances appropriated.	257,802	257,802	257,802	-
Fund balance at end of year	<u>\$ 465,449</u>	<u>\$ 465,449</u>	<u>\$ 1,011,672</u>	<u>\$ 546,223</u>
Building and Grounds				
Total expenditures and other uses.	\$ 7,285	\$ 7,285	\$ -	\$ 7,285
Net change in fund balances	(7,285)	(7,285)	-	7,285
Fund balance at beginning of year.	36,422	36,422	36,422	-
Prior year encumbrances appropriated.	7,285	7,285	7,285	-
Fund balance at end of year	<u>\$ 36,422</u>	<u>\$ 36,422</u>	<u>\$ 43,707</u>	<u>\$ 7,285</u>
Parks and Recreation Land/Property Acquisition				
Total revenues and other sources	\$ -	\$ 250	\$ -	\$ (250)
Total expenditures and other uses.	4,801	5,051	4,801	250
Net change in fund balances	(4,801)	(4,801)	(4,801)	-
Fund balance at beginning of year.	4,551	4,551	4,551	-
Prior year encumbrances appropriated.	250	250	250	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Improvement				
Total revenues and other sources	\$ 650,000	\$ 650,000	\$ 1,876,100	\$ 1,226,100
Total expenditures and other uses.	2,946,796	2,953,687	2,184,284	769,403
Net change in fund balances	(2,296,796)	(2,303,687)	(308,184)	1,995,503
Fund balance at beginning of year.	2,241,177	2,241,177	2,241,177	-
Prior year encumbrances appropriated.	416,814	416,814	416,814	-
Fund balance at end of year	<u>\$ 361,195</u>	<u>\$ 354,304</u>	<u>\$ 2,349,807</u>	<u>\$ 1,995,503</u>

CITY OF AURORA, OHIO

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 NONMAJOR CAPITAL PROJECTS FUNDS - (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Capital Improvement Public Space				
Total revenues and other sources	\$ 42,000	\$ 42,000	\$ 53,565	\$ 11,565
Total expenditures and other uses.	131,925	132,925	130,701	2,224
Net change in fund balances	(89,925)	(90,925)	(77,136)	13,789
Fund balance at beginning of year.	93,128	93,128	93,128	-
Prior year encumbrances appropriated.	50,525	50,525	50,525	-
Fund balance at end of year	<u>\$ 53,728</u>	<u>\$ 52,728</u>	<u>\$ 66,517</u>	<u>\$ 13,789</u>
Emergency Capital				
Fund balance at beginning of year.	<u>\$ 1,700,000</u>	<u>\$ 1,700,000</u>	<u>\$ 1,700,000</u>	<u>\$ -</u>
Fund balance at end of year	<u>\$ 1,700,000</u>	<u>\$ 1,700,000</u>	<u>\$ 1,700,000</u>	<u>\$ -</u>
Road Programs				
Total revenues and other sources	\$ -		\$ 350,000	\$ 350,000
Total expenditures and other uses.	360,000	360,000	77,371	282,629
Net change in fund balances	(360,000)	(360,000)	272,629	632,629
Fund balance at beginning of year.	457,054	457,054	457,054	-
Fund balance at end of year	<u>\$ 97,054</u>	<u>\$ 97,054</u>	<u>\$ 729,683</u>	<u>\$ 632,629</u>
Aurora Lake Road Capital				
Total revenues and other sources	\$ -	\$ -	\$ 10,000	\$ 10,000
Net change in fund balances	-	-	10,000	10,000
Fund balance at beginning of year.	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>

CITY OF AURORA, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - PROPRIETARY FUNDS**

MAJOR ENTERPRISE FUNDS

The enterprise funds are used to account for the City's sewer, water, and storm water operations. These operations are financed and operated in a manner similar to that of a private business enterprise. The intent of the City is that the costs (expenses including depreciation) of providing goods and services on a continuing basis be recovered primarily through user charges. Following is a description of the City's enterprise funds:

Major Enterprise Funds

Water Operating Fund

The water fund accounts for the purchase of water from Portage County and distributes and bills residents and commercial users within the City.

Sewer Operating Fund

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

Nonmajor Enterprise Fund

Cemetery/Perpetual Care

The cemetery/perpetual care fund accounts for cemetery and perpetual care operations located within the City.

CITY OF AURORA, OHIO

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Water				
Total revenues and other sources	\$ 3,371,113	\$ 3,371,113	\$ 3,833,713	\$ 462,600
Total expenses and other uses.	4,322,218	4,781,753	4,413,006	368,747
Net change in fund equity	(951,105)	(1,410,640)	(579,293)	831,347
Fund equity at beginning of year	3,393,152	3,393,152	3,393,152	-
Prior year encumbrances appropriated.	305,059	305,059	305,059	-
Fund equity at end of year	<u>\$ 2,747,106</u>	<u>\$ 2,287,571</u>	<u>\$ 3,118,918</u>	<u>\$ 831,347</u>
Sewer				
Total revenues and other sources	\$ 2,807,400	\$ 2,807,400	\$ 3,692,805	\$ 885,405
Total expenses and other uses.	3,230,344	3,448,297	3,129,461	318,836
Net change in fund equity	(422,944)	(640,897)	563,344	1,204,241
Fund equity at beginning of year	5,157,546	5,157,546	5,157,546	-
Prior year encumbrances appropriated.	197,616	197,616	197,616	-
Fund equity at end of year	<u>\$ 4,932,218</u>	<u>\$ 4,714,265</u>	<u>\$ 5,918,506</u>	<u>\$ 1,204,241</u>
Cemetery/Perpetual Care				
Total revenues and other sources	\$ 31,000	\$ 31,000	\$ 47,894	\$ 16,894
Total expenses and other uses.	128,746	133,746	49,146	84,600
Net change in fund equity	(97,746)	(102,746)	(1,252)	101,494
Fund equity at beginning of year	278,333	278,333	278,333	-
Prior year encumbrances appropriated.	409	409	409	-
Fund equity at end of year	<u>\$ 180,996</u>	<u>\$ 175,996</u>	<u>\$ 277,490</u>	<u>\$ 101,494</u>

CITY OF AURORA, OHIO
INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - AGENCY FUNDS

AGENCY FUNDS

Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following are the City's agency funds:

Developer's Escrow

To account for deposits from developers, held by the City to ensure compliance with contracts.

Completion Deposits

To account for deposits from developers, held by the City to ensure compliance with contracts.

Performance Bonds

To account for deposits from contractors, developers, or individuals that are held to ensure compliance with City Ordinances pertaining to development.

Topographic Deposits

To account for deposits from developers, held by the City to ensure compliance with topographical-related construction requirements.

Various Agency

To account for assets held by the City for various individuals, private organizations, other governmental units and/or funds.

CITY OF AURORA, OHIO

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

	Beginning Balance 12/31/2016	Additions	Reductions	Ending Balance 12/31/2017
Developer's Escrow				
Assets:				
Equity in pooled cash, cash equivalents and investments.	\$ 41,808	\$ 152,921	\$ 169,260	\$ 25,469
Receivables:				
Accounts	54,380	80,113	54,380	80,113
Total assets.	<u>\$ 96,188</u>	<u>\$ 233,034</u>	<u>\$ 223,640</u>	<u>\$ 105,582</u>
Liabilities:				
Accounts payable	\$ 28,552	\$ 43,066	\$ 28,552	\$ 43,066
Loans payable	50,000	50,000	50,000	50,000
Deposits held and due to others	17,636	139,968	145,088	12,516
Total liabilities	<u>\$ 96,188</u>	<u>\$ 233,034</u>	<u>\$ 223,640</u>	<u>\$ 105,582</u>
Completion Deposits				
Assets:				
Equity in pooled cash, cash equivalents and investments.	\$ 78,100	\$ 89,200	\$ 73,150	\$ 94,150
Total assets.	<u>\$ 78,100</u>	<u>\$ 89,200</u>	<u>\$ 73,150</u>	<u>\$ 94,150</u>
Liabilities:				
Accounts payable	\$ -	\$ 800	\$ -	\$ 800
Deposits held and due to others	78,100	88,400	73,150	93,350
Total liabilities	<u>\$ 78,100</u>	<u>\$ 89,200</u>	<u>\$ 73,150</u>	<u>\$ 94,150</u>
Performance Bonds				
Assets:				
Equity in pooled cash, cash equivalents and investments.	\$ 192,867	\$ 583,447	\$ 317,700	\$ 458,614
Receivables:				
Accounts	-	69,659	-	69,659
Total assets.	<u>\$ 192,867</u>	<u>\$ 653,106</u>	<u>\$ 317,700</u>	<u>\$ 528,273</u>
Liabilities:				
Deposits held and due to others	192,867	653,106	317,700	528,273
Total liabilities	<u>\$ 192,867</u>	<u>\$ 653,106</u>	<u>\$ 317,700</u>	<u>\$ 528,273</u>
Topographic Deposits				
Assets:				
Equity in pooled cash, cash equivalents and investments.	\$ 862,000	\$ 470,000	\$ 160,000	\$ 1,172,000
Total assets.	<u>\$ 862,000</u>	<u>\$ 470,000</u>	<u>\$ 160,000</u>	<u>\$ 1,172,000</u>
Liabilities:				
Deposits held and due to others	\$ 862,000	\$ 470,000	\$ 160,000	\$ 1,172,000
Total liabilities	<u>\$ 862,000</u>	<u>\$ 470,000</u>	<u>\$ 160,000</u>	<u>\$ 1,172,000</u>

Continued

CITY OF AURORA, OHIO

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

	Beginning Balance 12/31/2016	Additions	Reductions	Ending Balance 12/31/2017
Various Agency				
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 24,069	\$ 68,594	\$ 63,476	\$ 29,187
Cash in segregated accounts	13,000	10,661	13,000	10,661
Receivables:				
Real and other taxes	7,618	4,850	7,618	4,850
Accounts	-	2	-	2
Total assets	\$ 44,687	\$ 84,107	\$ 84,094	\$ 44,700
Liabilities:				
Accounts payable	\$ 7,618	\$ 4,850	\$ 7,618	\$ 4,850
Due to others	13,000	10,661	13,000	10,661
Deposits held and due to others	24,069	68,596	63,476	29,189
Total liabilities	\$ 44,687	\$ 84,107	\$ 84,094	\$ 44,700
Total Agency Funds				
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 1,198,844	\$ 1,364,162	\$ 783,586	\$ 1,779,420
Cash in segregated accounts	13,000	10,661	13,000	10,661
Receivables:				
Real and other taxes	7,618	4,850	7,618	4,850
Accounts	54,380	149,774	54,380	149,774
Total assets	\$ 1,273,842	\$ 1,529,447	\$ 858,584	\$ 1,944,705
Liabilities:				
Accounts payable	\$ 36,170	\$ 48,716	\$ 36,170	\$ 48,716
Due to others	13,000	10,661	13,000	10,661
Loans payable	50,000	50,000	50,000	50,000
Deposits held and due to others	1,174,672	1,420,070	759,414	1,835,328
Total liabilities	\$ 1,273,842	\$ 1,529,447	\$ 858,584	\$ 1,944,705

STATISTICAL SECTION

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CITY OF AURORA, OHIO

STATISTICAL SECTION

This part of the City of Aurora's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	126
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the income tax and property tax.	136
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	144
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	149
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.	151

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

TABLE 1

CITY OF AURORA, OHIO
NET POSITION BY COMPONENT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Year Ended			
	2008	2009	2010	2011
Governmental activities				
Net investment in capital assets	\$ 51,396,949	\$ 55,212,259	\$ 58,489,836	\$ 62,199,398
Restricted	9,859,013	7,779,109	4,013,994	4,594,761
Unrestricted	7,907,159	7,372,553	11,767,042	13,009,897
Total governmental activities net position	<u>\$ 69,163,121</u>	<u>\$ 70,363,921</u>	<u>\$ 74,270,872</u>	<u>\$ 79,804,056</u>
Business-type activities				
Net investment in capital assets	\$ 30,720,635	\$ 33,482,305	\$ 34,227,530	\$ 35,328,800
Unrestricted	5,738,625	3,550,948	3,672,675	4,224,993
Total business-type activities net position	<u>\$ 36,459,260</u>	<u>\$ 37,033,253</u>	<u>\$ 37,900,205</u>	<u>\$ 39,553,793</u>
Primary government				
Net investment in capital assets	\$ 82,117,584	\$ 88,694,564	\$ 92,717,366	\$ 97,528,198
Restricted	9,859,013	7,779,109	4,013,994	4,594,761
Unrestricted	13,645,784	10,923,501	15,439,717	17,234,890
Total primary government net position	<u>\$ 105,622,381</u>	<u>\$ 107,397,174</u>	<u>\$ 112,171,077</u>	<u>\$ 119,357,849</u>

Source: City of Aurora financial records.

2012	2013	2014	2015	2016	2017
\$ 64,225,731	\$ 74,683,557	\$ 74,658,145	\$ 78,097,929	\$ 80,164,977	\$ 81,734,777
4,428,062	4,846,845	5,472,203	4,979,136	4,536,231	4,729,983
14,405,828	15,700,229	6,734,788	8,447,381	7,418,688	5,804,713
<u>\$ 83,059,621</u>	<u>\$ 95,230,631</u>	<u>\$ 86,865,136</u>	<u>\$ 91,524,446</u>	<u>\$ 92,119,896</u>	<u>\$ 92,269,473</u>
\$ 35,593,721	\$ 35,181,286	\$ 35,302,242	\$ 35,906,707	\$ 37,741,929	\$ 37,881,085
4,403,287	6,302,054	7,052,702	8,562,026	9,788,136	11,650,864
<u>\$ 39,997,008</u>	<u>\$ 41,483,340</u>	<u>\$ 42,354,944</u>	<u>\$ 44,468,733</u>	<u>\$ 47,530,065</u>	<u>\$ 49,531,949</u>
\$ 99,819,452	\$ 109,864,843	\$ 109,960,387	\$ 114,004,636	\$ 117,906,906	\$ 119,615,862
4,428,062	4,846,845	5,472,203	4,979,136	4,536,231	4,729,983
18,809,115	22,002,283	13,787,490	17,009,407	17,206,824	17,455,577
<u>\$ 123,056,629</u>	<u>\$ 136,713,971</u>	<u>\$ 129,220,080</u>	<u>\$ 135,993,179</u>	<u>\$ 139,649,961</u>	<u>\$ 141,801,422</u>

TABLE 2

CITY OF AURORA, OHIO

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

	Year Ended			
	2008	2009	2010	2011
Expenses				
Governmental activities:				
General government	\$ 2,726,578	\$ 2,616,982	\$ 2,502,464	\$ 2,680,164
Security of persons and property	7,398,220	7,367,518	7,446,348	7,460,765
Transportation	2,940,874	3,138,488	3,235,554	3,148,354
Community environment	1,153,742	1,263,756	949,182	852,540
Leisure time activity	1,572,656	1,578,449	1,522,867	1,434,279
Interest and fiscal charges	595,273	520,472	457,226	434,172
Bond issuance costs	-	-	-	-
Other	22,266	18,336	1,913	1,012
Total governmental activities expenses	<u>16,409,609</u>	<u>16,504,001</u>	<u>16,115,554</u>	<u>16,011,286</u>
Business-type activities:				
Water	2,703,682	2,662,036	2,463,790	2,244,122
Sewer	2,589,663	2,628,792	2,498,550	2,396,267
Other business-type activities:				
Cemetery/Perpetual Care	58,801	63,262	48,441	44,584
Total business-type activities expenses	<u>5,352,146</u>	<u>5,354,090</u>	<u>5,010,781</u>	<u>4,684,973</u>
Total primary government expenses	<u>\$ 21,761,755</u>	<u>\$ 21,858,091</u>	<u>\$ 21,126,335</u>	<u>\$ 20,696,259</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 447,106	\$ 340,939	\$ 349,979	\$ 352,293
Security of persons and property	36,150	1,672	14,844	2,374
Transportation	37,485	-	-	-
Leisure time activity	373,062	360,039	364,356	342,820
Operating grants and contributions	886,385	1,356,112	1,146,088	999,928
Capital grants and contributions	2,033,479	547,594	2,901,004	3,905,558
Total governmental program revenues	<u>3,813,667</u>	<u>2,606,356</u>	<u>4,776,271</u>	<u>5,602,973</u>
Business-type activities:				
Charges for services:				
Water	2,514,284	2,720,043	2,793,645	2,690,748
Sewer	1,788,505	1,875,630	2,368,405	2,469,981
Other business-type activities:				
Cemetery/Perpetual Care	25,940	41,274	36,262	51,897
Capital grants and contributions	735,205	47,301	604,564	949,957
Total business-type activities program revenues	<u>5,063,934</u>	<u>4,684,248</u>	<u>5,802,876</u>	<u>6,162,583</u>
Total primary government program revenue	<u>\$ 8,877,601</u>	<u>\$ 7,290,604</u>	<u>\$ 10,579,147</u>	<u>\$ 11,765,556</u>
Net (Expense)/Revenue				
Governmental activities	\$ (12,595,942)	\$ (13,897,645)	\$ (11,339,283)	\$ (10,408,313)
Business-type activities	(288,212)	(669,842)	792,095	1,477,610
Total primary government net expense	<u>\$ (12,884,154)</u>	<u>\$ (14,567,487)</u>	<u>\$ (10,547,188)</u>	<u>\$ (8,930,703)</u>

	2012	2013	2014	2015	2016	2017
\$	2,240,378	\$ 3,086,636	\$ 2,371,196	\$ 2,706,786	\$ 2,657,947	\$ 2,736,078
	7,938,796	8,644,447	8,474,819	8,632,937	9,864,845	10,164,447
	3,544,840	3,929,250	4,072,036	3,962,405	4,118,347	4,186,650
	1,002,954	915,505	1,069,800	974,352	1,181,110	1,340,450
	1,567,671	1,589,667	1,741,009	1,787,477	1,969,060	2,219,869
	261,813	257,702	239,687	209,037	176,749	144,545
	109,170	-	-	-	-	-
	-	1,652	-	-	-	-
	<u>16,665,622</u>	<u>18,424,859</u>	<u>17,968,547</u>	<u>18,272,994</u>	<u>19,968,058</u>	<u>20,792,039</u>
	3,009,763	2,206,759	2,795,638	2,810,855	2,766,987	2,962,467
	2,365,468	2,382,279	2,405,115	2,436,231	2,424,962	2,643,022
	53,533	52,458	43,587	50,005	56,005	61,367
	<u>5,428,764</u>	<u>4,641,496</u>	<u>5,244,340</u>	<u>5,297,091</u>	<u>5,247,954</u>	<u>5,666,856</u>
\$	<u>22,094,386</u>	<u>23,066,355</u>	<u>23,212,887</u>	<u>23,570,085</u>	<u>25,216,012</u>	<u>26,458,895</u>
\$	453,902	\$ 456,732	\$ 632,187	\$ 510,219	\$ 537,682	\$ 721,705
	4,098	5,882	2,633	5,591	1,033	3,774
	-	-	-	-	-	-
	362,167	358,078	390,341	437,054	444,455	430,752
	1,052,360	1,580,261	1,173,357	1,057,130	963,527	1,030,439
	1,115,992	10,478,548	687,241	2,040,734	1,394,575	52,401
	<u>2,988,519</u>	<u>12,879,501</u>	<u>2,885,759</u>	<u>4,050,728</u>	<u>3,341,272</u>	<u>2,239,071</u>
	3,058,872	3,425,539	3,405,764	3,567,774	3,818,801	3,800,270
	2,596,162	2,646,138	2,715,500	2,672,769	3,072,076	2,899,980
	30,732	34,863	37,241	41,509	40,621	46,898
	-	421,735	340,400	737,059	-	-
	<u>5,685,766</u>	<u>6,528,275</u>	<u>6,498,905</u>	<u>7,019,111</u>	<u>6,931,498</u>	<u>6,747,148</u>
\$	<u>8,674,285</u>	<u>19,407,776</u>	<u>9,384,664</u>	<u>11,069,839</u>	<u>10,272,770</u>	<u>8,986,219</u>
\$	(13,677,103)	\$ (5,545,358)	\$ (15,082,788)	\$ (14,222,266)	\$ (16,626,786)	\$ (18,552,968)
	257,002	1,886,779	1,254,565	1,722,020	1,683,544	1,080,292
\$	<u>(13,420,101)</u>	<u>(3,658,579)</u>	<u>(13,828,223)</u>	<u>(12,500,246)</u>	<u>(14,943,242)</u>	<u>(17,472,676)</u>

- Continued

TABLE 2

CITY OF AURORA, OHIO

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

	Year Ended			
	2008	2009	2010	2011
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 4,856,273	\$ 4,976,702	\$ 4,617,981	\$ 4,618,591
Municipal income taxes	11,287,757	10,182,761	9,804,022	10,570,714
Unrestricted grants and contributions	880,924	797,041	712,266	797,423
Investment earnings	499,246	263,089	127,086	103,557
Miscellaneous	150,870	34,832	29,292	60,010
Transfers	(538,726)	(1,155,980)	(44,413)	(162,947)
Total governmental activities	<u>17,136,344</u>	<u>15,098,445</u>	<u>15,246,234</u>	<u>15,987,348</u>
Business-type activities:				
Unrestricted grants and contributions	36,885	-	-	-
Investment earnings	199,964	62,237	2,608	-
Miscellaneous	-	25,618	27,836	26,876
Transfers	538,726	1,155,980	44,413	162,947
Total business-type activities	<u>775,575</u>	<u>1,243,835</u>	<u>74,857</u>	<u>189,823</u>
Total primary government	<u>\$ 17,911,919</u>	<u>\$ 16,342,280</u>	<u>\$ 15,321,091</u>	<u>\$ 16,177,171</u>
Change in Net Position				
Governmental activities	\$ 4,540,402	\$ 1,200,800	\$ 3,906,951	\$ 5,579,035
Business-type activities	487,363	573,993	866,952	1,667,433
Total primary government	<u>\$ 5,027,765</u>	<u>\$ 1,774,793</u>	<u>\$ 4,773,903</u>	<u>\$ 7,246,468</u>

Source: City of Aurora financial records.

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 4,708,144	\$ 4,065,948	\$ 3,896,915	\$ 3,593,151	\$ 3,754,299	\$ 3,562,647
11,609,902	12,522,590	13,295,422	14,701,925	13,552,188	14,662,819
598,423	544,234	597,755	620,235	549,962	580,017
73,314	71,171	53,820	92,001	239,340	170,427
102,885	84,880	131,999	238,264	477,039	622,105
(160,000)	427,545	(212,927)	(364,000)	(1,350,592)	(895,470)
<u>16,932,668</u>	<u>17,716,368</u>	<u>17,762,984</u>	<u>18,881,576</u>	<u>17,222,236</u>	<u>18,702,545</u>
-	-	-	-	-	-
-	-	-	-	-	-
26,213	27,098	27,885	27,769	27,196	26,122
160,000	(427,545)	212,927	364,000	1,350,592	895,470
<u>186,213</u>	<u>(400,447)</u>	<u>240,812</u>	<u>391,769</u>	<u>1,377,788</u>	<u>921,592</u>
<u>\$ 17,118,881</u>	<u>\$ 17,315,921</u>	<u>\$ 18,003,796</u>	<u>\$ 19,273,345</u>	<u>\$ 18,600,024</u>	<u>\$ 19,624,137</u>
\$ 3,255,565	\$ 12,171,010	\$ 2,680,196	\$ 4,659,310	\$ 595,450	\$ 149,577
443,215	1,486,332	1,495,377	2,113,789	3,061,332	2,001,884
<u>\$ 3,698,780</u>	<u>\$ 13,657,342</u>	<u>\$ 4,175,573</u>	<u>\$ 6,773,099</u>	<u>\$ 3,656,782</u>	<u>\$ 2,151,461</u>

TABLE 3

CITY OF AURORA, OHIO

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ 70,160
Committed	-	-	-	188,192
Assigned	-	-	-	115,857
Unassigned	-	-	-	6,716,487
Reserved	307,676	224,902	104,553	-
Unreserved	6,696,114	6,341,855	6,557,261	-
Total general fund	<u>\$ 7,003,790</u>	<u>\$ 6,566,757</u>	<u>\$ 6,661,814</u>	<u>\$ 7,090,696</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ 6,022
Restricted	-	-	-	4,120,165
Committed	-	-	-	1,807,357
Assigned	-	-	-	2,897,646
Unassigned (deficit)	-	-	-	(524)
Reserved	4,551,869	4,254,654	4,330,927	-
Unreserved (deficit), reported in:				
Special revenue funds	2,119,480	2,146,395	2,319,940	-
Capital projects funds	2,586,914	467,538	757,996	-
Total all other governmental funds	<u>\$ 9,258,263</u>	<u>\$ 6,868,587</u>	<u>\$ 7,408,863</u>	<u>\$ 8,830,666</u>

Source: City of Aurora financial records.

Note: Beginning in 2011, the presentation of fund balances for governmental funds was formatted to conform with GASB Statement No. 54.

2012	2013	2014	2015	2016	2017
\$ 133,965	\$ 95,094	\$ 69,398	\$ 117,022	\$ 249,492	\$ 300,960
781,609	801,389	738,720	793,148	791,894	770,650
223,775	59,806	144,799	222,320	61,539	124,827
7,736,101	7,273,638	8,245,297	8,724,111	9,988,003	10,077,707
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 8,875,450</u>	<u>\$ 8,229,927</u>	<u>\$ 9,198,214</u>	<u>\$ 9,856,601</u>	<u>\$ 11,090,928</u>	<u>\$ 11,274,144</u>
\$ 1,943	\$ 3,439	\$ 5,655	\$ 13,591	\$ 87,783	\$ 84,689
3,977,485	4,286,847	4,861,991	4,253,019	3,862,797	4,353,988
1,557,066	2,334,950	2,515,936	2,886,529	3,022,135	3,017,836
2,771,389	3,816,844	4,619,578	4,399,325	3,673,157	3,251,609
(270,867)	(47,609)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 8,037,016</u>	<u>\$ 10,394,471</u>	<u>\$ 12,003,160</u>	<u>\$ 11,552,464</u>	<u>\$ 10,645,872</u>	<u>\$ 10,708,122</u>

TABLE 4

CITY OF AURORA, OHIO

GOVERNMENTAL FUND REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION (1)
LAST TEN YEARS

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues				
Municipal income taxes	\$ 10,983,103	\$ 9,645,538	\$ 9,851,187	\$ 10,519,697
Real and other taxes	4,126,122	4,046,386	3,433,607	3,149,412
Other local taxes	737,414	922,373	1,141,430	1,432,733
Charges for services	581,794	490,421	533,059	452,368
Licenses and permits	247,036	165,187	158,739	175,937
Fines and forfeitures	62,223	35,508	28,901	16,482
Intergovernmental	2,070,861	2,662,419	2,488,139	4,460,815
Investment income	617,042	402,840	179,590	119,851
Rental income	7,800	5,703	7,200	6,600
Contributions and donations	500	17,500	6,900	13,932
Other	153,632	34,832	29,292	60,010
Total revenues	<u>19,587,527</u>	<u>18,428,707</u>	<u>17,858,044</u>	<u>20,407,837</u>
Expenditures				
Current:				
General government	2,494,105	2,352,247	2,319,370	2,117,945
Security of persons and property	6,563,079	6,826,900	6,869,828	6,967,912
Transportation	2,541,669	2,629,250	2,808,135	2,779,035
Community environment	1,059,244	1,206,923	935,260	818,152
Leisure time activity	1,374,392	1,428,356	1,367,526	1,290,959
Other	22,266	18,336	1,913	1,012
Capital outlay	3,485,744	4,785,164	2,123,975	3,755,777
Debt service				
Principal retirement	1,574,016	1,345,021	707,902	723,747
Interest and fiscal charges	590,307	513,219	451,966	433,469
Bond issuance costs	-	-	-	-
Total expenditures	<u>19,704,822</u>	<u>21,105,416</u>	<u>17,585,875</u>	<u>18,888,008</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(117,295)</u>	<u>(2,676,709)</u>	<u>272,169</u>	<u>1,519,829</u>
Other financing sources (uses)				
Capital lease transaction	-	-	123,550	-
Loan issuance	150,000	-	246,514	-
Premium on refunding bonds	-	-	-	-
Proceeds of refunding bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Sale of capital assets	-	-	-	490,856
Transfers in	3,186,476	2,023,530	2,215,509	2,220,281
Transfers out	<u>(3,336,476)</u>	<u>(2,173,530)</u>	<u>(2,222,409)</u>	<u>(2,380,281)</u>
Total other financing sources (uses)	<u>-</u>	<u>(150,000)</u>	<u>363,164</u>	<u>330,856</u>
Net change in fund balances	<u>\$ (117,295)</u>	<u>\$ (2,826,709)</u>	<u>\$ 635,333</u>	<u>\$ 1,850,685</u>
Capital expenditures	2,707,189	2,497,244	1,986,253	3,926,395
Debt service as a percentage of noncapital expenditures	12.73%	9.99%	7.44%	7.73%

Source: City of Aurora financial records.

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$	11,401,097	\$ 12,391,858	\$ 13,203,520	\$ 13,869,859	\$ 14,034,794	\$ 14,804,510
	3,149,234	3,004,626	2,989,382	3,050,665	3,095,928	3,151,569
	1,601,365	1,074,994	960,362	534,783	598,857	410,958
	605,973	543,819	698,150	638,196	557,452	645,808
	215,605	250,235	292,395	284,851	368,526	478,611
	21,438	23,219	22,695	26,453	31,421	39,747
	1,841,307	6,641,154	1,873,350	1,991,832	1,851,803	1,820,527
	67,270	68,482	71,563	75,977	268,149	170,076
	7,200	7,200	7,235	7,402	7,269	9,451
	16,156	16,000	15,950	32,000	17,000	6,500
	102,885	82,214	134,188	206,296	473,090	622,105
	<u>19,029,530</u>	<u>24,103,801</u>	<u>20,268,790</u>	<u>20,718,314</u>	<u>21,304,289</u>	<u>22,159,862</u>
	1,928,562	2,402,409	2,089,725	2,498,448	2,285,051	2,368,314
	7,258,515	7,612,474	7,554,108	7,857,501	8,161,287	8,435,504
	2,706,240	2,888,922	2,870,022	3,126,803	3,423,603	2,960,295
	931,340	902,468	1,011,197	949,579	1,077,257	1,136,253
	1,394,527	1,389,813	1,519,736	1,627,403	1,690,833	1,854,255
	-	1,652	-	-	-	-
	2,589,971	6,425,858	1,308,787	2,940,173	2,511,481	3,400,354
	806,120	875,698	898,740	932,727	940,088	900,671
	274,028	261,969	244,509	213,989	181,776	149,705
	109,170	-	-	-	-	-
	<u>17,998,473</u>	<u>22,761,263</u>	<u>17,496,824</u>	<u>20,146,623</u>	<u>20,271,376</u>	<u>21,205,351</u>
	<u>1,031,057</u>	<u>1,342,538</u>	<u>2,771,966</u>	<u>571,691</u>	<u>1,032,913</u>	<u>954,511</u>
	-	253,877	-	-	-	-
	10,877	51,987	19,010	-	-	-
	341,070	-	-	-	-	-
	4,675,000	-	-	-	-	-
	(4,906,900)	-	-	-	-	-
	-	223,530	-	-	58,822	24,955
	1,698,895	3,514,290	3,173,000	2,923,000	2,223,000	3,758,000
	(1,858,895)	(3,674,290)	(3,387,000)	(3,287,000)	(2,987,000)	(4,492,000)
	<u>(39,953)</u>	<u>369,394</u>	<u>(194,990)</u>	<u>(364,000)</u>	<u>(705,178)</u>	<u>(709,045)</u>
\$	<u>991,104</u>	<u>\$ 1,711,932</u>	<u>\$ 2,576,976</u>	<u>\$ 207,691</u>	<u>\$ 327,735</u>	<u>\$ 245,466</u>
	2,254,176	5,714,920	430,279	3,013,976	2,039,878	2,960,790
	7.55%	6.67%	6.70%	6.69%	6.15%	5.76%

TABLE 5

CITY OF AURORA, OHIO

REAL AND PUBLIC UTILITY PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year	Net Tax Levy (Current Billed Portion)	Current Collections	Percent of Current Collections to Net Levy	Delinquent Collections	Total Collections	Percent of Total Collections to Levy	Current Delinquent Amount
2008 (A)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2009	\$ 4,246,001	\$ 4,139,648	97.50%	\$ 88,812	\$ 4,228,460	99.59%	\$ 106,353
2010	3,485,286	3,382,265	97.04%	74,601	3,456,866	99.18%	103,021
2011	3,492,389	3,397,979	97.30%	82,871	3,480,850	99.67%	94,410
2012	3,503,174	3,425,919	97.79%	104,900	3,530,819	100.79%	77,255
2013	3,384,311	3,318,486	98.05%	65,777	3,384,263	100.00%	65,825
2014	3,404,108	3,313,137	97.33%	60,273	3,373,410	99.10%	90,971
2015	3,431,081	3,368,349	98.17%	66,670	3,435,019	100.11%	62,732
2016	3,501,702	3,438,636	98.20%	56,921	3,495,557	99.82%	63,066
2017	3,540,218	3,468,133	97.96%	79,929	3,548,062	100.22%	72,085

Source: Portage County Auditor

Note: Delinquent collections include penalties and interest since Ohio law requires them to become part of taxes. Delinquent taxes are presented by collection year rather than by levy year since the County does not maintain information on delinquencies by levy year.

(A) Information for 2008 was not available.

TABLE 6

CITY OF AURORA, OHIO

TANGIBLE PERSONAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year	Net Tax Levy (Current Billed Portion)	Current Collections	Percent of Current Collections to Net Levy	Delinquent Collections (B)	Total Collections	Percent of Total Collections to Levy	Current Delinquent Amount
2008	\$ 100,812	\$ 100,089	99.28%	N/A	\$ 100,089	99.28%	\$ 723
2009	7,834	7,834	100.00%	N/A	7,834	100.00%	-
2010	3,353	3,342	99.67%	N/A	3,342	99.67%	11
2011 (A)	-	-	-	\$ 290	290	-	-
2012	-	-	-	128	128	-	-
2013	-	-	-	45	45	-	-
2014	-	-	-	11	11	-	-
2015	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-

Source: Portage County Auditor

Note: Delinquent collections include penalties and interest since Ohio law requires them to become part of taxes. Delinquent taxes are presented by collection year rather than by levy year since the County does not maintain information on delinquencies by levy year.

(A) Tangible personal property tax levies and collections were phased out from 2008 through 2011.

(B) 2008 - 2010 delinquent collection information was not available.

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TABLE 7

CITY OF AURORA, OHIO

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Year	Real Property		Public Utility Property	
	Estimated Actual Value (A)	Assessed Value	Estimated Actual Value (B)	Assessed Value
2008	\$ 1,721,313,029	\$ 602,459,560	\$ 8,364,261	\$ 7,360,550
2009	1,682,739,600	588,958,860	8,809,284	7,752,170
2010	1,656,395,657	579,738,480	9,220,886	8,114,380
2011	1,660,502,743	581,175,960	9,587,432	8,436,940
2012	1,616,021,514	565,607,530	10,293,648	9,058,410
2013	1,624,630,000	568,620,500	11,259,375	9,908,250
2014	1,640,835,429	574,292,400	11,709,455	10,304,320
2015	1,692,748,886	592,462,110	11,997,625	10,557,910
2016	1,715,859,029	600,550,660	13,271,716	11,679,110
2017	1,738,511,400	608,478,990	13,692,466	12,049,370

Source: Portage County Auditor

Notes:

(A) Real property is assessed at 35% of actual value.

(B) Public utility is assessed at 88% of actual value.

(C) For 2008, tangible personal is assessed at 6.25% of property value, including inventory.

For 2009 through 2011, tangible personal property tax is assessed at 0.00% of property value, including inventory, except for telephone tangible personal property which is assessed at 10% of property value, including inventory.

Tangible Personal Property		Total		Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
Estimated Actual Value (C)	Assessed Value	Estimated Actual Value	Assessed Value		
14,602,784	\$ 912,674	\$ 1,744,280,074	\$ 610,732,784	8.84	35.01%
4,431,050	443,105	1,695,979,934	597,154,135	7.76	35.21%
-	-	1,665,616,543	587,852,860	7.77	35.29%
-	-	1,670,090,175	589,612,900	7.77	35.30%
-	-	1,626,315,162	574,665,940	7.68	35.34%
-	-	1,635,889,375	578,528,750	7.68	35.36%
-	-	1,652,544,884	584,596,720	7.66	35.38%
-	-	1,704,746,511	603,020,020	7.65	35.37%
-	-	1,729,130,745	612,229,770	7.63	35.41%
-	-	1,752,203,866	620,528,360	7.62	35.41%

TABLE 8

CITY OF AURORA, OHIO

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

<u>Collection Year</u>	<u>County Levy</u>	<u>School Levy</u>	<u>Portage County District Board of Health</u>	<u>Portage Park District</u>	<u>City of Aurora</u>	<u>Total Levy</u>
2008	13.62	68.50	0.40	-	8.96	91.48
2009	13.62	74.51	0.40	-	8.84	97.37
2010	13.62	74.67	0.40	-	7.76	96.45
2011	13.62	74.77	0.40	-	7.77	96.56
2012	13.62	74.81	0.40	-	7.77	96.60
2013	13.62	80.93	0.40	-	7.68	102.63
2014	13.62	80.84	0.40	-	7.68	102.54
2015	13.62	80.78	0.40	0.50	7.66	102.96
2016	13.62	80.68	0.40	0.50	7.65	102.85
2017	13.62	79.11	0.40	0.50	7.63	101.26

Source: Portage County Auditor

TABLE 9

CITY OF AURORA, OHIO

CITY - WIDE PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION)
 LAST TEN YEARS

<u>Collection Year</u>	<u>Inside Operating</u>	<u>Road and Bridge</u>	<u>Police</u>	<u>Fire/ Paramedic</u>	<u>Bond Retirement</u>	<u>Total Tax Rate</u>
2008	2.40	0.90	0.90	2.80	1.96	8.96
2009	2.40	0.90	0.90	2.80	1.84	8.84
2010	2.40	0.90	0.90	2.80	0.76	7.76
2011	2.40	0.90	0.90	2.80	0.77	7.77
2012	2.40	0.90	0.90	2.80	0.77	7.77
2013	2.40	0.90	0.90	2.80	0.68	7.68
2014	2.40	0.90	0.90	2.80	0.68	7.68
2015	2.40	0.90	0.90	2.80	0.66	7.66
2016	2.40	0.90	0.90	2.80	0.65	7.65
2017	2.40	0.90	0.90	2.80	0.63	7.63

Source: Portage County Auditor

TABLE 10

CITY OF AURORA, OHIO

REAL PROPERTY PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

December 31, 2017		
Name of Taxpayer	Valuation	Percent of Total
CPG Partners LP	\$ 7,885,750	1.27%
Ohio Edison Co.	7,566,190	1.22%
Aerc Barrington Inc.	6,275,920	1.01%
AM&K Realty LLC	4,075,880	0.66%
Geauga Lake LLC	3,942,580	0.64%
McMaster Carr Supply Company	3,886,570	0.63%
Health Care Reit Inc.	3,630,690	0.59%
American Transmission Systems Inc.	2,942,060	0.47%
Custom Associates LP	2,756,190	0.44%
Hawthorn of Aurora LTD Partnership	2,573,130	0.41%
Total	<u>\$ 45,534,960</u>	<u>7.34%</u>
Total Assessed Valuation - Real Property	<u>\$ 620,528,360</u>	
December 31, 2008		
Name of Taxpayer	Valuation	Percent of Total
CPG Partners LP	\$ 7,521,020	1.23%
Cedar Fair LP	7,180,330	1.18%
Aerc Barrington Inc.	6,058,360	0.99%
Heritage Capital Corp	5,914,900	0.97%
Ohio Edison Co.	5,288,120	0.88%
Norton Brothers Holding Co.	3,722,890	0.61%
Barrington Golf Club Inc.	3,224,480	0.53%
Hawthorn of Aurora LTD Partnership	2,499,670	0.41%
Developers Diversified Realty Corp	2,294,150	0.38%
Auora Lena LLC & 180 Lena LLC	2,170,630	0.36%
Total	<u>\$ 45,874,550</u>	<u>7.54%</u>
Total Assessed Valuation - Real Property	<u>\$ 610,732,784</u>	

Source: Portage County Auditor

TABLE 11

CITY OF AURORA, OHIO

INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS

<u>Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes from Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2008	2.00%	\$ 10,880,419	\$ 6,461,858	59.39%	\$ 2,232,485	20.52%	\$ 2,186,075	20.09%
2009	2.00%	10,322,374	5,740,187	55.61%	2,533,845	24.55%	2,048,342	19.84%
2010	2.00%	9,443,921	5,626,996	59.58%	1,937,867	20.52%	1,879,058	19.90%
2011	2.00%	10,425,270	5,901,212	56.60%	2,287,275	21.94%	2,236,782	21.46%
2012	2.00%	10,982,466	6,429,389	58.54%	2,491,534	22.69%	2,061,544	18.77%
2013	2.00%	12,048,518	6,876,611	57.07%	2,898,297	24.06%	2,273,609	18.87%
2014	2.00%	12,903,852	7,475,462	57.93%	3,182,902	24.67%	2,245,488	17.40%
2015	2.00%	13,801,710	7,992,956	57.91%	3,557,690	25.78%	2,251,064	16.31%
2016	2.00%	13,675,285	8,356,979	61.11%	3,085,534	22.56%	2,232,772	16.33%
2017	2.00%	14,538,787	8,554,126	58.84%	3,495,192	24.04%	2,499,469	17.19%

Source: Regional Income Tax Agency (RITA)

Note: State law prohibits disclosure of income tax information by individual taxpayer.

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TABLE 12

CITY OF AURORA, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Year	Governmental Activities			Business-Type Activities			
	General Obligation Bonds	OPWC Loans	Capital Leases	General Obligation Bonds	OWDA Loans	OPWC Loans	Capital Leases
2008	\$ 11,208,540	\$ 277,500	\$ 68,171	\$ 799,370	\$ 6,343,602	\$ 447,500	\$ 109,312
2009	9,883,139	247,500	45,570	749,317	5,824,092	397,500	74,524
2010	9,256,581	439,363	122,202	698,177	5,271,889	347,500	38,111
2011	8,607,245	384,712	82,217	644,814	4,689,213	297,500	-
2012	8,176,011	340,937	63,082	589,674	4,075,979	247,500	-
2013	7,399,136	338,273	231,021	532,311	3,445,324	414,573	-
2014	6,599,480	298,537	148,916	472,727	2,788,944	373,757	-
2015	5,772,494	235,699	64,248	410,475	2,106,312	328,587	-
2016	4,917,728	172,859	-	341,002	1,395,270	295,917	-
2017	4,030,629	117,521	-	268,862	703,829	263,248	-

Sources:

(A) See notes to the financial statements regarding the City's debt information.

(B) See Table 18 Demographic and Economic Statistics - Last Ten Years for personal income and population.

Note:

(C) General obligation bonds include unamortized premiums.

(A) Total Primary Government	(B) Total Personal Income	Percentage of Personal Income	(B) Population	Per Capita
\$ 19,253,995	561,272,624	3.43%	13,556	\$ 1,420
17,221,642	561,272,624	3.07%	13,556	1,270
16,173,823	643,780,488	2.51%	15,548	1,040
14,705,701	634,964,772	2.32%	15,548	946
13,493,183	663,977,340	2.03%	15,548	868
12,360,638	661,551,852	1.87%	15,548	795
10,682,361	649,191,192	1.65%	15,548	687
8,917,815	660,385,752	1.35%	15,548	573.57
7,122,776	718,690,644	0.99%	15,876	449
5,384,089	723,489,158	0.74%	15,982	337

TABLE 13

CITY OF AURORA, OHIO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

Year	General Obligation Bonds (C)	(A) Estimated Actual Property Property Value	Percentage of Actual Taxable Value of Property	(B) Population	Per Capita
2008	\$ 12,007,910	\$1,744,280,074	0.69%	13,556	\$ 886
2009	10,632,456	1,695,979,934	0.63%	13,556	784
2010	9,954,758	1,665,616,543	0.60%	15,548	640
2011	9,252,059	1,670,090,175	0.55%	15,548	595
2012	8,765,685	1,626,315,162	0.54%	15,548	564
2013	7,931,447	1,635,889,375	0.48%	15,548	510
2014	7,072,207	1,652,544,884	0.43%	15,548	455
2015	6,182,969	1,704,746,511	0.36%	15,548	398
2016	5,258,730	1,729,130,745	0.30%	15,876	331
2017	4,299,491	1,752,203,866	0.25%	15,982	269

Sources:

(A) Portage County Auditor

(B) See Table 18 Demographic and Economic Statistics - Last Ten Years for population

Note:

(C) This amount includes both governmental activities and business type activities

TABLE 14

CITY OF AURORA, OHIO

SPECIAL ASSESSMENT TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year	Current Billed	Delinquent Billed	Current % Collected	Total Collected	Total % Collected	Current Delinquent
2008 (A)	N/A	N/A	N/A	N/A	N/A	N/A
2009	\$ 46,958	\$ 229	0.00%	\$ 44,921	95.66%	\$ 4,914
2010	48,787	5,902	0.00%	48,131	98.66%	2,204
2011	61,468	7,183	0.00%	56,711	92.26%	6,727
2012	56,629	13,282	0.00%	52,310	92.37%	10,259
2013	47,069	22,388	0.00%	50,865	108.06%	4,497
2014	53,111	19,452	0.00%	50,119	94.37%	5,720
2015	46,888	24,138	0.00%	51,739	110.35%	2,168
2016	69,071	20,052	0.00%	65,900	95.41%	15,924
2017	53,871	25,996	0.00%	71,972	133.60%	5,230

Source: Portage County Auditor

(A) Information for 2008 was not available.

TABLE 15

CITY OF AURORA, OHIO

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

<u>Jurisdiction</u>	<u>Governmental Activities Debt</u>	<u>Percentage Overlapping</u>	<u>Applicable to the City</u>
Direct:			
City of Aurora	\$ 4,148,150	100.00%	\$ 4,148,150
Overlapping Debt:			
Portage County	13,765,500	17.90%	2,464,025
Aurora City School District	21,621,161	96.70%	20,907,663
Total Overlapping Debt	35,386,661		23,371,688
Total Direct and Overlapping Debt	\$ 39,534,811		\$ 27,519,838

Source: Debt outstanding for overlapping government - Ohio Municipal Advisory Council (OMAC),
as of January 1, 2018

Note: The percentage of debt outstanding applicable to the City was determined by dividing each jurisdiction's
assessed valuation within the City by the jurisdiction's total assessed valuation.

TABLE 16

CITY OF AURORA, OHIO

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS

<u>Year</u>	<u>Debt Limit - Voted</u>	<u>Debt Limit - Unvoted</u>	<u>Net Debt Applicable to Limit</u>	<u>Debt Service Available Balance</u>	<u>Legal Debt Margin - Voted</u>	<u>Legal Debt Margin - Unvoted</u>	<u>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</u>
2008	\$ 64,126,942	\$ 33,590,303	\$ 6,180,000	\$ 3,508,675	\$ 61,455,617	\$ 33,590,303	9.64%
2009	62,701,184	32,843,477	5,280,000	2,867,371	60,288,555	32,843,477	8.42%
2010	61,724,550	32,331,907	5,085,000	2,756,778	59,396,328	32,331,907	8.24%
2011	61,909,355	32,428,710	4,885,000	2,149,784	59,174,139	32,428,710	7.89%
2012	60,339,924	31,606,627	4,595,000	1,598,018	57,342,942	31,606,627	7.62%
2013	60,745,519	31,819,081	4,325,000	1,471,116	57,891,635	31,819,081	7.12%
2014	61,382,656	32,152,820	4,050,000	1,342,020	58,674,676	32,152,820	6.60%
2015	63,317,102	33,166,101	3,775,000	1,210,259	60,752,361	33,166,101	5.96%
2016	64,284,126	33,672,637	3,495,000	1,086,879	61,876,005	33,672,637	5.44%
2017	65,155,478	34,129,060	3,215,000	955,356	62,895,834	34,129,060	4.93%

Source: Portage County, Ohio; County Fiscal Officer

Note: Ohio Bond Law sets a limit of 10.5% for voted debt and 5.5% for unvoted debt.
House Bill 530 became effective on March 30, 2006, which excluded tangible personal property used
in business, telephone or telegraph property, interexchange telecommunications company property, and
personal property owned or leased by a railroad company and used in railroad operations.

TABLE 17

CITY OF AURORA, OHIO

PLEGDED REVENUE COVERAGE - SEWER FUND
LAST TEN YEARS

OWDA LOANS:

Year	Operating Revenues	Operating Expenses (a)	Net Revenue Available for Debt Service	Debt Service Requirements (b)			Coverage
				Principal	Interest	Total	
2008	\$ 1,788,505	\$ 1,506,302	\$ 282,203	\$ 517,747	\$ 270,581	\$ 788,328	0.36
2009	1,875,630	1,513,939	361,691	538,785	249,543	788,328	0.46
2010	2,368,405	1,371,399	997,006	565,598	227,649	793,247	1.26
2011	2,469,981	1,293,476	1,176,505	558,551	204,866	763,417	1.54
2012	2,596,162	1,300,097	1,296,065	613,234	181,157	794,391	1.63
2013	2,646,138	1,332,719	1,313,419	630,655	156,484	787,139	1.67
2014	2,715,500	1,386,349	1,329,151	656,380	130,809	787,189	1.69
2015	2,672,769	1,457,497	1,215,272	682,632	104,090	786,722	1.54
2016	3,072,076	1,488,347	1,583,729	711,042	57,109	768,151	2.06
2017	2,899,980	1,691,151	1,208,829	691,441	35,534	726,975	1.66

Source: City of Aurora financial records.

(a) Total operating expenses are exclusive of depreciation.

(b) Includes principal and interest of the OWDA loans only.

TABLE 18

CITY OF AURORA, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (A)	Personal Income (C)	Per Capita Personal Income (A)	Unemployment Rates (B)		
				Portage County	Ohio	United States
2008	13,556	\$ 561,272,624	\$ 41,404	6.3%	6.5%	5.8%
2009	13,556	561,272,624	41,404	9.9%	10.2%	9.3%
2010	15,548	643,780,488	41,406	9.8%	9.6%	9.4%
2011	15,548	634,964,772	40,839	8.3%	8.1%	8.5%
2012	15,548	663,977,340	42,705	6.2%	6.7%	7.8%
2013	15,548	661,551,852	42,549	6.6%	7.2%	6.7%
2014	15,548	649,191,192	41,754	4.8%	4.8%	5.6%
2015	15,548	660,385,752	42,474	4.9%	4.7%	5.0%
2016	15,876	718,690,644	45,269	5.0%	4.9%	4.7%
2017	15,982	723,489,158	45,269	5.0%	5.0%	4.4%

Sources:

- (A) Information obtained from the U.S. Census Bureau
- (B) Information obtained from the Ohio Department of Job and Family Services
- (C) Population times per capita personal income

TABLE 19

CITY OF AURORA, OHIO

PRINCIPAL EMPLOYERS
CURRENT YEAR

Employer	2017		
	Employees	Rank	Percentage of Total City Employment
McMaster-Carr Supply Co.	672	1	7.03%
The RoviSys Company	300	2	3.14%
Partssource Inc.	198	3	2.07%
Aurora City School District	570	4	5.96%
Technical Consumer Products Inc.	253	5	2.65%
USA Instruments Inc.	235	6	2.46%
Rotek Incorporated	181	7	1.89%
City of Aurora	171	8	1.79%
ILPEA Industries Inc.	238	9	2.49%
Cardinal Packaging Inc.	116	10	1.21%
Total	<u>2,934</u>		<u>30.69%</u>

Source: Regional Income Tax Agency (RITA)

Note: Information for 9 years ago was not available. Additional data will be disclosed in future years as the information becomes available.

TABLE 20

CITY OF AURORA, OHIO

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
CURRENT YEAR

Function/Program	2017
General Government	
Council	1.0
Mayor	3.0
Finance	5.0
Law	2.0
Service	24.0
Engineering	2.0
Security of Persons and Property	
Police	29.0
Dispatch	7.0
Fire	19.0
Leisure Time Activities	
Parks	5.0
Recreation	3.0
Sports	3.0
Community Environment	
Building & Zoning	7.0
Utilities	
Water	6.0
Wastewater	4.0
Total	120.0

Note: Numbers shown reflect total actual number of full-time employees.

Information prior to 2017 not available. Additional years of information will be presented as they become available.

Source: City of Aurora Finance Department

TABLE 21

CITY OF AURORA, OHIO

OPERATING INDICATORS BY FUNCTION
LAST NINE YEARS

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017
Security of Persons and Property									
Police									
Offenses Cited	(a)	(a)	(a)	(a)	(a)	(a)	(a)	1,243	1,170
Dispatch Calls	(a)	(a)	(a)	(a)	(a)	(a)	22,525	23,676	19,454
Traffic Stops	(a)	(a)	(a)	(a)	(a)	(a)	3,479	3,776	2,771
Traffic Accidents	(a)	(a)	(a)	(a)	(a)	(a)	197	237	205
Juvenile Arrests	(a)	(a)	(a)	(a)	(a)	(a)	46	75	71
K9 Unit Deployments	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	24
Fire									
EMS Response Calls	(a)	(a)	(a)	(a)	1,498	1,570	1,561	1,750	1,675
Fire Response Calls	(a)	(a)	(a)	(a)	386	416	436	443	462
EMS Avg. Response Time (mins.)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	3.97
Fire Avg. Response Time (mins.)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	4.21
Fire Prevention Inspections	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	396
Community Environment									
Residential Inspections	1,652	1,895	2,175	2,409	3,305	3,015	3,551	4,269	5,248
Commercial Inspections	673	484	506	452	671	1,018	764	559	625
New Residential Construction (millions)	\$ 5.26	\$ 7.74	\$ 7.22	\$ 14.68	\$ 22.77	\$ 18.60	\$ 21.86	\$ 26.03	\$ 27.79
New Commercial Construction (millions)	\$ 14.39	\$ 1.79	\$ 2.19	\$ 3.24	\$ 6.53	\$ 11.34	\$ 6.14	\$ 0.85	\$ 5.20
New Industrial Constructions (millions)	\$ 1.18	\$ 0.56	\$ 2.77	\$ 5.20	\$ 0.55	\$ 4.24	\$ 14.95	\$ 6.79	\$ 11.69
Water/Sewer									
Customers Served	(a)	(a)	(a)	(a)	(a)	(a)	(a)	5,501	5,546
Water Cubic Feet Used (millions)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	51.35
Sewer Cubic Feet Processed (millions)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	45.06

Note: Information for 10 years prior was not available for all functions/programs. Additional information will be shown as it becomes available.

(a) Information not readily available.

Source: Various City of Aurora Department Records

TABLE 22

CITY OF AURORA, OHIO

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Security of Persons and Property										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	19
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Response Vehicles	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	13
Public Health and Welfare										
Cemeteries	3	3	3	3	3	3	3	3	3	3
Leisure Time Activities										
Park Acreage	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	1,490
Parks	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	12
Baseball/Softball Fields	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	14
Soccer Fields	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	13
Transportation										
Streets (paved miles)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	131.5
Water										
Water Mains (miles)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	53.2
Sewer										
Sanitary Sewers (miles)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	55.7

Note: Information for 10 years prior was not available for all functions/programs. Additional information will be shown as it becomes available.

(a) Information not readily available.

Source: Various City of Aurora Department Records

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Dave Yost • Auditor of State

CITY OF AURORA

PORTAGE 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
SEPTEMBER, 4 2018